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Once failed, pair offers luxury auto

Roman Motor duo recruits dealers

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

MIAMI — Two men at the center of last year's ill-fated attempt to sell Romanian-built cars in the United States have now teamed up to recruit dealers for a $70,000 French sports car.

Ole R. Spaten and John E. Trotman, key executives in a complex web of American and European firms that tried unsuccessfully to market cars as Roman Motor Corp. in 1986 and 1987, showed their new car and tried to recruit dealers at last week's South Florida Auto Show in Miami Beach.

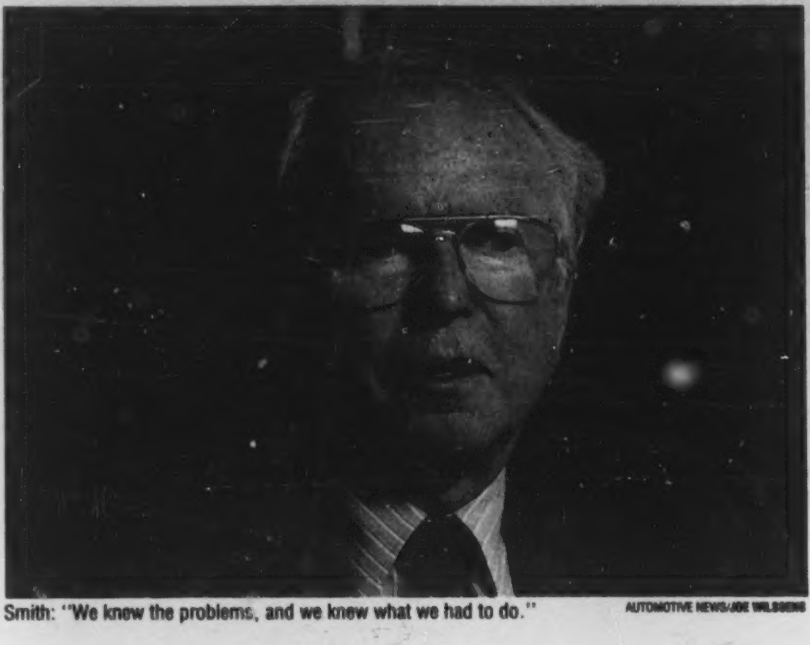
They are seeking $91,800 in cash and recommending $125,000 letters of credit from dealers who want to sell the Venturi, a hand-assembled product of Manufacture de Voiture de Sport, built in Cholet, France.

While only a few dealers showed up at the Miami presentation, Trotman, who had been president of Roman Motor and is now president of newly formed North American MVS, said he had four dealer applications in hand and another seven had been handed out.

"We are real pleased with the show," Trotman said. "We didn't have anybody who didn't fall in love with the car. Some of them have been driving the car, and that makes it even better."

Spaten, now chairman of North

see NEW CAR, page 5



Smith: "We knew the problems, and we knew what we had to do." AUTOMOTIVE NEWS/JOE WILSSENS

GM'S BACK?

Profits, products, players trigger talk of recovery

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — For two years, General Motors Chairman Roger B. Smith has sounded like a broken record:

GM — amid its massive revamping — is like a hockey team in the midst of player substitutions.

"I don't see many hockey teams scoring goals when they're making player changes," Smith has said repeatedly. But just wait until all the players take the ice.

It now appears that not only are GM's players on the ice, but they have scored their first goals in sales and profitability. However, the game is far from won.

GM's vehicle sales in October were up 16 percent compared with October 1987, and GM gained a point of car market share over last October. Inventories are low in some lines. Third-quarter profits set an industry record. Costs have fallen significantly. The company's U.S. car-market share has stabilized after a few years of steady decline. And quality has improved.

The consensus of GM watchers is that the worst is over. Yet they remain cautious.

GM continues to be the high-cost producer. Further plant closings are inevitable to cut costs. Market share is far short of GM's goal and past levels. Quality needs further improvement.

A stumble in the economy could set GM back as it introduces more new products in the next couple years than at any time in history.

And it's too early to tell what roughly $10 billion worth of investments in Saturn Corp., Electronic Data Systems and Hughes

see GM, page 56

Air quality fouls NUMMI truck plan

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

While Toyota Motor Co. says it will soon decide where it will build pickup trucks in the United States, the decision may in fact rest with a California air quality board.

Automotive News has learned an application submitted two months ago to the Bay Area Air Quality Management District, to build 200,000 trucks annually at New United Motor Manufacturing Inc., has been deemed incomplete and sent back to the manufacturer. NUMMI is a joint venture between Toyota and General Motors in Fremont, Calif. The addition of the truck would nearly double the plant's output.

The plan would resurrect a second line in the plant that has been unused since the two automakers revitalized the former GM facility in 1984. GM produced both cars and pickup trucks in Fremont before closing the plant in 1981.

The plant currently produces Toyota Corolla sedans and the new Geo Prizm sold by Chevrolet.

However, California's stringent regulations on air pollution control, coupled with a rising tide of "no-growth" public sentiment in the state, threatens to make the expansion proposal a battle of politics and legal maneuvering.

California law requires that industrial projects be approved by local air quality management agencies. Fremont, 50 miles from San Francisco, falls under the jurisdiction of the nine-county Bay Area Air Quality Management District, which has had the NUMMI application under review since September.

According to the agency, the application has been classified "incomplete" and returned to the company for further information.

The district is questioning NUMMI's approach to controlling paint shop emissions.

A NUMMI spokeswoman said the company's two partners were still discussing possibilities for where,

see NUMMI, page 4

Domestics spark Oct. sales gain

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

October car sales rose 4.36 percent over 1987 because of incentives, high consumer confidence levels and positive economic indicators.

Last October was virtually an incentive-free month. In the latter part of the month, the effects of Black Monday's stock market crash were being determined.

Domestic cars accounted for this year's increase; import sales were down in October.

Michael Luckey, New Jersey-based automotive analyst, predicted last week that 1988 car and truck sales may be the third highest ever, but he noted, "in the near-term there will be more incenti in-

Plymouth Laser sport coupe will be introduced initially in the California market in January 1989

Friends, partners, rivals

Diamond-Star fuels Chrysler-Mitsubishi sales battle

By Lindsay Chappell and Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTERS

NORMAL, Ill. — As Chrysler Corp. Chairman Lee Iacocca and Mitsubishi Motors Chairman Toyoo Tate dedicate the Diamond-Star plant Thursday and cars begin to roll out for their respective U.S. dealer networks, the two companies will be pitt per competition than ever be-

That competition will reach into Chrysler itself as that company's Jeep-Eagle dealers will later market both two-wheel-drive and four-wheel-drive versions of the Diamond-Star sport-specialty coupe, vying for allocation against Chrysler-Plymouth dealers who will sell 2wd Lasers.

The 1990-model coupe, called the Eagle Talon, will not be offered in a base version

see RIVALRY, page 55

Chrysler optimistic, eyes more minivans

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — The usually conservative Chrysler Motors has increased its U.S. vehicle sales forecast for the 1989 calendar year by 300,000 units, citing underlying strength in the economy.

In a wide-ranging interview, Chrysler Motors Chairman Gerald Greenwald also said that Chrysler is considering increasing production capacity for minivans because the company expects demand to exceed industrywide availability for several years.

Greenwald did not rule out the addition of a third minivan plant. However, the company is known to be considering other methods of boosting production, such as the three-crew approach.

Chrysler increased its industry sales forecast for 1989 because the factors that are sustaining strong fourth-quarter sales can be expected to continue into 1989, Greenwald said.

Chrysler is now basing its planning on a 1989 calendar-year sales forecast of 10.2 million cars and 5.1 million trucks, up from its previous forecast of 10.0 million cars and 5.0 million trucks.

see GREENWALD, page 55

Infiniti, Lexus on track with minimal defections Page 2

Accounting shift perils earnings Page 3

3 European makes turn to incentives Page 4

Accounting shift perils earnings

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

Sparks are expected to fly early next year when companies respond to a proposed accounting change regarding health benefits that could slash automakers' reported earnings by billions of dollars beginning in 1991.

Automakers would be among companies hardest hit by the change.

The proposal by the Financial Accounting Standards Board would require companies to report the cost of health-care benefits for retirees as those benefits are earned. Most companies don't set assets aside to cover those benefits.

Hardest hit would be "companies in mature industries who have either a large working population and/or a large retiree base receiving good benefits," said Jeff Bergeron, who is in charge of Arthur Andersen & Co.'s audit manufacturing practice.

"We're still trying to tote up the figures. (The accounting change) will cost us somewhere in the neighborhood of half a billion to three-quarters of a billion dollars at our current level of operations," said Chrysler Corp. Vice Chairman Robert S. Miller Jr.

"When the standard is implemented, that could be closer to a billion dollars of additional reported expense, though the underlying economics will remain the same," Miller said.

"Putting the liability for all those future health care benefits on the balance sheet — and the total amount, we think, equals or exceeds the current tangible net worth of the Big 3 auto companies — we may well have the entire industry end up with zero tangible net worth," said Miller.

"That will raise a question of our credit-worthiness," he said.

"But the overriding concern is that the social implications of making this change would be to place undue pressure on companies that provide good jobs with good benefits. It would provide an incentive to move to Canada where health care benefits are subsidized by the government. It would also be an investment incentive to foreign investors, whose accounting standards are taken care of by

see ACCOUNTING, page 6

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Ford's 3-year string of sellout launches — Taurus, Continental and Probe — is the best run Petersen can remember in his 40 years with the company

Kudos and caution

Petersen reviews Ford past, looks ahead

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — As would most any coach who has endured some dismal seasons, Donald Petersen knows the importance of keeping a streaking team on guard.

During an interview last week, the Ford Motor Co. chairman generously sprinkled his conversation with tributes to teamwork and the need for continuous improvement — two favorite themes at Ford these days. And he was careful to include a blend of back-patting and caution as he discussed Ford, the industry and the future.

For example:

- Ford's three-year string of sellout product launches — Taurus, Continental and Probe — is the best run he can remember in his 40 years with the company. Whether that continues is by no means certain; it is an "extremely important" question facing Ford.
- Ford has made huge strides in quality and other areas this decade. But that record won't be good enough. "There's far more to be mined than we've mined to date."
- He called Ford's partnership with Mazda the finest in the business. And though Ford also has formed links with Nissan and Volkswagen, it may well join forces with other companies in other ventures as it attempts to stay competitive in a global industry.
- General Motors — with its size, resources and people — will be a "formidable" competitor. But Ford will be out to prove that you don't have to be the biggest to be the best.

Petersen also offered peeks at various aspects of the future. Next year will be a good one for Ford and the industry. He predicted that Ford's transition to a new chairman in 1991 will be carried off with little more than a yawn. And he spoke enthusiastically about Ford's and the entire industry's potential through the 1990s and beyond.

"It's quite a race," he said of today's competitive automobile market. Customers "are receiving the benefits of this intense world-

see PETERSEN, page 57

Democrats attack dealer PAC outlays

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Charging that an import auto dealer political action committee has exceeded campaign spending limits in a Florida Senate race, a Democratic campaign committee asked the Federal Election Commission to pull the dealer ads off the air.

The Democratic Senatorial Campaign Committee characterized spending by the Automobile Dealers and Drivers for Free Trade PAC as "blatantly partisan" and accused it of hurting the chances of Democratic Senate candidates in Florida and four other states.

The campaign committee was expected to seek an injunction in a Florida court against the ads.

Frank Glacken, executive director of Auto Dealers and Drivers for Free Trade termed the charges "a political nuisance. The Democrats have been trying to intimidate us all week. What we have are a couple of close Senate races where our ads have been making a difference. We have closed up the race in Nevada and Florida and the Democrats don't like it. Now they are trying to take away our First Amendment rights."

Tom Nemet, a Jamaica, N.Y., car dealer and chairman of the import dealer PAC, used stronger language. "If the Democrats get a friendly judge to take our ads off the air in Florida, we are prepared to go directly to court," he said. "There is no way the FEC is going to side with them."

Nemet said Auto Dealers and Drivers for Free Trade "is a completely bipartisan organization. We have an issue, and that issue is free trade. We support candidates that support our issue."

Nemet estimated his group will have spent $1.5 million in direct campaign contributions, $1.6 million in independent expenditures and another $200,000 in "get-out-the-vote" drives by the time the 1988 election is over. He added his group may have spent an additional $500,000 on advertising in Florida over the weekend because "the Florida dealers are pissed about this and they want us to put more money in there."

According to Federal Election Commission records, Automobile Dealers and Drivers for Free Trade is an independent political action committee, not affiliated with any other dealer organization.

The Democrats charge the PAC violated an election law that allows expenditures of over $5,000 by a political action committee only if the expenditures are "made independently of the beneficiary and its agents." The complaint alleges that the dealer PAC and Republican Connie Mack's campaign used the same media buyer and direct-mail consultant to spend $300,000 in dealer campaign money.

"These shared agents present a presumption of coordination and would mean that the efforts of the foreign car dealers violate the test of independence," the Senate Democratic Campaign Committee said.

Answering the charge in a prepared statement, Nemet said, "We have consulted with our lawyers at every step and have scrupulously honored the law in every respect.

"The DSCC's action is nothing more than a politically charged effort by Democratic political bosses in Washington to intimidate us. It won't work. In fact, we may well increase our expenditures to help elect Republicans who understand the importance of free trade to our nation's prosperity."

Bob Chlopak, executive director of the Democratic Senatorial Campaign Committee, accused the import dealers of "making vast so-called independent expenditures, as much as $1 million, to elect Republican Senate candidates in five states, all of which have close Senate races. The states are California, Florida, Mississippi, Nevada and Wyoming."

Chlopak said the dealer PAC was engaged in a "massive and systematic campaign . . . to influence the outcome of close Senate races in a blatantly partisan manner." As a result of that activity, Chlopak said, "their claims of independence invite skepticism and disbelief."

Nemet disputed Chlopak's characterization, saying Auto Dealers and Drivers for Free Trade had used media buyers that are established dealer advertising firms in each state. He said dealers are well-versed in marketing practices and the PAC's activities reflect that.

Nemet also said Auto Dealers and Drivers for Free Trade had decided last week to pull ads in California "because Pete Wilson (the Republican senator up for re-election in California) is doing so well he doesn't need our help."

Don't ignore rest of world, U.S. makers told

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

LAS VEGAS, Nev. — No matter how good you think you are, there will come a day when someone will beat you, whether in business or in auto racing.

Former Formula One racing champion Jackie Stewart, speaking in his role as a consultant to Ford Motor Co., told attendees at the Specialty Equipment Market Association/Auto Internacional Association show that American cars and components are better than ever — in many cases better than the foreign competition.

But if manufacturers avoid the long-term view and ignore international markets, they run the risk of failure.

The European motor industry, Stewart said, is at risk of becoming overconfident, but the Japanese and other countries are still hungry and creative, Stewart said.

The American motor industry, he said, has a new vitality and no longer builds "the overweight, over-embellished motorcars that handled like pregnant elephants." But a lack of an international view, Stewart warned, may hurt American manufacturing in the long term.

"If you don't go out and sell your products in other markets, someone else will," he said. "The motor industry is fantastically vital in every country. Every country potentially needs what you have to sell. There are enthusiasts in every corner of the world. Wherever a wheel turns, there is a race or rally, a hill climb, a drag race or a street race taking place. The market is there. The demand is for quality."

Ford was the featured manufacturer at the show, which attracted 1,013 companies selling mostly performance-oriented automotive components for domestic and import cars.

Also at the SEMA show, Chevrolet introduced its NASCAR Winston Cup racing version of the Chevrolet Lumina coupe. The Lumina racer will be allowed to race in May 1989 when production versions of the GM10 coupe become available for sale at dealerships, according to Herb Fishel, director of Chevrolet special products. The first race of the year is the Daytona 500 in February, and racers will have to use the old Monte Carlo style body until May.

The Lumina sedan is scheduled to be available for sale in late January, Chevrolet said.

Although Lumina prices have not been officially set, a Chevrolet engineer said plans call for the base coupe and four-door sedan to be priced the same, at $200 below the base Ford Taurus, which currently is $11,778.

The Lumina will also be offered in an uplevel Eurosport version, the engineer said.

The Lumina sedan, he noted, is 10 inches longer than the Taurus and six inches longer than other GM10 models.

General Motors service parts operations announced it will distribute performance parts from all GM divisions under the GM Performance Parts logo from a new catalog.

"In addition, some groups of these parts and accessories will be made available to the aftermarket through our traditional and retail distribution channels," said Richard J. Sherman, general director of U.S. service parts operations sales and marketing.

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Orange County Auto Auction, Inc., P.O. Box 560129, Orlando, Florida 32856. Wednesday, 6 PM Sharp. 305-843-2154. Fleet & Lease - Contact: Brian Fackler.

INDIANA

Indianapolis Auto Auction, 317-298-9700. Sale every Thur., 11:00. GMAC, Bank One repos, major fleet lease, trucks & imports. GM-Ford-Chrysler Factory Sales monthly.

KENTUCKY

Mt. Sterling Auto Auction. 48 state pickup for fleet and lease customers. Mt. Sterling, Kentucky. 606-498-1414.

KENTUCKY

Bowling Green Auto Auction, P.O. Box 416, Bowling Green, Ky. 42101. 502-781-2422. Sale every Weds. 5 lanes. Hottest sale in Ky. Servicing Fleet & Lease. 800-888-2423

MAINE

M.A.D.E. Auto Auction, Exit 11 Maine Turnpike, Gray, Maine. 4-lane, sale Tues. at noon, Weds. to 7 PM. Fleet-lease-pickup recon for N.E.A. J.C. Heim, 207-657-2000.

MASSACHUSETTS

American Auto Auction, 600 Providence Hwy., Walpole, Mass. 02081. Sale every Tuesday, 11 A.M. 617-329-4955.

MASSACHUSETTS

Concord Auto Auction, Rt. 2, P.O. Box 257, Acton, Mass. 01720. Fleet & Lease accounts. Ford Factory Sale. Sale every Friday, 10 A.M. 617-263-8300.

MINNESOTA

WEDNESDAY 11 A.M. SALE DAY

Nov. 9—10 A.M.—Chrysler Factory Sale followed by Chrysler Credit. 11 A.M. — Ford Motor Credit, Trucks.
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11 A.M. — Ford Motor Credit, Trucks & Imports. Regular Dealer Consignments.

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NEW YORK

Tri-State Auto Auction, Inc., Route 31, Cicero, NY. Located in Central New York. Auction every Wednesday. Full re-con facility. (315) 699-2792.

NEW YORK

Newburgh Auto Auction, Rte. 17K, P.O. Box 2426, Newburgh, NY. 914-562-0700. Every Wednesday, 10:30 AM sharp. Serving the entire New York and Northeast area.

NORTH CAROLINA

Aycock Auto Auction, I95 & S. Bagley Rd., Kenly, NC 27542. Sale every Monday 11 AM. We service fleet & lease. Reconditioned facility. Kenneth Aycock, 919-284-4052.

OHIO

Ohio Auto Auction. The Tuesday sale. 3905 Jackson Pike, Columbus, Ohio. Call: 614-871-2771

OHIO

Wednesday Auto Auction. Exit 49 on I-270. Columbus, Ohio. Every Wednesday. Call: Area 614-497-2000.

OHIO

Cincinnati Auto Auction — FMCC; IOA; GMAC;182 banks;flt & lease;repos;trnspt & full recon; Thursday 11AM. 800-433-5019 (Nat'l)-800-642-7319(Ohio)-513-874-9310.

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Contact: Chip or Stan, 717-697-2222
P.O. Box 368, Mechanicsburg, Pa. 17055

PENNSYLVANIA

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SOUTH CAROLINA

Clanton's Auto Auction, P.O. Box 51, Darlington, South Carolina, 803-393-2861. Sale every Thurs., Regular Consignment, 11 a.m. & Early Bird, 9 a.m. (repos & lease units).

SOUTH CAROLINA

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TENNESSEE

Memphis Auto Auction, 2650 Mt. Moriah Rd, Memphis, Tenn. 38115. 901-794-7700. Sale every Tuesday at 11 AM. Mid-South's newest auto auction.

TEXAS

Fort Worth Auto Auction (div. of GECAA), 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Thursday. Contact: George Horton, 817-626-5494.

TEXAS

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AUCTION DATES

Chrysler Motors

Nov. 8 — Florida Auto Auction of Orlando, Ocoee, Fla.; American Auto Auction, Walpole, Mass.; Denver Auto Auction, Aurora, Colo.; Nashville Auto Auction, Nashville, Tenn.; South Seattle Auto Auction, Kent, Wash.; Golden Gate Auto Auction, Fremont, Calif.; and Hatfield Auto Auction, Hatfield, Pa.

Used Car Sales
Auction Averages

October 88	$5,748
Month ago	$5,757
Year ago	$5,981

Ford Motor Co.

Nov. 8 — Concord Auto Auction, Acton, Mass.; Aptco Auto Auction, Taylor, Mich.; and Lakeland Auto Auction, Lakeland, Fla.

Nov. 9 — Concord Auto Auction, Acton, Mass.; Aptco Auto Auction, Taylor, Mich.

Model Breakdown
Auction Averages

	OCT. 1988	SEPT. 1988	AUGUST 1988
1988 ...	$9,863	$9,772	$12,473
1987 ...	$7,759	$7,564	$7,919
1986 ...	$6,495	$6,816	$6,891
1985 ...	$5,696	$5,593	$5,819
1984 ...	$4,206	$4,177	$4,366
1983 ...	$3,258	$3,558	$3,583
1982 ...	$2,633	$2,535	$2,479
1981 ...	$1,882	$1,743	$1,887
Overall Average	$5,748	$5,757	$6,019

TEXAS

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Houston (713) 890-4300
A Manheim Auction

TEXAS

San Antonio Auto Auction (div. of GECAA), 1500 Ackerman Rd., San Antonio, Texas 78219. Sale every Weds. Contact: Frank Post or Michael Milikien, 512-661-4200.

TEXAS

Austin Auto Auction, 740 Bastrop Hwy, Austin TX 78741. Sale every Wed 7 pm. Lease/fleet accts, bank repos welcome. New & growing fast. Tom Swanson 512-385-2277.

WASHINGTON

So. Seattle Auto Auction. The lease & Fleet Specialists. Tom Chase, 1-800-872-6800. P.O. Box 5160, Kent, Washington 98064.

WISCONSIN

Metro Milwaukee Auto Auction. Sale every Wednesday. FMC, GMAC, all leasing. 414-835-4436, Caledonia, Wisconsin.

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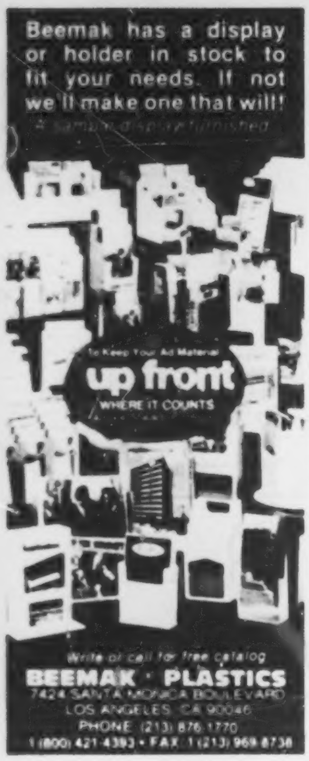
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Circle ReaderService #33

B-O-C cuts cost $1,300 a car; goal is $2,230

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

FLINT, Mich. — General Motors' Buick-Oldsmobile-Cadillac Group has slashed more than $1,300 from the cost of building each car.

J.T. Battenberg III, who was named B-O-C group executive in July, said that since 1986, the group has reached nearly 60 percent of its goal of cutting $2,230 of cost from each car it builds, putting the group ahead of schedule for meeting its 1990 deadline.

Battenberg said B-O-C has identified areas that will account for more than half of the remainder of the cut, and those cuts will be implemented in the next year.

"The job is not finished yet," Battenberg said. "It's going to be very challenging, but we feel confident that we not only can, but must, accomplish it."

Battenberg expects Attachment C of the UAW contract with GM to help B-O-C make further progress in cost and quality. Attachment C requires that plant management and local union representatives devise detailed plans for making their plant competitive in every aspect.

"They are very comprehensive, covering the whole business of the plants — from productivity, quality, enhancement of the product to the future of the organization," Battenberg said.

Battenberg and Donald Ephlin, UAW vice president in charge of the GM department, have reviewed the plans from B-O-C's 10 assembly plants and 26 manufacturing facilities. Once they are approved, implementation begins.

"There will be a continuous process of review by the UAW and management over time," Battenberg said. "We'll just continue to work through that process until we obtain the world-class standards and objectives we've established."

Each manufacturing and engineering division within B-O-C has a specific dollar goal for cutting costs; the $2,230 is an average for the four manufacturing divisions.

For example, the Flint automotive division, which Battenberg headed until his promotion in July, has attained about 60 percent of its goal of cutting $2,500 per vehicle and has identified 80 percent to 90 percent of the remainder. The Flint division produces C- and H-cars at assembly plants in Orion Township, Ypsilanti (Willow Run), and Flint (Buick City), all in Michigan; and in Wentzville, Mo.

AUTOMOTIVE NEWS/JOE WILSSENS

Battenberg: "We're setting new records each month with our customer satisfaction index"

The C-cars are Buick Electra, Cadillac DeVille and Fleetwood and Oldsmobile 98. The H-cars are Pontiac Bonneville, Oldsmobile Delta 88 and Buick LeSabre.

The Lansing automotive division, meanwhile, is halfway to its goal of cutting $1,800 from each car it produces. The division produces J- and N-cars at plants in Lansing, Mich.; Lordstown, Ohio; and Janesville, Wis.

The J-cars are Chevrolet Cavalier, Pontiac Sunbird and Buick Skyhawk. The N-cars are Pontiac Grand Am, Buick Skylark and Oldsmobile Cutlass Calais.

The B-O-C powertrain division and Cadillac, which operates both the Reatta Craft Centre in Lansing and the Detroit-Hamtramck plant, where GM's luxury cars are made, also have goals, but they have not been revealed publicly.

While cutting costs, B-O-C has boosted quality dramatically, Battenberg said. Internal audits show monthly improvement, he said. Cars produced at the Buick City complex in Flint have topped the quality list, even surpassing cars built at the GM-Toyota joint-venture plant, New United Motor Manufacturing Inc., which traditionally maintained the No. 1 ranking.

"We're setting new records each month with our customer satisfaction index," Battenberg said. "We've been seeing the improvements; now we're seeing the hard facts to support them."

Public perception of the improved quality has yet to catch up with reality, Battenberg said. However, he sees that changing.

"We are seeing the critics finally beginning to say we were right," he said. "We knew our products were improving. Now it's beginning to be documented."

Battenberg points with particular satisfaction to the most recent survey by J.D. Power and Associates of Agoura Hills, Calif. Power's highly publicized quality and customer satisfaction surveys had been a frequent reminder of GM's failings with customers.

But a Power survey published in September ranked Cadillac, Buick and Oldsmobile seventh, eighth and ninth, respectively, in product quality. The three surpassed Honda, which fell to 10th place, and were the only domestic nameplates among the top 10.

Battenberg said work on the Attachment C plans has been beneficial beyond quality and cost improvement.

"If nothing else, they've allowed everyone to talk on a common plane about the business and the degree of difficulty the business is going to face in the future," he said. "It's no longer speculative or subjective; it's objective. It reduces the business to meaningful, quantitative elements."

Through the process, the union has become a true partner in the business, he said. A UAW representative attends Battenberg's monthly staff meetings, for example.

"The whole way to run a business has changed," he said. "They are invited to participate in discussions and debate that surround the business."

Battenberg admits it is difficult for some managers to accept that new role for workers.

"It's very difficult for those who are authoritative in their style and are not used to sharing or who are not willing to use participative management," he said. "We're trying to sort those people out."

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Circle ReaderService #36

September sales rise 7% for Big 3 cars in Canada

Despite continuing predictions of a slowdown in Canadian car sales, the Big 3 posted a combined increase for September and the year-to-date period.

Big 3 car sales were up 7.19 percent for the month and 2.43 percent for January-September, compared with a year ago.

Also, total sales of domestic and imported cars and trucks rose 2.31 percent for the month and 2.90 percent for January-September.

Chrysler posted the largest car-sales gain for the month with a healthy 21.34 percent rise in its North American-built cars.

Fourteen of the 18 import car makes suffered sales declines in September. Yet, three of the importers that showed gains posted significant increases: Chrysler's imports were up 38.68 percent; Toyota, 24.02 percent; and Honda, 22.62 percent.

Among the losers in import sales, GM was down the most on both a unit and percentage basis, plummeting 59.66 percent. The decline was due largely to the expiration of a Chevrolet Sprint/Pontiac Firefly incentive program. GM's year-to-date import sales, however, were 15.55 percent ahead of 1987.

Other losers were Suzuki, down 50.98 percent for the month; Volkswagen, 36.98 percent; Subaru, 35.64 percent; Ford, 32.03 percent; and Hyundai, 29.01 percent.

Overall, sales of North American-built cars, including Honda and Volvo, increased 9.10 percent for September and 2.93 percent year-to-date. Import sales slipped 13.81 percent compared with September 1987, and 5.74 percent compared with the first nine months of 1987.

Total car sales were virtually identical to last year's figures, both for September and for ninemonths. Sales were down a miniscule 0.47 percent for September but up 0.06 percent for the year.

Total domestic and import truck sales were up a healthy 9.11 percent for the month and 8.01 percent for the year.

Domestic-truck sales continued to boom, led by Chrysler on both a unit and percentage basis. Chrysler was up 21.23 percent for September and 47.58 percent year-to-date. September was Chrysler's 19th consecutive record month.

Ford was up 6.91 percent for the month, and GM, with its best September truck month in nine years, rose 6.22 percent.

Import-truck sales were mixed, with four of eight importers reporting higher sales. Among the volume truck importers, Nissan gained 14.00 percent for September but was down 8.46 percent for the nine-month period. Toyota's sales were down 13.26 percent for September and 4.52 percent year-to-date.

CANADIAN CAR AND TRUCK SALES

Domestic cars	Sept. 1988	Sept. 1987	9 mos., 1988	9 mos., 1987
General Motors	22,975	22,328	270,736	269,971
Ford	13,599	12,982	151,613	145,421
Chrysler	11,015	9,078	118,185	112,295
Honda	2,386	1,463	12,084	8,786
Volvo	263	196	1,937	1,831
Domestic car total	50,238	46,047	554,555	538,303
Import cars				
Toyota	7,192	5,700	55,295	52,129
Honda	4,418	3,603	46,836	46,197
Hyundai	2,912	4,102	24,177	40,110
Nissan	2,667	2,852	23,060	27,522
Volkswagen	2,624	4,164	27,516	30,941
Mazda	2,233	2,806	22,531	20,368
General Motors	1,715	4,251	21,761	18,832
Chrysler	1,391	1,003	5,540	5,037
Subaru	838	1,302	6,094	6,567
Ford	732	1,077	5,258	7,997
Volvo	337	369	2,958	4,301
BMW	435	449	3,865	3,758
Mercedes-Benz	335	344	3,370	3,462
Suzuki	225	459	5,903	2,445
Jaguar	185	175	1,666	2,098
Saab	100	112	1,064	1,251
Lada	76	99	798	968
Skoda	27	56	292	500
Import car total	28,482	33,612	258,343	274,084
TOTAL — ALL CARS	78,690	79,659	812,898	812,387
Domestic trucks (including vans)				
GM	11,811	11,119	259,572	258,764
Ford	10,763	10,067	113,439	105,379
Chrysler	8,464	6,982	86,455	58,582
Domestic truck total	31,038	28,168	459,466	422,725
Import trucks (including vans)				
Nissan	1,330	1,166	11,689	12,769
Toyota	1,249	1,440	10,661	11,166
Mazda	774	825	8,755	6,100
Suzuki	402	257	4,053	2,425
GM	276	47	1,139	370
Chrysler	[illegible]	326	2,374	2,751
Volkswagen	22	[illegible]	[illegible]	1,047
Lada	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DOMESTIC CAR SALES

	Oct. 21, to Oct. 31, 1988	Same Period, 1987	Oct. 1988	Same Month, 1987	Jan. 1 to Oct. 31, 1988	Same Period, 1987
Alliance	0	472	0	1,371	4,418	21,954
Eagle	0	234	0	522	1,392	3,567
Premier	1,535	0	4,248	0	33,934	0
Total Eagle	1,535	706	4,248	1,893	39,744	25,521
Horizon	1,674	1,012	4,863	1,893	54,213	41,577
Sundance	2,887	2,293	7,859	5,104	74,271	65,542
Turismo	0	151	0	536	1,115	16,425
Reliant	3,215	4,237	9,567	10,516	96,584	85,402
Caravelle	130	960	431	2,587	12,511	31,158
Gran Fury	348	296	806	720	11,441	6,671
Total Plymouth	8,254	8,949	23,526	21,358	250,135	245,894
Laser	0	0	0	0	0	4,308
LeBaron K	202	1,469	679	3,582	19,579	48,678
LeBaron J	2,640	4,006	6,173	10,229	85,015	70,002
LeBaron GTS	270	648	910	1,584	14,045	26,964
Fifth Avenue	655	3,295	1,856	7,902	32,756	47,525
New Yorker C	3,021	825	8,156	1,422	64,473	1,517
New Yorker E	49	1,109	86	2,637	14,467	45,925
Total Chrysler	6,837	11,352	17,860	27,356	230,335	244,919
Omni	1,752	883	4,787	1,645	52,306	32,984
Shadow	3,310	2,549	8,382	5,421	77,373	65,961
Charger	0	144	0	505	1,022	17,570
Daytona	1,610	1,563	4,870	3,792	63,567	33,279
Aries	3,608	4,202	10,199	9,678	87,392	80,371
Lancer	198	286	784	883	9,291	19,935
Diplomat	460	527	1,350	1,253	17,923	10,633
Dynasty	2,878	240	7,877	468	63,066	501
Dodge 600	106	1,335	490	3,109	11,489	30,569
Total Dodge	13,912	11,729	38,739	26,754	383,431	291,803
CHRYSLER MOTORS	30,538	32,736	84,373	77,359	903,645	808,137
Escort	11,144	12,267	33,884	29,966	328,494	335,606
Mustang	4,462	5,099	12,701	13,458	146,332	149,090
Tempo	7,588	4,284	25,041	9,776	241,737	181,220
Taurus	10,582	9,779	28,145	21,572	315,062	296,133
Thunderbird	1,995	4,086	6,072	10,912	103,434	113,541
Probe	4,145	0	11,596	0	57,243	0
Crown Victoria	2,990	3,648	9,513	9,545	97,596	101,128
Total Ford Div.	42,906	39,163	126,952	95,229	1,289,896	1,176,718
Lynx/Tracer	1,796	2,002	4,687	4,818	50,971	59,195
Topaz	2,911	1,336	8,258	3,238	76,687	53,657
Sable	3,270	3,310	8,112	8,036	101,680	86,970
Cougar	1,333	3,194	4,436	7,684	91,402	96,248
Marquis	0	0	0	0	0	2,510
Grand Marquis	3,718	3,936	10,340	10,444	98,056	96,830
Total Mercury	13,028	13,778	35,833	34,220	418,776	395,410
Continental	2,168	116	4,769	387	35,501	10,521
Lincoln	2,944	5,376	10,100	12,078	103,090	104,435
Mark VII	837	1,069	2,249	2,585	18,538	22,809
Total Lincoln	5,949	6,561	17,118	15,050	157,129	137,765
Total L-M Division	18,977	20,339	52,951	49,270	575,905	533,175
FORD MOTOR CO.	61,883	59,502	179,903	144,499	1,865,803	1,709,893
Skyhawk	786	1,372	1,975	3,080	22,682	33,006
Somerset/Skylark	1,256	1,470	3,589	3,961	50,853	59,888
Century	4,807	4,565	12,512	10,335	106,952	130,342
Regal	3,441	3,214	9,776	7,032	105,022	46,897
LeSabre	3,765	3,577	10,706	9,702	119,434	122,400
Reatta	233	0	635	0	3,394	0
Electra	2,347	2,182	6,813	6,183	71,897	66,188
Riviera	595	497	1,438	870	8,337	14,715
Total Buick	17,230	16,877	47,446	41,163	488,571	473,438
Cimarron	92	241	286	649	5,419	11,152
Allante	55	115	161	242	2,797	1,893
Seville	768	863	1,900	1,694	17,908	17,556
DeVille	4,124	6,712	13,961	13,776	126,101	126,765
Brougham	1,051	1,805	3,120	6,974	39,547	48,241
Eldorado	941	817	2,460	1,603	25,762	16,861
Total Cadillac	7,031	10,553	21,888	24,938	217,534	222,468
Chevette	0	41	0	140	205	16,762
Nova	1,050	2,118	5,031	5,722	89,776	127,269
Cavalier	7,753	8,236	24,386	19,823	254,811	255,457
Camaro	2,690	2,578	7,542	6,378	82,257	104,800
Celebrity	5,997	9,070	17,679	23,995	210,629	264,824
Corsica/Beretta	7,826	6,096	22,888	15,929	330,315	182,107
Monte Carlo	249	2,295	920	6,179	27,571	54,619
Caprice	5,364	4,722	15,180	11,219	143,713	151,523
Corvette	626	1,016	1,735	2,644	20,186	21,107
Total Chevrolet	31,555	36,172	95,371	92,029	1,159,463	1,178,468
Firenza	84	535	273	1,649	8,215	15,061
Calais	2,822	2,908	7,513	6,797	89,312	89,647
Cutlass Ciera	6,338	6,663	18,206	15,950	205,807	214,574
Cutlass Supreme	2,959	2,762	10,300	6,062	95,533	83,486
Olds 88	4,388	4,313	12,395	11,408	136,541	148,175
Olds 98	1,951	2,313	5,377	6,305	62,179	59,667
Toronado	300	502	967	1,028	13,252	14,357
Total Oldsmobile	18,842	20,096	55,031	49,199	610,839	624,937
Fiero	239	815	1,183	1,789	22,768	37,920
Pontiac 1000	0	35	0	105	154	4,720
Sunbird	2,818	1,842	8,027	4,008	71,767	68,897
Firebird	1,416	1,609	4,233	3,949	50,613	65,060
Grand Am	7,185	7,665	19,100	20,387	182,720	182,761
Pontiac 6000	2,599	3,971	7,556	9,672	82,664	102,150
Grand Prix	3,026	372	9,595	908	84,014	12,429
Bonneville H	2,734	3,491	8,173	8,437	91,885	84,372
Paris./Safari	153	279	494	734	5,882	8,811
Total Pontiac	20,170	20,079	58,361	49,989	602,487	567,120
GENERAL MOTORS	94,828	103,777	278,097	257,318	3,078,894	3,066,431
HONDA	14,354	14,662	32,713	28,046	310,597	262,513
Civic	6,373	1,348	13,299	2,063	98,692	73,164
Accord	7,981	13,314	19,414	25,983	211,905	189,349
MAZDA	1,854	158	3,153	158	26,193	158
NISSAN	2,573	3,531	5,618	8,188	97,576	109,307
TOYOTA	3,937	2,200	5,958	4,119	51,208	34,146
VOLKSWAGEN*	0	2,241	0	4,189	24,939	54,033
DOMESTIC TOTAL	209,967	218,807	589,815	523,876	6,358,855	6,044,618
IMPORT TOTAL			242,448	273,624	2,565,003	2,610,148
INDUSTRY TOTAL			832,263	797,500	8,923,858	8,654,766

*—U.S.-built Volkswagen models sold after June 30, 1988, are included in import totals.

FROM PAGE 1

cluding General Motors, have geared-up fourth quarter production schedules.

Dealers surveyed had a variety of viewpoints. Some were worried about their inventories. "Sales are fabulous, but our inventory is really low," said David Lee, general sales manager for Golden Oldsmobile, Port Richey, Fla.

Sales and inventories were off sharply in October for Fairfax Chrysler-Plymouth, Fairfax, Va., according to Tony Cueva, sales manager. And at Santa Monica (Calif.) Ford, owner and general manager Bob Karlin said he had about a 90-day supply but inventory was uneven and he needed more Mustangs and Probes.

MARKET SHARES, OCT. 1988

	Total Sales	Pct. of Total
SUBCOMPACT	78,127	9.39
COMPACT	174,667	20.99
INTERMEDIATE	223,121	26.80
STANDARD	110,186	13.24
SPECIALITY	3,714	0.45
IMPORT	242,448	29.13
TOTAL	832,263	100.00

In October, new domestic and imported car deliveries rose 4.36 percent to 832,263 from 797,500 sold in October 1987.

Sales of U.S.-built cars climbed 12.59 percent to 589,815 compared with last year's 523,876. Six of the seven domestic carmakers reported gains. Nissan was the only loser.

Import-car sales were the inverse of domestic deliveries in October. They fell 11.39 percent to 242,448, compared with 273,624 a year ago.

The Big 3's share of the U.S. car market rose 5.22 percentage points in October. With their captives, they took 68.75 percent of the market compared with 63.53 in October 1987.

General Motors' share including captives climbed a point to 34.97 percent compared with 33.97 percent a year ago. Ford gained 3.75 percentage points to 22.42 vs. 18.67 percent in 1987. Chrysler Motors' share with captives rose to 11.36 percent vs. 10.91 percent in 1987.

Foreign carmakers' share dropped to 31.25 percent in October compared with 36.47 percent last year. The Japanese import share slipped 3.44 percentage points to 23.92 percent from 27.36 percent a year ago. European carmakers' share dipped 1.13 points to 5.38 percent from 6.51 percent and the Korean share edged down about half a point.

October began with two upbeat 10-day domestic sales periods and an overall gain of 24.51 percent. But in the final 10-day period, U.S.-built car sales slipped 4.04 percent.

For the month, the Big 3 reported healthy increases in deliveries of domestic cars.

Ford's U.S.-built car deliveries surged 24.50 percent; Chrysler's rose 9.07 percent and GM's were up 8.08 percent.

Transplants Toyota, Honda and Mazda also reported solid gains in October. Toyota sold 44.65 percent more U.S.-built cars than it did last year; Honda was up 16.64 percent; and Mazda increased its domestic deliveries nearly 20-fold. Last October, it was just starting to sell cars made in the United States.

Among the imports, Honda's upscale Acura Division sales were virtually flat, and deliveries of Honda's imported Civics and Accords dropped 28.34 percent.

IMPORTED CAR SALES

	Oct. 1988	Oct. 1987	10 Mos., 1988	10 Mos., 1987
Acura	10,101	10,024	108,333	90,291
Alfa Romeo	222	492	3,885	5,496
Audi	1,947	1,944	20,282	37,183
BMW	6,262	7,403	59,548	74,804
Chevrolet	6,852	10,327	101,316	113,964
Chrysler	691	767	8,863	10,002
Daihatsu	1,017	0	9,583	0
Dodge	3,858	4,135	45,640	50,478
Ford	4,799	3,400	58,265	19,814
Eagle	2,275	1,260	14,710	10,753
Honda	23,972	33,453	211,893	244,381
Hyundai	16,232	20,714	225,198	226,191
Isuzu	1,539	2,472	21,399	33,075
Jaguar	1,849	1,970	16,762	18,310
Maserati	42	75	691	769
Mazda	16,405	20,368	190,928	169,113
Mercedes-Benz	6,671	7,609	70,576	75,408
Mercury	1,898	1,015	13,670	12,820
Mitsubishi	4,827	5,193	60,100	58,086
Nissan	20,803	33,094	295,818	348,493
Peugeot	574	615	5,668	7,595
Plymouth	3,367	3,522	40,830	45,553
Pontiac	6,039	3,042	52,094	29,990
Porsche	1,033	1,480	13,494	20,793
Saab	2,843	3,902	32,702	39,037
Sterling	600	1,433	8,092	12,215
Subaru	15,194	17,745	131,614	147,114
Suzuki	16	0	16	0
Toyota	57,797	55,361	505,625	459,876
Volkswagen	12,637	10,765	124,637	109,750
Volvo	8,080	6,438	84,759	96,036
Yugo	2,006	3,606	28,012	42,768
TOTAL	242,448	273,624	2,565,003	2,610,148

*—Volkswagen totals include U.S.-built models sold after June 30, 1988.

Sales charts compiled by Karen [illegible]

U.S. CAR SALES BY MARKETING UNITS

	Oct. 1988	Percent Share	Oct. 1987	Percent Share	10 Mos., 1988	Percent Share	10 Mos., 1987	Percent Share
Alfa Romeo	222	0.03	492	0.06	3,385	0.04	5,496	0.06
American Honda	66,786	8.02	71,523	8.97	630,823	7.07	597,185	6.90
BMW	6,262	0.75	7,403	0.93	59,548	0.67	74,804	0.86
Buick	47,446	5.70	41,163	5.16	488,571	5.47	473,438	5.47
Cadillac	21,888	2.63	24,938	3.13	217,534	2.44	222,468	2.57
Chevrolet	102,223	12.28	102,356	12.83	1,260,779	14.13	1,292,432	14.93
Chrysler	18,551	2.23	28,123	3.53	239,198	2.68	254,921	2.95
Daihatsu	1,017	0.12	0	0.00	9,583	0.11	0	0.00
Dodge	42,597	5.12	30,889	3.87	429,071	4.81	342,281	3.95
Eagle	6,523	0.78	3,153	0.40	54,454	0.61	36,274	0.42
Ford	131,751	15.83	98,629	12.37	1,348,163	15.11	1,196,532	13.83
Hyundai	16,232	1.95	20,714	2.60	225,198	2.52	226,191	2.61
Isuzu	1,539	0.18	2,472	0.31	21,399	0.24	33,075	0.38
Jaguar	1,849	0.22	1,970	0.25	16,762	0.19	18,310	0.21
Lincoln	17,118	2.06	15,050	1.89	157,129	1.76	137,765	1.59
Maserati	42	0.01	75	0.01	691	0.01	769	0.01
Mazda	19,558	2.35	20,526	2.57	217,121	2.43	169,271	1.96
Mercedes	6,671	0.80	7,609	0.95	70,576	0.79	75,408	0.87
Mercury	37,731	4.53	35,235	4.42	432,446	4.85	408,230	4.72
Mitsubishi	4,827	0.58	5,193	0.65	60,100	0.67	58,086	0.67
Nissan	26,421	3.17	41,282	5.18	393,394	4.41	457,790	5.29
Oldsmobile	55,031	6.61	49,199	6.17	610,839	6.85	624,937	7.22
Peugeot	574	0.07	615	0.08	5,668	0.06	7,595	0.09
Plymouth	26,893	3.23	24,878	3.12	290,965	3.26	291,447	3.37
Pontiac	64,400	7.74	53,031	6.65	654,581	7.34	597,110	6.90
Porsche	1,033	0.12	1,480	0.19	13,494	0.15	20,793	0.24
Saab	2,843	0.34	3,902	0.49	32,702	0.37	39,037	0.45
Sterling	600	0.07	1,433	0.18	8,092	0.09	12,215	0.14
Subaru	15,194	1.83	17,745	2.23	131,614	1.47	147,114	1.70
Suzuki	16	0.00	0	0.00	16	0.00	0	0.00
Toyota	63,755	7.66	59,480	7.46	556,833	6.24	494,022	5.71
Volvo	8,080	0.97	6,438	0.81	84,759	0.95	96,036	1.11
VWoA	14,584	1.75	16,898	2.12	169,858	1.90	200,966	2.32
Yugo	2,006	0.24	3,606	0.45	28,012	0.31	42,768	0.49
TOTAL	832,263	100.00	797,500	100.00	8,923,858	100.00	8,654,766	100.00
TOTAL GM	290,988	34.97	270,687	33.95	3,232,304	36.22	3,210,385	37.09
TOTAL FORD	186,600	22.42	148,914	18.67	1,937,738	21.71	1,742,527	20.13
TOTAL CHRYSLER	94,564	11.36	87,043	10.91	1,013,688	11.36	924,923	10.69
TOTAL JAPANESE	199,113	23.92	218,221	27.36	2,020,883	22.65	1,956,543	22.61
TOTAL EUROPEAN	44,766	5.38	51,921	6.51	494,047	5.54	594,197	6.87
TOTAL KOREAN	16,232	1.95	20,714	2.60	225,198	2.52	226,191	2.61

Big 3 totals include their captive imports.
Percent share may contain error of one or two points due to rounding.

PRODUCTION

Car output for month is 6-year low

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

U.S. auto production totaled 667,208 in October, the lowest for that month since 1982 when 415,197 were built.

The 1982 total was affected by downtime at several plants for inventory adjustment and model changeover.

Last month's output was 7.16 percent more than September's 622,616 but was slightly below (0.61 percent) the year-ago month's 671,316.

Last week's scheduled assembly of 165,505 cars was 1.96 percent more than the prior week's 162,323 and 4.72 percent more than the year-ago week's 158,044.

Automakers built their six-millionth car of the year last Friday, one day behind 1987. So far this year, 6,027,376 cars have been assembled, 1.49 percent below 6,118,681 a year ago.

Companies shared last week's targeted production as follows: General Motors, 51.69 percent; Ford Motor Co., 23.53 percent; Chrysler Motors, 14.80 percent; Honda of America Manufacturing Inc., 4.53 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.45 percent; Nissan Motor Manufacturing Co. U.S.A., 1.24 percent; and New United Motor Manufacturing Inc., 0.76 percent.

October's truck output of 355,438 dipped 1.82 percent from the September total of 362,011 and fell 3.78 percent from the year-ago month's 369,394.

Last week's estimated truck build of 85,542 dropped 4.25 percent from the previous week's 89,339 but increased 11.93 percent over the year-ago week's 76,424.

Chrysler said it will end production next March of the Chrysler LeBaron and Dodge Lancer four-door hatchbacks built at its Sterling Heights, Mich., plant. The plant will continue to build the Plymouth Sundance and Dodge Shadow.

Canada notches truck record

Canadian truckmakers built 84,627 units in October, the most ever for that month. The previous record was 71,080 in 1987.

However, last month's production dipped 1.28 percent from the September total of 85,723, which was a record for that month.

October truck output increased 19.06 percent over the year-ago month's 71,080.

Last week's scheduled production of 21,350 trucks was slightly below the prior week's 21,471 but was 29.28 percent more than the year-ago week's 16,515.

Car output for October totaled 86,563, 1.79 percent more than the preceding month's 85,038 and 11.30 percent more than the year-ago month's 77,771.

Automakers targeted production of 21,071 units last week, 6.20 percent below the previous week's 22,463 but 19 units more than the year-ago week's 21,052.

So far this year, 904,301 cars have been completed, 36.64 percent more than the 661,830 built last year at this time.

U.S. CAR	Week Ended Nov. 5, 1988	Week Ended Nov. 7, 1987	Week Ended Oct. 29, 1988	Oct. Total	Jan. 1 to Nov. 5, 1988	Jan. 1 to Nov. 7, 1987
Alliance	0	0	0	0	0	15,994
Total Eagle	0	0	0	0	0	15,994
Horizon	1,600	779	1,524	6,494	69,150	36,891
Sundance	2,000	1,477	2,210	9,376	88,183	77,867
Reliant	2,300	3,062	2,345	9,464	78,001	112,226
Acclaim	600	0	307	627	1,082	0
Caravelle	0	532	0	33	9,265	38,585
Gran Fury	200	98	244	1,111	18,069	6,061
Total Plymouth	6,700	6,548	6,630	27,105	263,750	273,650
LeBaron K	0	997	0	0	7,912	57,357
LeBaron J	2,600	2,685	2,634	10,477	71,439	102,266
LeBaron GTS	200	411	111	844	8,134	33,982
N. Yorker E-Class	0	0	0	0	0	57,102
N. Yorker C-Class	2,300	1,731	2,450	9,407	90,332	9,154
Fifth Avenue	1,100	794	958	4,019	28,151	56,413
Total Chrysler	6,200	6,618	6,153	24,747	205,968	316,254
Omni	1,600	892	1,580	6,534	67,976	33,681
Daytona	1,700	1,767	1,756	7,118	66,476	55,914
Shadow	2,100	1,738	2,145	9,102	87,264	61,374
Aries	2,200	3,756	2,355	9,434	76,289	104,015
Dodge 600	0	729	0	0	8,549	35,252
Dynasty	2,900	388	2,955	11,449	93,528	1,902
Lancer	200	213	297	833	7,821	21,147
Spirit	600	0	160	323	825	0
Diplomat	300	237	340	1,353	16,583	12,530
Total Dodge	11,600	9,520	11,588	46,146	425,311	345,815
CHRYSLER MOTORS	24,500	22,686	24,371	97,998	895,029	951,713
Escort	11,118	9,433	9,530	42,991	351,726	332,712
Mustang	4,156	4,378	3,810	16,583	173,021	184,079
Tempo	3,429	4,154	3,869	16,281	158,046	118,977
Taurus	8,171	9,000	7,727	33,169	338,204	352,449
Thunderbird	1,499	3,341	1,051	2,294	94,512	135,898
Total Ford Div.	28,373	30,306	25,987	111,318	1,115,509	1,124,115
Lynx	0	0	0	0	0	21,352
Topaz	1,536	1,680	1,681	6,605	60,793	38,906
Cougar	1,511	3,334	1,024	2,296	73,915	120,523
Sable	2,825	2,588	2,728	11,680	115,242	105,083
Total Mercury	5,872	7,582	5,433	20,581	249,950	286,099
Continental	1,567	262	1,540	6,024	44,561	10,145
Mark VII	785	630	769	3,003	23,369	24,404
Lincoln	2,348	2,709	2,312	9,028	106,968	121,548
Total Lincoln	4,700	3,601	4,621	18,055	174,898	156,097
Total L-M Division	10,572	11,183	10,054	38,636	424,848	442,196
FORD MOTOR CO.	38,945	41,489	36,041	149,954	1,540,357	1,566,311
Skyhawk	1,147	1,059	4,490	4,934	22,437	29,667
Skylark/Somerset	1,765	1,548	1,543	5,265	44,126	56,972
Century	4,358	3,170	4,779	19,843	118,342	137,429
Regal (rwd)	0	640	0	0	0	37,359
Riviera	781	392	639	2,538	9,298	11,377
Electra	2,717	3,452	2,771	10,673	75,582	79,950
LeSabre (fwd)	2,925	2,333	2,925	12,805	116,189	126,487
LeSabre (rwd)	220	297	204	806	8,477	8,142
Reatta	260	0	230	1,002	8,512	0
Total Buick	14,173	12,891	17,581	57,866	402,963	487,383
Cimmaron	0	61	0	0	3,693	9,915
Eldorado	923	651	769	2,993	30,464	17,235
Seville	705	663	577	2,270	19,789	15,708
Brougham (rwd)	910	2,096	923	3,956	29,952	63,853
Deville (fwd)	4,616	3,446	4,460	17,600	133,758	120,293
Allante	75	50	75	315	1,759	3,970
Total Cadillac	7,229	6,987	6,804	27,134	219,415	230,974
Cavalier	7,554	7,598	5,134	33,277	307,345	267,700
Camaro	2,700	2,504	2,667	11,510	82,575	105,362
Celebrity	5,373	6,644	4,036	16,720	158,774	256,280
Corsica/Beretta	9,715	8,568	10,512	42,966	370,360	294,074
Monte Carlo	0	1,816	0	0	0	63,748
Caprice	4,200	5,426	4,164	17,988	178,961	163,325
Corvette	530	646	540	2,314	19,549	24,267
Total Chevrolet	30,072	33,202	27,053	124,775	1,117,564	1,176,756
Calais	3,035	3,064	3,176	10,056	99,616	100,882
Firenza	0	515	0	0	5,230	12,170
Cutlass Ciera	1,610	1,154	1,533	6,109	27,744	105,127
Cutlass Supreme	3,610	1,492	3,607	15,154	123,179	86,048
Toronado	393	439	320	1,271	13,216	13,524
88 (fwd)	3,934	3,746	3,384	15,041	135,693	154,957
88 (rwd)	115	434	174	742	9,720	12,428
Olds 98	1,872	1,982	1,926	7,441	63,393	60,489
Total Oldsmobile	14,569	12,826	14,120	55,814	477,791	529,023
Sunbird	2,731	2,155	2,787	11,604	93,951	75,035
Grand Am	5,256	6,008	5,998	24,408	207,357	215,255
Firebird	1,720	1,461	1,507	6,725	55,532	68,083
Grand Prix	4,060	0	4,000	16,812	122,227	0
Pontiac 6000	2,056	1,248	2,278	12,519	78,916	63,466
Bonneville	3,582	1,991	2,983	13,567	103,613	111,926
Safari/Parisienne	105	160	107	429	6,650	8,269
Fiero	0	1,095	0	0	13,297	27,889
Total Pontiac	19,510	14,118	19,660	86,064	681,543	569,923
GENERAL MOTORS	85,553	80,024	85,218	351,653	2,899,276	2,994,059
HONDA	7,490	6,734	7,925	31,250	315,012	278,913
Civic	2,504	1,496	2,617	10,688	93,290	77,163
Accord	4,986	5,238	5,308	20,562	221,722	201,750
MAZDA†	5,707	257	5,429	23,072	130,006	1,576
NISSAN	2,060	1,188	2,012	9,810	95,939	105,282
NUMMI	1,250	3,660	1,327	3,471	115,760	166,514
Corolla	1,250	1,083	1,327	3,471	45,190	36,970
Nova	0	2,577	0	0	70,567	129,544
VOLKSWAGEN	0	2,006	0	0	35,997	54,313
Golf/GTI	0	1,306	0	0	30,444	41,170
Jetta	0	700	0	0	5,553	13,143
Total Cars, U.S.	165,505	158,044	162,323	667,208	6,027,376	6,118,681
Total Cars, Canada	21,071	21,052	22,463	86,563	904,301	661,830
U.S., Canada Cars	186,576	179,096	184,786	753,771	6,931,677	6,780,511
U.S., Canada Cars and Trucks	293,468	272,035	295,596	1,193,836	11,239,746	10,762,953

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended Nov. 5, 1988	Week Ended Nov. 7, 1987	Week Ended Oct. 29, 1988	Oct. Total	Jan. 1 to Nov. 5, 1988	Jan. 1 to Nov. 7, 1987
Eagle	0	—	0	0	0	—
Premier	1,275	—	1,342	4,979	51,349	—
CHRYSLER MOTORS	1,275	583	1,342	4,979	51,349	6,938
Escort	0	—	0	0	0	—
Lynx	0	—	0	0	0	—
Tempo	3,265	—	3,651	13,538	148,083	—
Topaz	1,631	—	1,645	6,674	58,466	—
Crown Victoria	2,773	—	2,758	11,154	109,475	—
Grand Marquis	2,987	—	2,904	11,706	111,407	—
FORD MOTOR CO.	10,656	8,849	10,958	43,072	427,431	384,986
Celebrity	431	—	601	2,346	17,988	—
Cutlass Ciera	3,484	—	3,546	13,503	193,672	—
Cutlass Supreme	0	—	0	0	0	—
Grand Prix	0	—	0	0	0	—
Pontiac 6000	0	—	0	0	29,690	—
Regal	3,565	—	4,325	16,539	139,759	—
GENERAL MOTORS	7,480	11,220	8,472	32,388	381,109	269,279
Civic	1,480	—	1,511	5,404	37,246	—
Accord	0	—	0	0	1,828	—
HONDA	1,480	400	1,511	5,404	39,074	12,658
VOLVO	180	0	180	720	5,338	7,989
Total Cars, Canada	21,071	21,052	22,463	86,563	904,301	661,830

U.S. TRUCK☆	Week Ended Nov. 5, 1988	Week Ended Nov. 7, 1987	Week Ended Oct. 29, 1988	Oct. Total	Jan. 1 to Nov. 5, 1988	Jan. 1 to Nov. 7, 1987
Caravan	2,000	—	2,375	3,551	77,746	—
Dakota	2,300	—	2,423	10,120	92,499	—
Mini-Ram Van	100	—	257	392	10,519	—
Pickups	2,300	—	2,422	10,121	71,002	—
Total Dodge	6,700	8,496	7,477	24,184	251,766	261,351
Cherokee	3,700	—	4,596	18,993	157,997	—
Commanche	700	—	854	3,700	38,105	—
Grand Wagoneer	300	—	350	1,470	11,902	—
Pickups	0	—	0	0	0	—
Wagoneer	200	—	232	1,011	9,345	—
Total Jeep	4,900	4,544	6,032	25,174	217,349	192,359
Voyager	1,800	—	2,133	3,195	72,344	—
Total Plymouth	1,800	—	2,133	3,195	71,709	—
CHRYSLER MOTORS	13,400	13,040	15,642	52,553	537,913	453,710
Aerostar	2,686	—	3,475	19,265	176,763	—
Bronco	1,255	—	1,430	4,856	46,814	—
Bronco II	2,680	—	2,477	6,088	103,024	—
Econoline	5,148	—	5,600	23,817	206,608	—
Heavy trucks	1,303	—	1,310	5,307	56,103	—
Light trucks	9,796	—	10,895	44,482	419,737	—
Ranger	5,581	—	4,629	14,969	277,306	—
Total Ford Div.	28,449	31,124	29,816	118,784	1,286,355	1,270,185
FORD MOTOR CO.	28,449	31,124	29,816	118,784	1,286,355	1,270,185
Astro	3,451	—	3,486	15,776	151,043	—
Blazer	602	—	529	2,465	22,635	—
Mediums/Heavies	370	—	354	1,525	17,169	—
P-Model	917	—	970	4,012	35,816	—
Pickups	9,469	—	9,319	38,146	312,171	—
S-10	6,478	—	6,618	27,676	261,505	—
S-10 Blazer	3,568	—	4,170	17,280	145,056	—
Sportsvan/Van	1,817	—	2,135	9,009	82,270	—
Suburban	1,702	—	1,535	7,061	60,626	—
Total Chevrolet	28,374	16,607	29,116	122,950	1,088,291	972,306
Jimmy	216	—	158	872	6,642	—
Mediums/Heavies	580	—	606	2,462	31,171	—
P-Model	36	—	67	337	4,526	—
Pickups	2,986	—	2,700	11,158	95,608	—
S-15	1,584	—	1,586	6,226	59,436	—
S-15 Jimmy	1,017	—	1,057	4,871	40,805	—
Safari	888	—	1,010	4,296	38,861	—
Suburban	750	—	512	2,920	26,841	—
Vandura/Rally Vans	572	—	783	2,981	29,315	—
Total GMC	8,629	7,875	8,481	36,122	333,205	328,500
GENERAL MOTORS	37,003	24,482	37,597	159,072	1,421,496	1,300,806
NAVISTAR	1,500	1,767	1,772	7,733	73,658	63,918
NISSAN	2,440	3,261	1,762	6,296	79,147	79,615
AM GENERAL*	450	450	450	1,800	19,710	14,400
MISCELLANEOUS*	2,300	2,300	2,300	9,200	100,740	101,360
Total Trucks, U.S.	85,542	76,424	89,339	355,438	3,519,019	3,283,994

CANADIAN TRUCK	Week Ended Nov. 5, 1988	Week Ended Nov. 7, 1987	Week Ended Oct. 29, 1988	Oct. Total	Jan. 1 to Nov. 5, 1988	Jan. 1 to Nov. 7, 1987
Caravan	3,289	—	3,170	12,155	120,514	—
Mini-Ram Van	201	—	165	788	10,499	—
Ram Wagon	612	—	747	2,980	22,561	—
Ram Van	1,738	—	2,171	8,590	61,693	—
Total Dodge	5,840	6,448	6,253	24,513	215,267	333,066
Voyager	2,654	—	2,906	11,449	108,760	—
Total Plymouth	2,654	—	2,906	11,449	108,760	—
Wrangler	1,248	—	1,307	4,763	43,640	—
Total Jeep	1,248	644	1,307	4,763	43,640	30,433
CHRYSLER MOTORS	9,742	7,092	10,466	40,725	367,667	363,499
FORD MTR. (lt. trks.)	3,648	3,489	3,442	14,160	138,035	128,044
Light trucks	3,781	—	3,388	13,203	131,705	—
Vans	1,565	—	1,403	5,979	50,837	—
Total Chevrolet	5,346	—	4,791	19,182	182,542	—
Light trucks	1,764	—	1,860	6,865	65,492	—
Vans	580	—	640	2,600	25,388	—
Total GMC	2,344	—	2,500	9,465	90,880	—
GENERAL MOTORS	7,690	5,707	7,291	28,647	273,422	198,561
NAVISTAR	270	227	272	1,096	9,926	8,344
Total Trks., Canada	21,350	16,515	21,471	84,627	789,050	698,448
U.S., Canada Trks.	106,892	92,939	110,810	440,065	4,308,069	3,982,442

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Top dealer, Peugeot hurl stiff charges

Incentive fraud, sales lies alleged

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

LYNDHURST, N.J. — An attempt by Peugeot Motors of America to terminate its top dealership for collecting incentives for cars that were not sold has sparked a counterclaim that the French importer is lying about its sales figures.

Peugeot, while denying it condoned or encouraged false reporting of sales, promised in a prepared statement that it would investigate the charges.

Peugeot filed suit against Exotic Motors of Redmond, Wash., in U.S. District Court in Seattle on Oct. 18, asking for damages of more than $300,000.

The suit charges fraud, breach of contract and racketeering. It claims the dealership collected more than $100,000 in incentive rebates from Peugeot for cars that were never sold or were sold after retail delivery records had been turned in.

The defendants, Stavros Michelakis and his partner, Nick P. Diafos, filed a counterclaim, supported by affidavits from two current Peugeot dealers, alleging that Peugeot dealer representatives frequently asked them to turn in retail delivery records on cars that hadn't been sold.

Dealer representatives allegedly used the numbers to meet their sales targets, and Peugeot allegedly used the higher numbers to prop up its allocation of cars from France and to exaggerate the company's success, the defendants said.

"We always understood that the reason why our dealer representatives were recommending to us

see PEUGEOT, page 58

Iacocca is preparing to step down in 1991

AUTOMOTIVE NEWS/JOE WILSSENS

Greenwald is Iacocca heir

Chrysler's exec shuffle sets stage for life after Lido

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — In the wake of a corporate reshuffling at Chrysler Corp. last week, Lee Iacocca said he expects to remain company chairman for three more years but will spend more time on the "people part" of the business.

"Time marches on and you've got to have a good succession plan that has got some stability in it," Iacocca said in an interview a day after the reorganization was announced.

"I think I will stay the three years and then after that I don't want to be carried out of here trying to run the company and not let the other guys take over. That's why I'm disciplining myself with the board to say here it is."

Under the restructuring announced Thursday, Gerald Greenwald, who has served as chairman of Chrysler Motors for three years, becomes the heir apparent to Iacocca when his contract expires 1991.

In a parallel move, Robert A. Lutz, named president of Chrysler Motors, is positioned to head the company's vehicle-making subsidiary in the post-Iacocca years.

Iacocca said that in his remaining years as chairman he will "spend more time on organization and people.

"Not just recruiting but communications. We've got to do better at that," he said.

"We just had an employee survey where people had a lot of questions that haven't been answered. I've just talked to 180 of our top communicators corporate-wide to give them a sendoff on what their jobs are and how important it is that people right down the line understand what we are and what we stand for," Iacocca said.

Iacocca said the corporate restructuring gives him "the next three years to try to really push down this responsibility and accountability" to a level where the people who will eventually run the company can prove themselves.

Iacocca said an internal document has been prepared which outlines "line by line" the jobs of Chrysler's top executives.

"It's defined and in the end it's to make them accountable for meeting their objectives as delineated.

"I think it will clear things up a lot and be accepted well. At the same time if they all do their homework and do well and perform

see CHRYSLER, page 59

Olds truck proposal hits dealer nerve

By Michelle Krebs and Laura Clark
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — General Motors may sell a truck-type vehicle, possibly a four-door version of the Chevrolet S-10 Blazer or a version of the Chevrolet/Pontiac all-purpose van, through Oldsmobile dealers.

No such product program has been approved yet by GM's top executives, though it is expected to come before GM's executive committee soon.

Nevertheless, discussion of the proposal already has set off a stormy protest by GMC and Chevrolet truck dealers who don't want other GM divisions selling sport-utility vehicles that compete against models they sell.

GM is considering a variety of truck-type vehicles to be sold through Oldsmobile, but those receiving the most serious consideration are a version of the four-door Chevrolet S-10 Blazer — sold as the S-15 Jimmy by GMC dealers — and a version of the APV. A four-door Blazer/Jimmy is due in the 1991 model year; the APV goes into production as a 1990 model in the spring of 1989.

Under the Oldsmobile proposal, the vehicles would not be changed substantially. They would be badged as Oldsmobiles, renamed and interiors would be upgraded to fit Oldsmobile's upscale image. The four-door Blazer, for example, would likely contain more car-like features, including leather upholstery, than their Chevrolet and GMC counterparts.

GMC and Chevrolet truck dealers have launched a nationwide letter-writing campaign to GM's top brass in an effort to keep the four-door sport-utility Blazer and Jimmy exclusive to their divisions and prevent increased competition among GM makes.

GMC and Chevrolet dealers recently received a letter from John Bergstrom, Chevrolet Dealer Council chairman; Roland Faricy, GMC Dealer Council chairman; and Larry Carter, Chevrolet-GMC line representative for the National Automobile Dealers Association. The letter urged them to write GM Chairman Roger Smith and six other top GM executives to protest the Oldsmobile proposal.

Carter, a Las Vegas, Nev., GMC dealer, said last week that the corporation "has been receiving a ton of letters" from Chevrolet, GMC Truck and Oldsmobile dealers expressing outrage at the proposed spinoff of the four-door sport-utility vehicle. Some Olds dealers

see OLDS, page 58

PRIZES: *Incentives play role in auction field, too*

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Dealers nibbled on lobster, shrimp, oysters and clams at a special promotion hosted by the Florida Auto Auction of Orlando, while roast moose led the menu at the Southern California Auto Auction.

At the Auto Dealers Exchange in Indianapolis last month, dealers stuffed themselves on roast pig. The Harrisburg Auto Auction in Pennsylvania, meanwhile, plied nearly 900 dealers with chicken dinners — the fryers weighed in at more than three tons.

There is still such a thing as a free lunch and, sometimes, a free breakfast. They are drawing cards auctions use to lure dealers.

Yet they are small potatoes compared to the trove of giveaways offered by the industry at the weekly sales.

Drawings for cash, cars, appliances and even cowboy hats and golf clubs have become part of the carnival-like fanfare surrounding the auction industry.

Sometimes the incentives are straightlaced business deals. Alamo Rent A Car offers delayed payment for cars purchased at auctions for up to 45 days.

Even the automakers sometimes offer incentives, including transportation assistance for vehicles

see PRIZES, page 40

Prior ousted; shaky Global trims ranks

By Charles Thomas
AUTOMOTIVE NEWS STAFF REPORTER

NEWARK, N.J. — Shaken over his firing from Global Motors Corp., William Prior, president and chief executive officer of the company until a week ago, said Global Motors has failed to honor his five-year contract or give him severance pay.

In a separate midweek development, Global Motors pink-slipped 71 employees at its New Jersey headquarters in a cost-cutting shakedown that one former em-

see PRIOR, page 58

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hrysler may source car ragtop in Mexico Page 2

Bush team awaited by auto leaders Page 3

Four Buick dealers admit price fixing Page 4

Bush team awaited by auto leaders

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Automakers and new-car dealers for the most part welcomed George Bush's election to the presidency last week, showing little concern for expanded Democratic majorities in the House and Senate.

"No surprises," is how Jimmy Payton described last week's election results. Payton, president of the National Automobile Dealers Association, said, "In speaking with dealers around the country, I would say that a vast majority favored George Bush. His election is welcomed by the dealers."

Two of the Big 3 also hailed the Bush victory, offering polite congratulations to the winner.

General Motors Chairman Roger Smith said, "We congratulate the president-elect and look forward to working with him and his administration on the many important issues affecting our industry.

"Now that the people have spoken, it is vital that we all work together for the good of the nation and the economy."

AUTOMOTIVE NEWS/JOE WILSSENS

George Bush: the winner

ELECTION 88

Ford Motor Co. Chairman Donald Petersen said, "We congratulate Vice President Bush and Senator Quayle on their election. We hope that one of their top priorities will be to address the budget and trade deficits as well as other aspects of international competitiveness so vital to the nation's future."

Chrysler Corp. Chairman Lee Iacocca, who has had his differences with the Reagan administration over trade policy, did not comment on the election.

The new president of Chrysler Motors, Robert Lutz, said, in Washington last week, "Despite George Bush's landslide, I think most people are more relieved that the campaign is over than they are elated or dejected about its outcome."

The UAW, which had backed Dukakis, has "mixed feelings" as to whether Bush's election represents a setback for organized labor, according to Stephen Yokich, a UAW vice president. "I think we had a mainstream message of fairness for the working man and woman and we advanced our majorities in the House and Senate," he said.

George Neild, president of the Automobile Importers of America, said his group "congratulates the winner," but has a practice of not commenting on U.S. elections.

Although the importers were circumspect in their comments on the election, clearly they favor a continuation of the Reagan administration's more relaxed attitudes on trade. Dukakis, in the closing

see BUSH, page 55

Diamond-Star hit could kill sedan

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

NORMAL, Ill. — As Diamond-Star Motors officially opened last week, company officials at the dedication ceremonies said they've informally discussed adding an engine and sub-component assembly plant at the site.

And plans to add four-door sedans at the plant may be shelved if demand outstrips planned production for the two-door sport coupe that will be sold by Mitsubisihi as the Eclipse and Chrysler as the Plymouth Laser and Eagle Talon. The Mitsubishi and Plymouth coupes bow in January.

The ceremonies for the $650 million facility set the joint venture on its long way toward building 240,000 vehicles a year.

While Diamond-Star's newly designed Plymouth Lasers and Mitsubishi Eclipses dribble out at a rate of five vehicles an hour, plant managers are speaking confidently of the new relationship. Diamond-Star President Yoichi Nakane noted that expansion plans including the engine and sub-component operations have been casually discussed.

Plans call for the plant to produce 37,000 vehicles for each parent company in the first year from Job 1. Production of Laser and Eclipse will be expanded next spring to include a four-wheel-drive version, and later in the year, both two-wheel-drive and 4wd versions will be sold by Chrysler's Eagle network as the Talon.

The 50-50 partnership will divide production evenly as the volume increases and more models are added to the line.

At the dedication last week, Chrysler Corp. Chairman Lee Iacocca hailed the operation as a new symbol of U.S.-Japanese economic cooperation. Iacocca was joined by Mitsubishi Motors President Toyoo Tate, Japanese ambassador Nobuo Matsunaga and Illinois Gov. James R. Thompson in sounding the recurrent theme of stronger U.S.-Japanese economic and cultural relations.

"We're cutting the ribbon on a whole new era for Chrysler, for Mitsubishi, for this state and maybe even for all America," Iacocca said. "Projects like this one will go a long way toward solving the problems between the United States and Japan."

"This plant is a clear testimony to the new way that international economies are moving," echoed Matsunaga.

While the company has plans to produce Mitsubishi Mirage and Eagle Summit sedans next fall, that production may be shelved if demand for Laser, Eclipse and Talon is higher than expected. Officials say the plant's top priority will be meeting the as-yet-unknown demand for the sport coupe. If necessary, Mirage and Summit production would remain in Japan.

"Flexibility is a key here," said Diamond-Star Chairman G. Glenn Gardner. "That's what we're learning from Mitsubishi. They're a smaller company. They've had to learn to operate effectively with smaller plants and smaller production runs in Japan."

While dignitaries spoke of U.S.-Japanese relations on an international level at the dedication ceremony, Gardner said his more immediate concern is mastering them on the factory level. Gardner and Nakane share in managing the venture, which will employ 2,900 when full production boosts output to 63 cars an hour. The project has introduced new philosophies to both Japanese and American managers.

"People hear me say that we share in the management, and they ask, 'Yeah, but who really manages?' " Gardner said. "Nakane and I learned very quickly that we must manage by consensus. If a decision has to be made, we reach it together."

In practical terms, consensus management means starting every day at the plant with a meeting of Diamond-Star's eight-man board of directors. The board convenes at 7 a.m., thirty minutes before work begins in the plant. All matters are opened for discussion, and all matters are discussed until a consensus is reached, the chairman said.

"It takes forever to make a decision sometimes, but then once we make one, we don't have to make it over three or four times," Gardner said. "We don't go through a lot of changeovers here."

CALIFORNIA: *Court delays insurance rollback; car sales steady — for moment*

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — California new-car dealers don't believe auto insurers' threats to withdraw from the state following approval of a rate-rollback referendum.

But they are concerned about a possible short-term sales slowdown. Collision insurance is required to get a vehicle financed.

"We haven't seen even the slightest indication that anyone isn't buying a new car because he can't get insurance, but it's early," said Jay Gorman, executive vice president of the 900-member Motor Car Dealers Association of Southern California.

Major automakers said their California dealers have not expressed any alarm, though most are tracking developments. Ford Motor Co. surveyed state dealers and checked with Ford Motor Credit Co. to determine if the referendum has had any effect on sales.

Ford initiated the survey after one dealer called, but later discovered he was the only dealer contacted who was concerned with the issue.

The California Supreme Court temporarily blocked enactment of Proposition 103 two days after California voters approved the Ralph Nader-backed measure, which forces a 20-percent cutback in all insurance rates — especially auto coverage.

Six underwriters said they would withdraw from the state, although most of the hundreds of insurers active in the United States' largest insurance market said they would continue business as usual pending outcome of the legal challenges.

"We had a normal sales day Wednesday and there have been no canceled orders today because people can't get insurance," said Doug Fuller, who operates a Ford dealership in Chula Vista. Nor has he heard of any problems — so far — from the 116 dealers who elected

see INSURANCE, page 55

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GM skips seat-belt kit for some '78-'88s

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Although General Motors will offer rear-seat shoulder harnesses on all domestically made 1989 models, it will not offer shoulder belt retrofit kits for certain 1978-88 cars.

GM's decision not to provide retrofit kits for Chevrolet Monte Carlo, Oldsmobile Cutlass, Buick Regal and Pontiac Grand Prix models has drawn fire from the Center for Auto Safety.

The center says the move runs counter to NHTSA's position that a regulation requiring the belts is unnecessary because automakers offer them as an option. NHTSA also says the regulation isn't needed because virtually all carmakers say rear shoulder harnesses will be standard equipment by the early 1990s.

The consumer group criticized the GM service bulletin dated May 20, 1988, announcing the change. "GM safety engineers have concluded that in (the 1978-88 G-bodies and GM-10 cars), a rear-seat lap/shoulder belt combination would not enhance the safety offered to rear-seat occupants by the lap belt alone," the bulletin says.

Studies have shown shoulder harnesses greatly improve safety for rear-seat passengers.

All cars made since 1972 are required to have anchors for rear shoulder belts so consumers have the option of installing the harnesses. But the availability of retrofit kits, which can cost up to $300 installed, is often subject to dealer and factory inventory.

A GM spokeswoman said the decision not to provide the kits "is an engineering question."

In a letter asking NHTSA to investigate the GM decision, Clarence Ditlow, the center's director, quotes a 1987 letter from NHTSA Administrator Diane Steed that said, "General Motors is already offering such kits to the public through its dealers . . . NHTSA has encouraged manufacturers to offer well-designed retrofit kits for those customers who desire them, and we will continue our efforts in that regard."

In response to Ditlow, NHTSA Chief Counsel Erica Jones said, "The fact that retrofit kits are not available for all model lines produced by each manufacturer does not suggest some failure on the part of the vehicle manufacturers or of our policy.

"If a manufacturer makes a good-faith determination that it is not appropriate to make retrofit kits available for certain past models, that determination presumably reflects a thoughtful consideration of the characteristics of those individual models. We have no reason to question General Motors' determination with respect to a few of its past models."

Colonel Sanders out of question

LYNDHURST, N.J. — Want to equip your spanking-new Rolls-Royce or Bentley with picnic trays at the rear of both front seats? The importer will be glad to oblige, but you'd better bring your checkbook.

Picnic trays are among the few options for the ultra-luxury British motorcars. The tab is $3,050. The buyer, presumably, supplies the Moet Chandon and Beluga to grace the trays.

Convertibles can be fitted with "cocktail requisites" — a set of glasses and a tiny flask — for $1,250, and silver-inlaid waist rails for the interior of all models are $4,365. The rails are thin silver lines that follow the contours of the wood.

For that open-air feeling in a sedan, a sunroof is offered for $6,650.

And don't pass up the burglar alarm.

It's a steal at $1,110.

GM10 incentives grow

Offers aimed at T-bird, Cougar owners

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Buick, Pontiac and Oldsmobile have added more consumer incentives to their GM10 cars by offering cash rebates and low interest rates to entice Ford Thunderbird and Mercury Cougar owners.

In addition, Oldsmobile is offering two round-trip airplane tickets in the Central region and a year's supply of gasoline in the Eastern region to all purchasers of 1988 or 1989 Cutlass Supremes.

Meanwhile, Ford sweetened its consumer incentive program by including 1989 Tempo and Topaz models and increasing rebates on compact trucks.

BUICK: This month, Buick is offering a choice of $750 or 7.5 percent GMAC financing for up to 48 months on 1989 Regals to 317,000 Thunderbird and Cougar owners.

Buyers also will receive pre-approved credit of up to $13,500 or 95 percent of the manufacturer's suggested retail price toward the purchase of a 1989 Regal.

In September, Buick mailed about 350,000 incentive pieces to selected Thunderbird and Cougar owners. The mailing offered $100 to test drive a Regal and a $500 rebate on the purchase of a Regal. No dealer financial participation was required. The program ran Sept. 1-30.

Buick now is recontacting the Thunderbird and Cougar owners who did not respond to the September offer and offering them $50 to test drive a Regal. The non-respondents to the September program also will be eligible to receive the $750 rebate or 7.5 percent financing for up to 48 months. Again, there is no dealer financial participation charge. Customers must take delivery by Nov. 30.

The incentives are in addition to to a $750 consumer rebate offered to all buyers of Regals until Dec. 31. Thus, a Thunderbird-Cougar owner who buys a Regal gets a $1,500 rebate.

FORD MOTOR CO.: Ford expanded its consumer rebate program Nov. 9, adding two models to its incentive lineup and increasing incentives on selected compact trucks.

Buyers receive a $400 rebate on all 1989 Tempo and Topaz models, $400 on 1988 Topaz and $300 on 1988 Tempo. The program ends Dec. 5.

Ford increased incentives on 1988 four-wheel-drive Bronco II models to $800, up from $600, and on 1988 two-wheel-drive Bronco II models to $600, up from $400. It also raised the rebate on all 1988 Rangers to $800, an increase from $500. The higher truck rebates run Nov. 9-24.

Ford also is offering regional incentives on selected 1989 vehicles. Consumers in California receive $800 on 1989 Taurus/Sable and 1988 Sable and $600 on 1988 Taurus.

The California rebates run Nov. 9-Jan. 5. A buyer cannot receive both the California payment and the national consumer rebate on Taurus/Sable. That national program offers $500 on 1989 Taurus and Sable, $500 on 1988 Sable and $300 on 1988 Taurus.

Ford also announced that the $3,000 consumer incentive on Merkur XR4Ti will be extended from Nov. 30 to Jan. 5. No dealer financial participation is required.

OLDSMOBILE: Oldsmobile is offering regional incentives on its Cutlass Supreme.

In the division's Central region, purchasers of a 1988 or 1989 Cutlass Supreme from Nov. 9 to Dec. 10 can receive two free round-trip tickets on Delta Airlines to any city in the continental United States served by the airline. Buyers must use their free Delta tickets before July 31, 1989. Some restrictions apply. The tickets are transferrable to friends and family members but reservations must be made through Oldsmobile program headquarters.

The Central region includes all of parts of Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Indiana, Kentucky, Ohio, Virginia, West Virginia, Michigan, New York and Pennsylvania.

In the division's Eastern region, purchasers of a 1988 or 1989 Cutlass Supreme between Nov. 9 and Nov. 30 receive a year's supply of gasoline (up to $652) at Exxon stations. Buyers receive an Exxon credit card with $652 worth of credit after purchasing a Cutlass Supreme at dealership in the region. Oldsmobile said the EPA Buyers Guide cites $652 as the average yearly cost of gasoline for the Cutlass Supreme.

The Eastern region includes all or parts of Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, Vermont, North Carolina, South Carolina, Virginia, Delaware, New Jersey, Pennsylvania, District of Columbia, Maryland and West Virginia.

Both regional incentive programs can be used in addition to any other rebate on the Cutlass Supreme. The national consumer rebate program on the Cutlass Supreme offers $1,000 on any 1988 model and $500 on any 1989 model.

In each of the regional programs, Oldsmobile dealers are being asked to participate in the advertising cost through their marketing groups. Dealers who are not members of marketing groups are asked to pay a portion of the ad costs in their areas.

Oldsmobile, like Buick, is also recontacting 317,000 Thunderbird and Cougar owners with new incentives through a direct-mail campaign. Consumers who accepted Oldsmobile's September offer of $100 for test drive of a 1988 or 1989 Cutlass Supreme are being offered a $750 rebate or 7.5 percent GMAC financing for up to 48 months to purchase a 1988 or 1989 Cutlass Supreme. The offer runs from Nov. 1 to Nov. 30.

Those who did not take advantage of the September offer on the Cutlass Supreme are being recontacted and will be offered $50 to test drive a 1988 or 1989 model. They will also be offered the $750 rebate or 7.5 percent financing upon purchasing a 1988 or 1989 Cutlass Supreme. There is no dealer financial participation required.

The offer can be used in conjunction with other rebates on the 1988 or 1989 Cutlass Supreme.

PONTIAC: Pontiac is offering $1,000 rebates on 1989 Grand Prix to 410,000 Thunderbird and Cougar owners through a direct-mail program. The program began Oct. 1 and ends Nov. 30.

Coupon recipients can also receive an office-supplies holder when they test drive a 1989 Grand Prix. There is no dealer financial participation charge. Consumers must order the car between Oct. 1 and Nov. 30.

DOMESTIC DAYS' SUPPLIES

	Nov. 1, 1988	Oct. 1, 1988	Nov. 1, 1987
Alliance	—	—	135
Eagle	—	—	95
Premier	111	105	—
Total Eagle	111	93	124
Horizon	73	54	56
Sundance	58	67	76
Turismo	—	—	84
Reliant	37	48	82
Caravelle	69	67	78
Gran Fury	43	34	83
Total Plymouth	52	55	78
LeBaron K	51	42	102
LeBaron J	76	62	107
LeBaron GTS	90	64	227
Fifth Avenue	129	114	76
New Yorker C	67	63	91
New Yorker E	97	214	198
Total Chrysler	79	66	112
Omni	80	59	55
Shadow	52	75	77
Charger	—	—	79
Daytona	77	67	147
Aries	34	57	80
Lancer	110	107	298
Diplomat	56	47	121
Dynasty	50	47	62
Dodge 600	68	94	64
Total Dodge	55	61	94
CHRYSLER MTRS.	62	63	97
Escort	71	60	75
Mustang	71	77	61
Tempo	50	55	68
Taurus	65	84	99
Thunderbird	83	71	75
Probe	43	37	—
Crown Victoria	56	65	49
Total Ford Div.	63	64	75
Lynx/Tracer	131	102	91
Topaz	59	57	75
Sable	78	78	81
Cougar	56	41	92
Grand Marquis	36	40	33
Total Mercury	66	61	70
Continental	41	40	77
Lincoln	50	49	52
Mark VII	84	90	47
Total Lincoln	52	52	52
Total L-M Division	61	58	64
FORD MOTOR CO.	62	62	72
Skyhawk	96	61	112
Somerset/Skylark	93	75	153
Century	72	53	90
Regal	124	83	73
LeSabre	73	65	110
Reatta	140	185	—
Electra	74	51	97
Riviera	59	73	82
Total Buick	86	66	100
Cimarron	63	64	141
Allante	158	92	233
Seville	67	71	61
DeVille	43	40	47
Brougham	71	42	64
Eldorado	84	68	74
Total Cadillac	55	47	59
Chevette	—	—	106
Nova	109	78	147
Cavalier	64	69	84
Camaro	100	109	133
Celebrity	76	67	89
Corsica/Beretta	105	105	138
Monte Carlo	69	70	129
Caprice	74	100	80
Corvette	90	102	85
Total Chevrolet	84	84	105
Firenza	90	71	90
Calais	100	87	91
Cutlass Ciera	48	39	63
Cutlass Supreme	97	70	99
Olds 88	72	75	86
Olds 98	62	49	74
Toronado	76	65	78
Total Oldsmobile	72	59	79
Fiero	72	56	160
Pontiac 1000	—	—	67
Sunbird	36	42	92
Firebird	89	81	101
Grand Am	50	52	48
Pontiac 6000	74	68	87
Grand Prix	94	60	95
Bonneville H	83	74	110
Paris./Safari	87	76	96
Total Pontiac	67	60	79
GENERAL MTRS.	76	67	90
HONDA	16	15	10
MAZDA	46	42	—
NISSAN	73	16	40
TOYOTA	17	9	46
VOLKSWAGEN	—	—	89
DOM. TOTAL	66	60	80
Subcompact	48	37	54
Compact	49	51	67
Intermediate	78	70	95
Standard	63	61	72
Speciality	96	88	121

New-car inventory jumps to 65 days

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Healthy new-car deliveries in October failed to reduce inventories below the month-earlier level, although stocks were lower than last year's Nov. 1 total.

Inventories of U.S.-built cars were the lowest for any Nov. 1 since 1985.

Import-car stocks, however, were the highest for any Nov. 1 in recent history. The import average days' supply almost matched the domestic figure.

November opened with a combined inventory of 2,090,681 U.S.-built and imported cars, representing a 65-day supply. A month earlier there were 6.22 percent fewer cars in stock or a total of 1,968,288 unsold cars. That was equal to a 60-day supply.

Last year, on Nov. 1, there were 2,124,674 domestic and imported cars on hand, equal to a 72-day supply. Last year' car stocks were only 1.60 percent higher than the current total, but the days' supply was higher because last October's sales pace was slower.

In spite of a 12.59 percent sales gain in October 1988, stocks of U.S.-built cars on Nov. 1 were 7.34 percent higher than last month. There were 1,487,638 unsold domestic cars on Nov. 1, equal to a 66-day supply.

A month earlier, the domestic-car stockpile was 1,385,938 units, representing a 60-day supply. A year ago, on Nov. 1, there were 1,558,931 domestic cars in stock, equal to an 80-day supply.

Import-car stocks were elevated on Nov. 1 because October import deliveries fell 11.39 percent below last year's.

On Nov. 1, there were 603,043 unsold imported cars, equal to a 65-day supply. That was up from last month's 11-month low import inventory of 582,350 units, equal to a 59-day supply. A year ago, Nov. 1 import-car stocks totaled 565,743, a 56-day supply.

Several dealers confirmed that domestic inventory numbers were lower and import stocks were more bloated on Nov. 1.

"Import inventories are higher — in the neighborhood of a 150-day supply. Domestic inventories are low. We have about 30 days' worth," said Steve Siomkin, general sales manager for Auburn (Calif.) Nissan-Chrysler-Plymouth-Dodge.

There's an inventory imbalance, agreed Dave Clarke, vice president of sales at Wagner Ford-Nissan-Peugeot, Simsbury, Conn. He said Nissan stocks were at 70 days and Ford Thunderbird and Bronco II changeovers left a 30-day supply for those models.

On Nov. 1, combined car stock shares of the Big 3 automakers (including their captives) and three major Japanese transplants were rearranged slightly.

General Motors' combined share was down 1.78 percentage points from last November. Ford Motor Co.'s stocks were up over 3 points and Chrysler Motors' share was down nearly 3 points. Nissan's share was also down a point.

The combined car inventory shares on Nov. 1 this year were as follows: GM, 41.82 percent; Ford Motor Co., 22.08 percent; Chrysler Motors, 12.66 percent; Nissan, 5.58 percent; Toyota, 2.20 percent; and Honda, 1.66 percent. The other imports had 13.99 percent.

All six domestic carmakers began November with more unsold cars. Ford and Honda sold enough cars in October to maintain the same average days' supplies they had Oct. 1. Chrysler reduced its days-supply number.

GM's domestic stocks grew 9.04 percent to equal a 76-day supply on Nov. 1, up from a 67-day supply a month earlier. However, that was below last Nov. 1, when it had a 90-day supply.

Although Ford's domestic car inventories were up 5.12 percent from Oct. 1, it maintained an average 62-day supply. Last November, Ford had a 72-day supply.

Chryslers' domestic-car stocks edged up 2.58 percent from the previous month. Because of October sales gains, Chrysler's stocks were equal to a 63-day supply of cars vs. a 64-day supply last month. Last year, Chrysler's stocks represented a 112-day supply.

All four transplants reported more unsold U.S.-built cars on Nov. 1 than a year ago. Nissan's U.S.-built car stocks equaled a 73-day supply compared with a 40-day supply last Nov. 1.

Transplant Honda reported the slimmest domestic-car stocks. It had 16 days' worth of unsold domestic cars.

The import car and truck stockpile grew to a 66-day supply, or 746,664 vehicles on Nov. 1. Last month began with 58-days' worth of unsold imported vehicles or 723,482 units. A year ago, the Nov. 1 import vehicle inventory was 743,244 units, a 58-day supply.

Import-truck stocks, considered separately, rose to 143,621, representing a sluggish 70-day-supply this year.

IMPORT DAYS' SUPPLIES

	Nov. 1, 1988	Oct. 1, 1988	Nov. 1, 1987
Chevrolet	165	113	163
Chrysler/Mitsubishi	146	125	129
Acura	34	36	22
Daihatsu	79	72	—
Honda	16	18	10
Isuzu	188	108	112
Mazda	59	48	46
Mitsubishi	123	70	85
Nissan	126	73	108
Subaru	51	75	53
Toyota	19	16	27
JAPAN	57	50	56
Audi	115	142	119
BMW	65	61	30
Mercedes-Benz	38	34	46
Merkur	68	80	93
Porsche	93	82	99
VW	97	103	69
GERMANY	77	80	59
Alfa Romeo	156	147	54
Festiva	144	111	87
Hyundai	67	59	26
Jaguar	30	32	20
Peugeot	95	80	81
Pontiac	83	88	78
Eagle/Renault	224	231	272
Saab	69	57	52
Sterling	89	60	75
Volvo	53	44	72
†Yugo	140	127	58
Other Countries	86	76	53
Total Import Cars	65	59	56
Isuzu	109	96	101
Mazda	72	58	62
Mitsubishi	99	96	64
Nissan*	58	37	83
Range Rover	28	44	24
Suzuki	258	384	45
Toyota	24	20	41
Chrysler	135	113	100
Total Imp. Trucks	70	55	66
Total Imp. Vehicles	66	58	58

*Includes domestic vehicles.
†Estimated.

Judge refers Mack-union row to NLRB

WINNSBORO, S.C. — Mack Trucks and the UAW are continuing to fight over the union's efforts to organize 900 workers at Mack's plant here and over charges of union busting and sabotage at the plant.

On Nov. 4, U.S. District Judge Edward N. Cahn filed a decision in Philadelphia that referred the issue of union representation at Winnsboro to the National Labor Relations Board.

Cahn ruled, "Representation issues are within the primary, if not exclusive, jurisdiction of the (NLRB) board."

Attorneys for both sides predicted that the NLRB procedure would take several years.

Cahn said, however, that if the NLRB delays its decision "beyond a reasonable length of time," he will decide the UAW's claim.

Separately, a Mack official at Winnsboro testified at an NLRB hearing that equipment and trucks had been routinely sabotaged at the plant.

The hearing is being conducted to determine if Mack Trucks violated fair labor laws and was engaged in "union busting" when it fired 14 employees from the plant.

Lanny Aselton, the plant's manager of human resources, testified that trucks have been found with their brake lines cut and the rooms where trucks are painted have been vandalized.

In a recent incident, a chain was jammed into the conveyer belt that moves trucks along the plant's assembly line, he said.

UAW officials who are trying to organize Winnsboro claim the employees were fired for their union activities. Mack contends it fired them because they broke company rules or had discipline problems.

— **The Associated Press**

LIGHT-DUTY TRUCK SALES

	Oct. 1988	Oct. 1987	10 Mos., 1988	10 Mos., 1987
Vans	16,380	15,825	160,167	156,434
Aerostar	13,120	11,979	155,620	136,589
Club Wagon	2,959	2,578	23,128	22,319
Ranger	20,930	20,066	260,097	260,862
Bronco	4,913	5,146	44,386	41,553
Bronco II	9,287	8,558	105,643	100,905
Pickups	47,858	49,449	475,179	453,169
Ford	**115,447**	**113,601**	**1,224,223**	**1,171,831**
Vans	8,929	12,144	106,283	95,185
Sportsvan	885	1,013	10,815	10,080
Geo Tracker	486	0	500	0
Astro	11,401	13,824	135,827	126,164
S-10	22,397	13,433	211,487	191,878
S-10 Blazer	18,870	9,273	149,051	131,932
El Camino	0	1,163	420	12,759
Blazer	2,574	3,476	22,258	25,479
Suburban	6,072	5,932	54,828	47,805
Pickups	43,252	33,640	428,818	347,545
Chevrolet	**114,866**	**93,898**	**1,120,287**	**988,827**
Vans	5,194	3,850	50,010	56,297
Ram Wagon	2,152	2,061	21,884	25,655
Voyager	13,849	13,179	162,995	115,409
Caravan	16,575	15,008	177,550	123,952
Mini Ram Van	1,265	1,057	16,694	11,318
Ram 50	3,124	4,648	47,402	58,177
Raider	1,084	1,670	6,187	16,930
Ramcharger	1,474	1,722	15,955	10,915
Dakota	6,624	5,663	79,702	66,016
Pickups	5,568	7,616	69,629	80,661
Chrysler	**56,909**	**56,474**	**648,088**	**594,361**
Vans	3,305	3,499	39,539	31,902
Safari	2,472	3,006	28,886	26,871
S-15	4,577	2,617	44,504	41,796
S-15 Jimmy	4,443	2,654	36,156	31,440
Jimmy	684	915	6,211	6,881
Caballero	0	112	60	1,552
Suburban	1,799	1,707	16,778	15,572
Pickups	11,100	8,615	118,408	94,759
P Model	248	510	3,618	4,563
W-4	119	112	1,278	1,254
GMC	**28,727**	**23,749**	**297,438**	**256,590**
Wrangler/CJ	3,713	2,631	34,800	24,419
Wagoneer	876	947	7,393	10,372
Cherokee	13,581	9,659	121,606	88,410
Grand Wagoneer	1,350	1,343	11,781	11,074
Comanche	2,915	2,614	33,313	31,849
J-10/J-20	0	103	221	1,197
Jeep	**22,435**	**17,287**	**209,114**	**187,321**
Toyota	18,160	22,211	210,043	260,229
Nissan	11,332	17,984	142,960	185,113
Mazda	6,122	7,591	81,136	106,292
Isuzu	8,311	7,055	73,480	76,581
Mitsubishi	3,411	4,751	36,877	43,205
Suzuki	1,493	5,916	52,010	71,175
Subaru	0	48	10	1,251
Range Rover	287	329	2,814	1,878
Imports	**49,116**	**65,885**	**599,330**	**747,724**
Industry Total	**387,500**	**370,904**	**4,098,500**	**3,926,644**

Compiled by Karen Dalkowski

Light trucks notch record for October

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Domestic light-truck sales started the 1989 model year off with a 4.47 percent increase and a new October record, maintaining their steady, year-long string of records.

A significant, though perhaps short-lived, phenomenon last month was that Chevrolet ran just about neck-and-neck with Ford. Only 581 sales separated the two light-truck manufacturers, whereas Ford had more than a 19,000-unit lead in October last year.

Part of the closeness may have been due to greater inventory shortages at Ford, which allowed Chevrolet to close in so sharply on its major competitor. But in a general sense, Chevrolet has been narrowing the gap for most of the year.

There was a reprise of another familiar story as foreign-based light-truck manufacturers continued to slip in October.

Their sales dropped 25.45 percent from the year-earlier month, and their market share continued to plummet as well. The foreign-based segment captured 12.68 percent of October light-truck sales, a loss of more than 5 percentage points from their 17.76 percent share a year ago.

For 10 months of the calendar year, they have maintained a 14.62 percent share of U.S. light-truck sales, down from 19.04 percent last year.

October saw sharp gains by almost all manufacturers except Plymouth and Dodge, which just barely edged ahead of their year-earlier numbers.

Overall, light-truck manufacturers retailed 387,500 trucks in October compared to 370,904 in 1987.

Automotive News' tally excludes the Class 4 medium Super Duty truck model, which Ford has been reporting as part of its light-truck sales total, but which really doesn't belong in that category.

For 10 months, industry sales of 4,098,500 light trucks were up 4.38 percent from 3,926,644 in like 1987.

Jeep, as it has throughout the year, led the industry's sales gains. Its October sales of 22,435 units were up 29.70 percent from a year earlier.

Behind Jeep, Chevrolet and GMC turned in almost equally impressive sales gains, totaling 22.33 percent and 20.96 percent, respectively.

Chevrolet's sales of 114,866 light trucks in October were up from 93,898 a year ago. GMC's 28,727 sales were up from 23,749 in 1987.

Industry leader Ford, which has been producing at maximum capacity, recorded 115,447 sales last month, excluding its medium-duty Class 4 models, up 1.62 percent from 113,601 a year earlier.

Among the imports, only Isuzu showed a gain in October, on sales of 8,311 trucks that were up 17.80 percent from a year earlier.

Nissan had one of the biggest declines with sales of 11,332, off 36.98 percent from last year. The Nissan totals include U.S.-built and imported trucks.

Import leader Toyota also had a fairly sizable decline with sales of 18,160, off 18.24 percent from 1987.

For 10 months, Ford's sales of 1,224,223 light trucks were up 4.47 percent from last year; Chevrolet's sales of 1,120,287 were up 13.29 percent; Chrysler's sales of 648,088 were up 9.04 percent; GMC's sales of 297,438 were up 15.92 percent; and Jeep's sales of 209,114 were up 24.98 percent.

Among foreign-based manufacturers, only Range Rover maintained a lead over last year for the first 10 months, although its sales, too, were off in October.

Kelpie buys Mexico plant to make novel pickup for U.S.

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

TORRANCE, Calif. — Australian-based Kelpie Industries purchased a 360,000-square-foot auto plant in Monterrey, Mexico, as part of its plan to enter the U.S. light-duty utility-vehicle market in the 1990 model year.

Kelpie is tooling up to begin Mexican production in the third quarter of 1989 on a restyled, plastic-bodied version of the "kneeling" pickup first shown in prototype form last fall, said Bob Honan, president and chief executive officer of Kelpie Industries U.S.A.

The Kelpie Kargo still will be based on Chrysler running gear and other components of the Dodge Dakota pickup, but it has new stepside styling and mostly sheet molded compound body panels that will give it a distinct Kelpie look, Honan said.

The heart of the exercise is still a drop-bed and tailgate design that eliminates the rear axle and allows the entire truck bed to be lowered to ground level for easier loading and unloading.

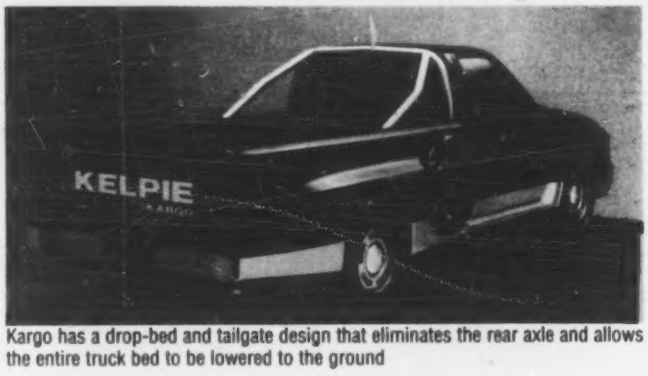
That was the idea that originally made Kelpie Industries Ltd. of Matraville, New South Wales, a successful Australian stock offering.

It also fueled the interest of Socofi SA, a Swiss banking house, which recently acquired 49 percent of Kelpie Industries' stock in exchange for $40 million in new capital. That is paying for the Monterrey plant, design revisions and tooling and preliminary engineering work on a variety of other projects, including drop-bed trailers and walk-in vans.

Kelpie is planning to produce 20,000 Kelpie Kargo pickups for the U.S. market in its first 12 months. The plant has a single-shift capacity of 30,000 units annually, but could manufacture up to 80,000 annually on a two-shift basis if demand is great enough, Honan said.

So far, 52 dealers have signed franchise agreements or set up lines of credit, Honan said. Kelpie is seeking an eventual network of 250 U.S. dealers, he said.

Because the 2.5-liter four-cylinder engine, front-drive transmission and other components are Chrysler-produced, most Kelpie franchisees will be Dodge or Chrysler dealers. "It's running about 90 percent Chrysler-affiliated so far," Honan said.



Kargo has a drop-bed and tailgate design that eliminates the rear axle and allows the entire truck bed to be lowered to the ground

To drum up dealer interest in the Sun Belt and to test consumer reaction to the vehicle, Kelpie conducted a three-week, 28-city tour from California to Florida to display the original prototype and a scale model of the revised design.

Kelpie's marketing plans are to concentrate initially on commercial customers. Chairman Robert Page originally developed the Kelpie for use in his shopping-cart-retrieval business after he got tired of lifting carts into a pickup.

Kelpie executives believe commercial truck users, who think of vehicles as tools, will be the easiest sell for a pickup that retails for $15,000-$17,800, depending on options.

"But our market research shows that there could be a significant demand for the Kelpie Kargo as a personal-use vehicle," Honan said. The 11-inch ground clearance and the ability of the truck to drop to ground level so motorcycles and all-terrain vehicles can be rolled into the bed would be appealing to outdoors types, he said.

Current specifications for the Kelpie Kargo call for a 124-inch wheelbase, 211 inches in overall length and 80 inches in width.

The cargo box is 96 inches long, 51 inches wide and 32 inches deep with 90 cubic feet of capacity and a payload of 1,800 pounds. The GVW rating is 5,200 pounds.

The powertrain, a 2.5-liter four-cylinder engine and three-speed automatic front-drive transaxle, is from Chrysler's minivan.

Because the rear axle is eliminated to allow the bed to drop to the ground, the Kelpie Kargo must have a rigid bar across the back to keep the rear wheels from warping when the bed is lowered or raised. The box is locked into place to provide structural rigidity when the vehicle is moving.

The original design was a roll-bar-like arrangement above the rear wheels. The latest design moves that forward to just behind the cab, with bars running diagonally from the corners of the roll bar through the sides of the bed to anchor at the top of the rear-wheel suspension.

Kelpie has contracted for necessary U.S. government certification testing, which will be conducted starting in February at the Transportation Research Center near Marysville, Ohio, said Bud Koch, Kelpie vice president — research and product development.

IMPORT SALES BY MODEL

	Oct. 1988	Oct. 1987	10 Mos., 1988	10 Mos., 1987
ACURA	10,101	10,024	108,333	90,291
Integra	3,933	4,133	49,736	46,664
Legend	6,168	5,891	58,597	43,627
ALFA ROMEO	222	492	3,885	5,516
Milano	119	322	1,950	2,434
Spider	103	170	1,935	3,082
AUDI	1,947	1,944	20,282	37,183
4000S	1	127	210	8,889
4000CS Quattro	1	109	76	2,792
5000S	132	1,007	5,220	17,519
5000CS Turbo	32	170	885	3,294
5000CS Turbo Quattro	26	235	1,002	2,819
80	450	58	5,097	58
90	591	63	5,353	63
100/200	524	0	1,611	0
100/200 Quattro	182	0	558	0
Coupe GT	8	175	270	1,749
BMW	6,262	7,403	59,548	74,804
318i	0	1	9	16
524 TD	0	0	3	28
325	2,785	4,551	30,482	49,538
528e	917	806	9,186	8,062
535i/535iS	978	526	4,887	5,723
6-Series	141	140	1,612	1,737
7-Series	1,210	1,113	11,013	8,105
M3	102	175	1,453	745
M5	79	47	404	320
M6	50	44	499	530
CHEVROLET	6,852	10,327	101,316	113,964
Spectrum	3,209	4,966	60,359	65,209
Sprint	3,643	5,361	40,957	48,755
CHRYSLER MOTORS	10,191	9,684	110,043	116,786
Colt	5,692	5,831	69,705	69,138
Conquest	691	767	8,863	10,375
Medallion	1,571	1,260	12,731	10,753
Summit	704	0	1,979	0
Vista	1,533	1,826	16,765	26,520
DAIHATSU	1,017	0	9,583	0
FORD Festiva	4,799	3,400	58,265	19,814
HONDA	23,972	33,453	211,893	244,381
Civic/CRX	5,096	13,857	84,856	105,293
Accord	13,032	10,271	84,057	83,177
Prelude	5,844	9,325	42,980	55,911
HYUNDAI	16,232	20,714	225,198	226,191
ISUZU	1,539	2,472	21,399	33,075
I-Mark	1,257	1,767	14,655	27,017
Impulse	282	705	6,744	6,058
JAGUAR	1,849	1,970	16,762	18,310
XJ6	1,440	1,507	12,716	13,747
XJS	409	463	4,046	4,563
MASERATI	42	75	691	769
MAZDA	16,405	20,368	190,928	169,133
323	6,967	7,602	78,364	62,700
626	5,124	5,264	57,298	64,546
MX-6	13	2,866	7,527	6,083
929	1,849	1,744	22,473	2,454
RX-7	1,455	2,892	24,155	33,350
MPV	997	0	1,111	0
MERCEDES BENZ	6,671	7,609	70,576	75,408
190	701	1,286	14,530	15,194
260E	405	672	5,572	5,081
300	1,876	1,961	17,949	19,735
300 SE	596	0	3,914	0
300SDL Turbo	1	396	90	5,732
300SEL	210	23	4,217	23
420SEL	712	1,633	7,136	12,682
560SEL	580	495	4,594	4,993
560SL	1,168	930	10,165	9,682
560SEC	158	144	1,314	1,421
Tourist	264	69	1,095	865
MERKUR	1,928	1,015	13,700	12,820
XR4Ti	858	595	4,914	8,167
Scorpio	1,070	420	8,786	4,653
MITSUBISHI	4,827	5,193	60,000	58,086
Starion	124	309	2,816	4,583
Cordia	229	496	5,349	3,572
Tredia	4	304	470	4,566
Mirage	790	924	10,541	12,490
Galant	1,865	940	17,228	9,296
Precis	1,405	1,767	17,838	17,814
Van/Wagon	410	453	5,758	5,765
NISSAN	20,803	33,094	295,818	348,483
Sentra	5,832	10,438	115,260	94,800
Pulsar	1,752	4,290	40,083	55,388
Stanza	3,377	5,411	40,508	57,284
Maxima	3,929	8,253	56,649	80,803
200SX	3,224	1,818	21,752	27,467
300ZX	1,300	2,032	17,340	29,406
Hawaii	1,389	852	4,226	3,335
PEUGEOT	574	615	5,668	7,595
PONTIAC LeMans	6,039	3,042	52,094	29,990
PORSCHE	1,033	1,480	13,494	20,793
924S	54	201	2,108	2,752
944	293	355	3,157	5,628
944S	50	62	422	1,789
944 Turbo	136	237	1,540	2,272
911 Coupe	216	277	2,626	3,533
911 Turbo	73	110	918	1,310
911 Cabriolet	101	107	1,556	1,889
928S	110	131	1,167	1,620
SAAB	2,843	3,902	32,702	39,037
900	485	927	5,632	8,564
900S	686	1,181	8,711	12,701
900 Turbo	684	829	7,938	7,691
9000S	328	326	3,031	3,138
9000 Turbo	643	609	6,682	6,240
Tourist	17	30	708	703
STERLING	600	1,433	8,092	12,215
SUBARU	15,194	17,728	131,614	147,097
Hatchback	329	941	4,671	6,732
3-Door	1,034	1,470	7,880	12,146
4-Door Sedan	4,031	3,426	27,973	34,690
XT	1,218	1,142	12,408	15,763
Station Wagon	6,672	9,215	56,513	68,177
Justy	1,910	1,534	22,169	9,589
SUZUKI	16	0	16	0
TOYOTA	57,797	55,361	505,625	459,876
Corolla	16,169	13,502	128,997	86,829
Tercel	11,318	9,894	82,121	80,520
Celica	5,096	6,064	56,034	66,978
Supra	1,486	2,470	16,568	25,372
Camry	19,580	18,111	176,690	146,652
Cressida	1,298	1,748	10,162	18,781
Land Cruiser	314	506	5,284	3,593
Van	399	770	4,525	11,380
4 Runner SR5	1,489	299	17,960	1,547
MR2	648	1,137	7,284	13,763
Hawaii	0	860	0	4,461
*VOLKSWAGEN	12,637	10,765	124,637	109,750
Cabriolet	463	780	11,799	12,514
Jetta	3,436	3,036	44,436	44,400
Golf/GTI	1,627	0	7,717	0
Vanagon	299	1,053	4,602	9,374
Quantum	230	800	2,638	6,184
Scirocco	314	652	3,241	6,392
Fox	6,268	4,444	50,204	30,886
VOLVO	8,080	6,438	84,759	96,036
240 Series	3,722	2,616	35,879	45,010
740 Series	3,631	2,498	36,100	37,119
760 Series	604	1,236	10,619	12,173
780	91	64	1,550	394
Tourist	32	24	611	1,340
YUGO	2,006	3,606	28,012	42,768
IMPORT TOTAL	242,478	273,607	2,564,933	2,610,171

*Volkswagen has reported sales of U.S.-built Golf and GTI models as imports after June 30, 1988.

Compiled by Karen Detkowski

Calif. bans 'free' offers by dealers

LOS ANGELES — A new law will prohibit California new-car dealers from advertising free merchandise, gifts or services contingent on the purchase of a vehicle. The law goes into effect Jan. 1.

The law also says that the term "free" will include merchandise or services offered for sale at a price less than the seller's cost.

For example, according to an analysis by the Motor Car Dealers Association of Southern California, it will be unlawful for a dealer to advertise that a customer will receive a free television or mink coat with the purchase of a vehicle or that the customer may purchase such items for $1 with the purchase of a vehicle.

However, that section does not prohibit a dealer from advertising free merchandise, such as factory-sponsored "free options," that are provided by a source other than the dealer.

Other highlights of the law prohibit a dealer from:

- Using the term "rebate" or similar words such as "cash back" in advertising unless the rebate is expressed in a specific dollar amount and is in fact a rebate offered by the maker or distributor.
- Advertising a guaranteed trade-in allowance unless the guarantee is provided by the maker or distributor.
- Advertising a vehicle at a specified amount above, below or at the maker's or distributor's invoice price to the dealer, unless the advertisement states, "The invoice amount may exceed the actual dealer cost because of allowances provided by the manufacturer or distributor."
- Advertising any underselling claim, such as "we have the lowest prices," unless the dealer has conducted a recent survey showing that the dealer sells vehicles at lower prices than any other dealer in its trade area and maintains records to back the claim.
- Advertising any incentive offered by the maker or distributor if the dealer is required to contribute to the cost as a condition of participating, unless the dealer discloses that "Dealer participation may affect consumer cost."

John B.T. Campbell III, president of Campbell Automotive Group Inc., a chain of eight dealerships in Orange County, Calif., said he was in favor of the law.

"There has been, is and continues to be a certain amount of deceptive and misleading advertising done by automobile dealers in California," Campbell said. "I am in favor of this law because it affects those who are doing the misleading advertising and, if they continue, there will be a penalty.

"Customers are smart enough to know that if you buy a car and get a free television, it is not really free," he said. "It is built into the cost of the car someway."

Mike Miller, who owns Toyota and Chevrolet dealerships in Culver City, Calif., said "I think it is about time. We don't advertise that way. It is wrong, and I agree with cleaning it up."

Bud Barish of Barish Chrysler Plymouth, Los Angeles, also endorsed the law. "I get upset whenever I see something that says it's free and you know it is included in the price of the car," he said. "It's a gimmick and the fewer gimmicks we have in the automobile business, the better."

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POWER PUSHER

European car sales strong; VW closes in on Fiat for lead

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Despite predictions of a decline in 1988, European new-car sales rose 5.3 percent during the first three quarters and remain on target for another record year.

Meanwhile, Volkswagen A.G. is narrowing the gap between itself and sales leader Fiat, according to industry estimates compiled by Automotive News.

In line with the nine-month trend, September sales in 17 Western European countries rose 5.2 percent to 988,200. Nine-month sales totaled 9,999,100 cars, which was ahead of the 1987 pace that resulted in a record 12.4 million sales for the year. Automakers and industry analysts generally had forecast a drop of about 5 percent this year, but most major markets have remained buoyant.

Fiat, including Lancia and Alfa Romeo, led the European rankings through the first nine months. But VW, with Audi and Seat, appears on the verge of regaining first place and finishing No. 1 in Europe for the fourth straight year.

Fiat sales totaled 1,466,200 through September, a 6.7 percent increase over 1987. Alfa Romeo, which came under Fiat ownership last year, was up 14.3 percent for the year to 166,000 units and has boosted its share of the European market from 1.5 to 1.7 percent with introduction of its new 164 sedan.

The combined Fiat group share was 14.7 percent, while VW, which outsold Fiat by more than 20,000 units in September, held 14.5 percent on nine-month sales of 1,454,500 cars. VW sales were up 3 percent over 1987.

Peugeot S.A., including the Peugeot and Citroen brands, had a firm grip on third place through the first three quarters. The French group posted sales of 1,263,000, an increase of 14.1 percent and a 12.6 percent share. Most of the gain is attributable to the Automobiles Peugeot Division, which boosted sales 18 percent to 792,800 units. From a percentage standpoint, that was tops among volume makers in Europe and was second only to BMW overall.

Fourth-place Ford was hurt by a strike in the United Kingdom earlier this year while capacity was already limited. Ford held 11.6 percent of the market through September on sales of 1,161,400, an increase of just under one percent.

General Motors has been picking up steam in recent months as supplies of the Corsa small car improve with the addition of a third shift at its Zaragoza, Spain, plant. Fifth-place GM was up 4.3 percent for the year to 1,065,400 units, a 10.7 percent market share.

In September alone, GM sales improved 11.3 percent, an increase second only to Peugeot's 11.9 percent gain among the six volume manufacturers.

Renault sold 992,200 cars through September, an improvement of 1.8 percent and good for 9.9 percent of the market.

Helped by strong sales in Britain, Austin Rover moved past Mercedes-Benz into the No. 7 position in Europe. Rover sales improved 9.9 percent to 367,300 units and a nine-month share of 3.7 percent share. Mercedes held 3.5 percent with sales of 345,000, a gain of 1.8 percent for the year.

BMW has made a strong gain in 1988 with the introduction of its new 5 series. Sales for the German maker totaled 275,900 during the first nine months, a pickup of 23.4 percent. BMW sales jumped 86.4 percent to 33,100 units in September, registering big gains in all major markets.

Japanese manufacturers, who raised ire in Europe during 1986 and 1987 by increasing their market share, have kept pace with the overall market in 1988. Combined sales increased 4.7 percent to 1,136,000 through September and the Japanese share of 11.4 percent was unchanged over 12 months.

Nissan remained tops among the Japanese in Europe with nine-month sales of 301,200, an increase of 6.3 percent and a 3 percent share.

West Germany is Europe's largest market, but remains 2.1 percent behind last year's record pace, which resulted in 2.9 million sales for the full year. Sales totaled 2,138,900 through the first three quarters. In September, West German sales increased 1.8 percent.

All of Europe's other major national markets will apparently set records this year. The United Kingdom, Italy and France should all exceed 2 million units, and Spain will almost certainly go over one million for the first time.

The United Kingdom rose 7.7 percent in September and 11.6 percent for the first nine months to 1,826,800. Italian sales totaled 1,661,000 through September, a 7.4 percent jump over the same period last year. September sales rose 4 percent in Italy.

New-car sales in France improved 6.6 percent for the year to 1,564,000 and rose 13.2 percent in September alone. The Spanish market is still booming, with sales up 31.5 percent in September and ahead 17.5 percent to 804,100 for nine months.

EUROPEAN SALES

Manufacturer	9 months 1988	1988 share*	9 months 1987	Volume Change '88 vs '87
Fiat Group*	1,466,200	14.7	1,374,200	+ 6.7
VW-Audi-Seat	1,454,500	14.5	1,412,800	+ 3.0
PSA**	1,263,100	12.6	1,106,800	+14.1
Ford	1,161,400	11.6	1,151,100	+ 0.9
General Motors***	1,065,400	10.7	1,021,200	+ 4.3
Renault	992,900	9.9	974,900	+ 1.8
Austin Rover	367,300	3.7	334,100	+ 9.9
Mercedes-Benz	345,000	3.5	338,900	+ 1.8
Nissan	301,200	3.0	283,200	+ 6.3
BMW	275,900	2.8	223,700	+23.4
Toyota	273,800	2.7	268,200	+ 2.1
Volvo	204,400	2.0	203,000	+ 0.7
Mazda	195,900	2.0	178,700	+ 9.6
Mitsubishi	118,900	1.2	118,800	+ 0.1
Honda	111,800	1.1	102,700	+ 8.8
Others	401,400	4.0	399,400	+ 4.2
Total	9,999,100	100.0	9,491,700	+ 5.3

* Includes Alfa Romeo
** Peugeot, Citroen, Talbot
*** Opel, Vauxhall, Isuzu, GM-U.S./Canada

NEW-CAR SALES BY COUNTRY IN EUROPE

Country	Jan-Sept. 1988	Change on 1987
West Germany	2,138,900	− 2.1
United Kingdom	1,826,800	+11.6
Italy	1,661,000	+ 7.4
France	1,564,000	+ 6.6
Spain	804,100	+17.5
Netherlands	409,800	−12.7
Belgium-Luxembourg	375,500	+ 6.4
Switzerland	282,100	+ 6.9
Sweden	251,200	+12.9
Austria	202,000	− 0.7
Portugal	150,700	+64.2
Finland	138,300	+15.1
Denmark	73,000	−26.2
Norway	54,900	−38.6
Ireland	53,700	+13.4
Greece	43,100	+ 6.8
Total	9,999,100	+ 5.3

Strikes settled; Korean makers face big backlog of home orders

By Oles Gadacz
STAFF CORRESPONDENT

SEOUL, South Korea — Korean companies are faced with a huge backlog of orders in the home market as a result of strikes earlier this summer.

Hyundai Motor Co., Kia Motors Corp. and Daewoo Motor Co. have orders for nearly 90,000 vehicles, the equivalent of two full months of domestic sales.

Growth in the domestic demand for new vehicles has been outstripping supply, a situation made worse by the industry's insistence upon meeting export commitments first.

Production was restricted in September and October because of several major holidays. Furthermore, plants had to slow production of some models because of a shortage of auto glass that resulted from a strike at Hankook Safety Glass. That strike has been settled.

The order backlog will begin to shrink this month, analysts say, and domestic supply could return to normal by early 1989.

Kia Motors' backlog includes 4,200 passenger cars and 24,400 commercial vehicles. Daewoo Motor has orders for 8,600 cars, 2,000 trucks and 1,400 buses. It can turn out about 15,000 cars, 300 trucks and 500 buses per month.

As of mid-October, Hyundai Motor had a backlog of 30,700 passenger cars and 17,000 commercial vehicles. It will take months to fill some orders since the company can produce only 450 trucks, 500 buses and 330 special vehicles a month.

Meanwhile, about 45,500 vehicles were registered in Korea during September, about 2,000 fewer than in July and August.

Sales in the domestic market totaled 360,000 vehicles in the first nine months of this year, an increase of 24.1 percent over the same period last year.

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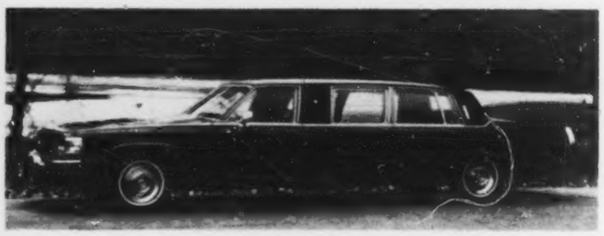

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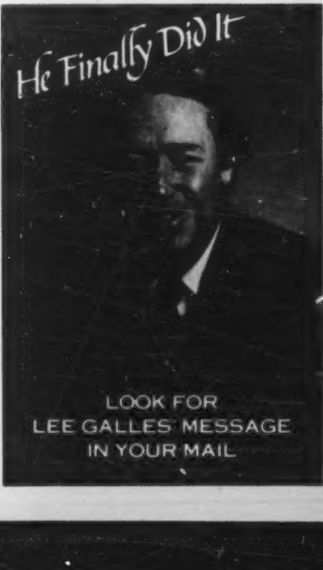

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Fort Worth Auto Auction (div. of GECAA), 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Thursday. Contact: George Horton, 817-626-5494.

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AUCTION DATES

Ford Motor Co.

Nov. 15 — South Seattle Auto Auction, Kent, Wash.

Nov. 16 — Northway Exchange Auto Auction, Clifton Park, N.Y.; Clanton's Auto Auction, Darlington, S.C.; Mississippi Auto Auction, Hattiesburg, Miss.; Southern California Auto Auction, Fontana, Calif.; and Omaha Auto Auction, Omaha, Neb.

General Motors

Nov. 15 — A.D.E. of Birmingham, Moody, Ala.; National Auto Dealer Exchange, Bordentown, N.J.; and Florida Auto Auction of Orlando, Ocoee, Fla.

Nov. 16 — Baltimore-Washington Auto Exchange, Baltimore; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

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Used Car Sales

Auction Averages

November 88	**$5,878**
Month ago	**$5,810**
Year ago	**$5,975**

Model Breakdown

Auction Averages

	NOV 1988	OCT 1988	SEPT 1988
1988 ...	$9,528	$9,863	$9,772
1987 ...	$7,308	$7,759	$7,554
1986 ...	$6,723	$6,495	$6,816
1985 ...	$5,233	$5,698	$5,593
1984 ...	$4,049	$4,206	$4,177
1983 ...	$3,026	$3,258	$3,556
1982 ...	$2,188	$2,633	$2,535
1981 ...	$1,773	$1,882	$1,743
Overall Average	$5,878	$5,748	$5,757

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Car output climbs 5% to 165,790

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

U.S. automakers scheduled production of 165,790 cars last week, 5.36 percent more than the previous week's 157,360 and 7.85 percent more than the year-ago week's 153,721.

So far this year, 6,185,021 cars have been assembled, 1.43 percent below the 6,274,893 completed last year at this point.

Last week's targeted output was split this way: General Motors, 52.80 percent; Ford Motor Co., 23.14 percent; Chrysler Motors, 14.48 percent; Honda of America Manufacturing Inc., 4.52 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 2.92 percent; Nissan Motor Manufacturing Co. U.S.A., 1.24 percent; and New United Motor Manufacturing Inc., 0.90 percent.

Truck output was estimated at 89,524 units last week, 1.91 percent more than the prior week's 87,848 and 4.44 percent more than the year-ago week's 85,722.

Year-to-date, 3,610,849 trucks have been built, 7.34 percent above last year's 3,363,849.

GM said it will increase its capacity to build Cadillac Fleetwood models at its Orion Township, Mich., assembly plant in January.

Fleetwood coupe and sedan production will be increased from 40 cars per day to 100 cars per day due to an increase in market demand. However, GM may cut output of the DeVille by as much as 60 cars per day, a spokesman said.

GM slated overtime last Saturday at 10 plants: Janesville, Wis.; Lansing, Mich.; Lordstown, Ohio; Van Nuys, Calif.; Oklahoma City; Wilmington, Del.; Tarrytown, N.Y.; Baltimore; Fort Wayne, Ind.; and Shreveport, La.

Ford scheduled Saturday overtime at its Norfolk, Va., and Lorain, Ohio, plants.

All Ford car and truck plants are slated for daily overtime this week.

GM plant down; Canada slips

Targeted production of cars in Canada last week dipped from the prior week's build as General Motors halted output at one of its plants for model changeover.

Scheduled production of 17,527 cars fell 16.02 percent from the previous week's 20,870 and also dropped 23.55 percent from the year-ago week's 22,925.

So far this year, 921,627 cars have been assembled, 35.12 percent more than the 682,070 completed last year at this point.

Truckmakers estimated production at 20,041 units last week, 4.80 percent below the prior week's 21,051 but 15.66 percent more than the year-ago week's 17,327.

Year-to-date, 808,792 trucks have been built, 13.09 percent more than the 715,147 assembled last year at this time.

GM halted Regal output at its Oshawa (No. 2), Ontario, plant last week to prepare for production of the Chevrolet Lumina, which is scheduled to be introduced in the spring. The plant will build both Regal and Lumina when it returns to work Jan. 3.

U.S. CAR	Week Ended Nov. 12, 1988	Week Ended Nov. 14, 1987	Week Ended Nov. 5, 1988	Nov. to Date	Jan. 1 to Nov. 12, 1988	Jan. 1 to Nov. 14, 1987
Alliance	0	0	0	0	0	15,994
Total Eagle	0	0	0	0	0	15,994
Horizon	1,600	780	1,361	4,180	70,511	39,670
Sundance	2,000	1,760	1,960	5,726	90,143	79,714
Reliant	2,100	3,455	1,910	5,888	79,711	115,536
Acclaim	700	0	636	1,582	1,818	0
Caravelle	0	517	0	0	9,265	30,067
Gran Fury	300	159	336	831	18,505	6,159
Total Plymouth	6,700	6,651	6,203	18,207	269,953	280,148
LeBaron K	0	984	0	0	7,912	58,454
LeBaron J	2,600	0	2,383	7,090	73,822	102,201
LeBaron GTS	100	416	72	261	8,106	34,473
N. Yorker E-Class	0	0	0	0	0	57,102
N. Yorker C-Class	2,200	1,693	2,241	6,401	92,473	10,885
Fifth Avenue	800	1,097	794	2,360	28,645	57,507
Total Chrysler	5,700	4,190	5,490	16,112	210,958	320,622
Omni	1,600	700	1,447	4,311	69,423	34,323
Daytona	1,600	0	1,578	4,573	67,944	55,761
Shadow	2,000	2,023	1,810	5,526	88,974	83,462
Aries	2,400	3,946	2,320	6,604	78,809	106,171
Dodge 600	0	735	0	0	8,549	35,981
Dynasty	2,600	453	2,753	7,917	96,161	2,390
Lancer	100	270	257	585	7,978	21,410
Spirit	700	0	580	1,418	1,615	0
Diplomat	400	276	428	1,100	17,111	12,917
Total Dodge	11,600	8,403	11,173	32,043	436,484	354,435
CHRYSLER MOTORS	24,000	19,244	22,866	66,363	917,395	971,199
Escort	9,518	9,463	11,056	28,198	361,182	342,213
Mustang	3,915	4,507	4,138	11,101	176,918	188,614
Tempo	3,637	3,801	3,490	10,222	161,744	122,818
Taurus	8,448	8,840	8,194	22,824	346,675	361,243
Thunderbird	1,919	2,982	1,334	4,094	96,268	139,105
Total Ford Div.	27,437	29,593	28,212	76,439	1,142,785	1,153,993
Lynx	0	0	0	0	0	21,352
Topaz	1,313	1,319	1,505	4,163	62,075	40,189
Cougar	1,940	2,986	1,330	4,080	75,674	123,711
Sable	3,071	2,777	2,795	8,048	118,283	107,850
Total Mercury	6,324	7,092	5,630	16,300	256,032	293,337
Continental	1,535	410	1,546	4,313	46,075	10,560
Mark VII	768	620	776	2,159	[illegible]	25,098
Lincoln	2,303	3,099	2,318	6,471	109,241	124,721
Total Lincoln	4,606	4,129	4,640	12,943	179,444	160,379
Total L-M Division	10,930	11,221	10,270	29,243	435,476	453,716
FORD MOTOR CO.	38,367	40,814	38,482	105,682	1,578,261	1,607,709
Skyhawk	1,147	1,078	963	[illegible]	23,400	30,726
Skylark/Somerset	1,785	1,434	1,352	4,371	45,498	58,345
Century	5,087	3,323	4,325	13,235	123,398	140,887
Regal (rwd)	0	735	0	0	0	37,999
Riviera	861	359	653	1,825	9,831	11,769
Electra	2,510	3,427	2,224	6,951	77,599	83,402
LeSabre (fwd)	2,920	2,380	2,340	7,600	118,524	128,820
LeSabre (rwd)	220	430	220	603	8,697	8,439
Reatta	263	0	207	654	8,722	0
Total Buick	14,593	13,166	12,284	40,942	415,667	500,187
Cimmaron	0	78	0	0	3,693	9,906
Eldorado	778	641	758	2,151	31,077	17,886
Seville	580	611	587	1,636	20,261	16,371
Brougham (rwd)	887	1,987	916	2,541	30,845	66,129
Deville (fwd)	4,778	3,372	3,712	12,058	137,632	123,739
Allante	75	50	60	195	1,819	4,020
Total Cadillac	7,108	6,739	6,033	18,584	225,327	238,141
Cavalier	7,800	7,186	6,612	18,519	314,203	275,929
Camaro	3,450	2,465	2,704	8,288	86,029	107,866
Celebrity	5,724	6,055	5,439	14,392	164,564	264,849
Corsica/Beretta	9,816	8,767	10,096	28,322	380,557	302,638
Monte Carlo	0	1,946	0	0	0	65,564
Caprice	4,040	5,724	4,041	11,412	182,842	168,903
Corvette	500	650	527	1,459	20,046	24,913
Total Chevrolet	31,330	32,793	29,419	82,391	1,148,241	1,210,662
Calais	3,015	3,138	2,307	7,863	101,903	103,921
Firenza	0	500	0	0	5,230	12,685
Cutlass Ciera	1,670	775	1,647	4,543	29,451	107,276
Cutlass Supreme	3,253	1,542	3,619	9,758	126,441	67,540
Toronado	331	397	320	907	13,474	13,963
88 (fwd)	3,340	3,811	3,223	9,270	138,322	158,703
88 (rwd)	195	462	161	495	9,961	12,862
Olds 98	1,758	2,043	1,537	4,836	64,816	62,472
Total Oldsmobile	13,562	12,668	12,814	37,672	489,598	543,020
Sunbird	2,923	1,847	2,391	7,544	96,534	77,444
Grand Am	5,728	5,309	4,912	15,438	212,741	220,543
Firebird	2,001	1,535	1,662	4,869	57,475	69,544
Grand Prix	4,872	0	4,000	12,072	127,039	0
Pontiac 6000	2,334	1,089	2,120	6,276	81,314	64,611
Bonneville	2,971	1,914	2,966	8,323	105,968	113,917
Safari/Parisienne	100	73	105	291	6,750	8,424
Fiero	0	1,158	0	0	13,297	28,999
Total Pontiac	20,929	12,925	18,156	54,813	701,118	583,482
GENERAL MOTORS	87,522	78,291	78,706	234,402	2,979,951	3,075,492
HONDA	7,500	8,138	8,822	22,662	323,844	285,647
Civic	2,510	1,781	2,811	7,415	96,107	78,642
Accord	4,990	6,357	6,011	15,247	227,737	207,005
MAZDA†	4,841	323	4,784	13,968	133,924	1,883
NISSAN	2,080	1,241	2,032	5,702	97,971	106,470
NUMMI	1,500	3,706	1,668	4,230	117,678	170,174
Corolla	1,500	1,076	1,668	4,230	47,106	38,053
Nova	0	2,630	0	0	70,567	132,121
VOLKSWAGEN	0	1,964	0	0	35,997	56,319
Golf/GTI	0	1,264	0	0	30,444	42,476
Jetta	0	700	0	0	5,553	13,843
Total Cars, U.S.	165,790	153,721	157,360	453,008	6,185,021	6,274,893
Total Cars, Canada	17,527	22,925	20,870	56,367	921,627	682,070
U.S., Canada Cars	183,317	176,646	178,230	509,375	7,106,648	6,956,963
U.S., Canada Cars and Trucks	292,882	279,695	287,129	816,487	11,526,289	11,035,959

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended Nov. 12, 1988	Week Ended Nov. 14, 1987	Week Ended Nov. 5, 1988	Nov. to Date	Jan. 1 to Nov. 12, 1988	Jan. 1 to Nov. 14, 1987
Eagle	0	—	0	0	0	—
Premier	1,275	—	1,337	3,686	[illegible]	—
CHRYSLER MOTORS	1,275	100	1,337	3,686	52,686	6,781
Escort	0	—	0	0	0	—
Lynx	0	—	0	0	0	—
Tempo	3,288	—	3,259	9,448	151,345	—
Topaz	1,628	—	1,588	4,532	60,051	—
Crown Victoria	2,895	—	2,833	7,934	112,430	—
Grand Marquis	2,865	—	2,963	8,151	114,248	—
FORD MOTOR CO.	10,656	11,512	10,643	30,065	438,074	374,512
Celebrity	392	—	431	1,304	18,380	—
Cutlass Ciera	3,524	—	3,427	9,788	197,139	—
Cutlass Supreme	0	—	0	0	0	—
Grand Prix	0	—	0	0	0	—
Pontiac 6000	0	—	0	0	29,690	—
Regal	0	—	3,409	6,869	139,603	—
GENERAL MOTORS	3,916	10,969	7,267	17,961	394,812	279,730
Civic	1,500	—	1,443	4,152	38,709	—
Accord	0	—	0	0	1,828	—
HONDA	1,500	344	1,443	4,152	40,537	13,508
VOLVO	180	0	180	504	5,518	7,969
Total Cars, Canada	17,527	22,925	20,870	56,367	921,627	682,070

U.S. TRUCK☆	Week Ended Nov. 12, 1988	Week Ended Nov. 14, 1987	Week Ended Nov. 5, 1988	Nov. to Date	Jan. 1 to Nov. 12, 1988	Jan. 1 to Nov. 14, 1987
Caravan	2,300	—	2,314	6,514	80,360	—
Dakota	2,300	—	2,432	6,670	94,931	—
Mini-Ram Van	150	—	244	600	10,813	—
Pickups	2,300	—	2,434	6,672	73,436	—
Total Dodge	7,050	9,179	7,424	20,456	259,540	269,697
Cherokee	4,500	—	3,629	12,006	162,626	—
Commanche	900	—	775	2,358	39,080	—
Grand Wagoneer	300	—	347	927	12,249	—
Pickups	0	—	0	0	0	—
Wagoneer	200	—	221	607	9,566	—
Total Jeep	5,900	4,579	5,172	15,898	223,521	196,703
Voyager	2,100	—	2,082	5,868	74,706	—
Total Plymouth	2,100	—	2,082	5,868	74,071	—
CHRYSLER MOTORS	15,050	13,756	14,658	42,222	554,221	466,400
Aerostar	3,974	—	2,828	9,362	180,679	—
Bronco	1,633	—	1,792	4,569	48,984	—
Bronco II	2,756	—	2,640	7,378	105,740	—
Econoline	3,436	—	5,206	13,122	210,102	—
Heavy trucks	1,309	—	1,307	3,664	57,416	—
Light trucks	10,542	—	10,288	29,546	430,771	—
Ranger	6,235	—	5,557	15,495	283,517	—
Total Ford Div.	29,885	31,621	29,418	83,156	1,317,209	1,302,048
FORD MOTOR CO.	29,885	31,621	29,418	83,156	1,317,209	1,302,048
Astro	4,056	—	3,654	10,499	155,302	—
Blazer	530	—	635	1,588	23,196	—
Mediums/Heavies	360	—	395	1,038	17,554	—
P-Model	958	—	977	2,711	36,834	—
Pickups	9,148	—	9,158	25,761	321,006	—
S-10	6,176	—	6,079	17,549	267,282	—
S-10 Blazer	4,257	—	3,581	11,174	149,326	—
Sportsvan/Van	2,168	—	1,703	5,579	84,324	—
Suburban	1,443	—	1,658	4,329	62,025	—
Total Chevrolet	29,096	25,355	27,840	80,229	1,116,853	992,465
Jimmy	155	—	183	464	6,764	—
Mediums/Heavies	590	—	558	1,634	31,739	—
P-Model	62	—	66	182	4,618	—
Pickups	2,812	—	3,193	8,165	98,627	—
S-15	1,395	—	2,029	4,693	61,276	—
S-15 Jimmy	1,203	—	1,088	3,137	42,079	—
Safari	1,039	—	758	2,605	39,770	—
Suburban	614	—	798	1,822	27,503	—
Vandura/Rally Vans	688	—	621	1,935	30,052	—
Total GMC	8,558	7,022	9,294	24,637	342,428	335,865
GENERAL MOTORS	37,654	32,377	37,134	104,866	1,459,281	1,258,330
NAVISTAR	1,745	1,778	1,625	4,788	75,528	65,685
NISSAN	2,440	3,438	2,263	6,113	81,410	82,876
AM GENERAL*	450	450	450	1,260	20,160	14,850
MISCELLANEOUS*	2,300	2,300	2,300	6,440	103,040	103,680
Total Trucks, U.S.	89,524	85,722	87,848	248,843	3,610,849	3,363,849

CANADIAN TRUCK	Week Ended Nov. 12, 1988	Week Ended Nov. 14, 1987	Week Ended Nov. 5, 1988	Nov. to Date	Jan. 1 to Nov. 12, 1988	Jan. 1 to Nov. 14, 1987
Caravan	3,006	—	3,109	8,651	123,340	—
Mini-Ram Van	184	—	187	503	10,669	—
Ram Wagon	532	—	638	1,768	23,119	—
Ram Van	1,348	—	1,774	4,859	63,077	—
Total Dodge	5,070	6,494	5,708	15,780	220,205	339,648
Voyager	2,330	—	2,546	7,201	110,982	—
Total Plymouth	2,330	—	2,546	7,201	110,982	—
Wrangler	1,248	—	1,271	3,565	44,911	—
Total Jeep	1,248	[illegible]	1,271	3,565	44,911	31,227
CHRYSLER MOTORS	8,648	7,555	9,525	26,546	376,098	370,875
FORD MTR. (lt. trks.)	3,648	4,138	3,611	10,013	141,646	131,533
Light trucks	3,872	—	3,596	10,178	135,392	—
Vans	1,566	—	1,586	4,274	[illegible]	—
Total Chevrolet	5,438	—	5,182	14,453	187,816	—
Light trucks	1,458	—	1,745	4,691	66,931	—
Vans	579	—	716	1,807	26,103	—
Total GMC	2,037	—	2,461	6,498	93,034	—
GENERAL MOTORS	7,475	5,405	7,643	20,951	280,850	204,168
NAVISTAR	270	229	272	760	10,196	8,571
Total Trks., Canada	20,041	17,327	21,051	58,289	808,792	715,147
U.S., Canada Trks.	109,565	103,049	108,899	307,112	4,419,641	4,078,996

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

Automotive News®

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C220

12/5/88

Squeezing turnips at Ford

Production strategy getting put to test

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

One of the most pressing questions facing Ford Motor Co. — whether to build a new assembly plant — is taking on new urgency as Ford winds up another successful year.

Continued demand for Ford cars and trucks has put the company's production strategy to a test. With the addition of a second shift at its Michigan Truck plant this month, Ford has moved a step closer to filling up its existing plants.

As it weighs its decision, Ford is confronted with a host of questions regarding quality, worker well-being and other issues that have helped define the company.

Arguing against a new plant is the specter of laid-off workers and idle facilities in the next downturn. Such a scenario would also challenge Ford's cherished status as the Big 3's low-cost producer.

Yet its current course hasn't silenced dealers' cries for more product. Ford is building nearly 20 percent of its vehicles on overtime, a practice that is straining workers and, in the view of some analysts, jeopardizing strides in quality.

The demand for more product is most acute on the truck side. Ford officials admit that shortages probably have cost the company market share. Some constraints have begun to ease as supplies of automatic transmissions and other components have increased.

As it struggles with demand from its own dealers, Ford will have to identify additional assembly space as it prepares to build

see STRATEGY page 70

HIDDEN IMAGE

Rounded styling in the proposed Jeep Cherokee replacement recalls for Chrysler Corp. Chairman Lee Iacocca the Ford Mustang sales slide after redesigns

Chrysler prepares for '90s

Iacocca outlines product piorities, global plans

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — To position itself for the 1990s, Chairman Lee Iacocca said Chrysler Corp. has established its three top product priorities for the early 1990s, that it will attempt to become a global player, and is likely to invest in non-automotive acquisitions, especially defense.

Iacocca said in an interview that he would like to see a doubling in size of the company's component-making Acustar subsidiary.

Iacocca also said he is hopeful Chrysler's relationship with Fiat will expand beyond the marketing of Alfa Romeo vehicles in the United States and that ventures with Renault are likely to include production of Jeeps because of demand in Europe.

Renault and Chrysler have been studying a plan to build a new four-wheel-drive sport-utility vehicle smaller than current Jeeps, according to company sources in Europe and the United States. Still to be settled is whether the vehicle would be built in Renault's Portugal factory, in another Renault facility or by another joint-venture partner.

In addition, Iacocca said Chrysler is readying a move into South America, probably with joint ventures assembling Jeep kits.

Iacocca also said Chrysler is considering a third minivan source and is studying the possibility of adding "brick and mortar" to the St. Louis No. 2 assembly plant, which produces 160,000 minivans annually.

He also said Chrysler is considering adding a second plant for Jeep Cherokee and mentioned the former American Motors plant in Bramalea, Ontario, which is now underutilized with Eagle Premier production. Cherokees are currently built in Toledo, Ohio.

"When we bought American Motors, they were concerned about staying in business, so they weren't thinking about a second Cherokee plant. We are Bramalea, for example," Iacocca said.

He also said Chrysler at one time tried to purchase from Renault only Jeep, not the entire AMC.

"We once asked them, would they sell us Jeep alone, and they said no," Iacocca said. "Then they said, maybe Jeep and Mack truck combined. Mack they own also. We played around with that."

Chrysler ended up purchasing AMC in August 1987.

Iacocca said that General Motors appears to be regaining its former strength.

see IACOCCA, page 72

14% hike set in car build for early '89

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Domestic automakers will begin the new year with a hefty first-quarter production schedule of 1.94 million cars — 14 percent more than they built during the first quarter of 1988.

Their first-quarter optimism accompanies an increase by Ford Motor Co. and, to a lesser degree, by Chrysler Motors in their production schedules for the remainder of this quarter. Even General Motors, which typically dramatically scales back its rosy production schedules as each quarter progresses, cut its fourth-quarter production plan only 2 percent from its late-September projection.

The industry's fourth-quarter schedule now stands at 1.91 million cars — 9 percent more than all domestic cars produced in the last quarter of 1987.

The nine U.S. automakers now expect to build 7 [illegible] million cars this calendar year — virtually the same number as last year.

Most bullish about the first quarter of 1989 is GM, which has scheduled 21 percent more cars than it built in the 1988 quarter.

FIRST QUARTER AUTO PRODUCTION
1989 forecast vs. 1988 actual

	1989	1988	% change
GM........	931,000	771,829	+20.62
Ford......	474,000	479,268	− 1.10
Chrysler .	272,000	261,436	+ 4.04
Honda....	99,400	92,156	+ 7.86
NUMMI ..	45,000	41,738	+ 7.82
Nissan ...	30,000	20,334	+47.54
Mazda....	61,500	16,362	—
VW........	0	17,284	—
Toyota ...	22,000	0	—
Diamond-Star ...	10,000	0	—
Industry .	1,944,900	1,700,404	+14.38

Its current schedule for the fourth quarter will leave it with at least a 90-day supply on Jan. 1, predicted auto analyst Mike Luckey of Luckey Consulting Group Inc., Cresskill, N.J. That means it will have to cut its current first-quarter forecast, offer major incentives or do both, he predicted.

Thomas O'Grady, Integrated Automotive Resources, said GM's first-quarter production forecast indicates the company "appears to be on the verge of a market-share attack."

O'Grady said he expects GM to cut back a bit from this early schedule but that GM will continue an ag-

see FORECAST, page 72

SPAIN: *Car sales double since '85 in 'California of Europe'*

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

In the last three years, the new-car market in Spain has grown at a rate unprecedented in the global auto industry since Word War II.

Modern plants, a successful export program and a car-hungry population have fueled the boom.

Since 1985 Europe's fifth largest car market has nearly doubled from just over 500,000 units to about a million expected in 1988.

Most European observers expect the market to grow another half-million by 1995, an increase of a million or 200 percent in 10 years.

But some think the real surge in Spain will come in 1992 when Spain's new Common Market status spawns wide-open competition in a long-insulated market. Some analysts think the market will settle in at 2 million units annually.

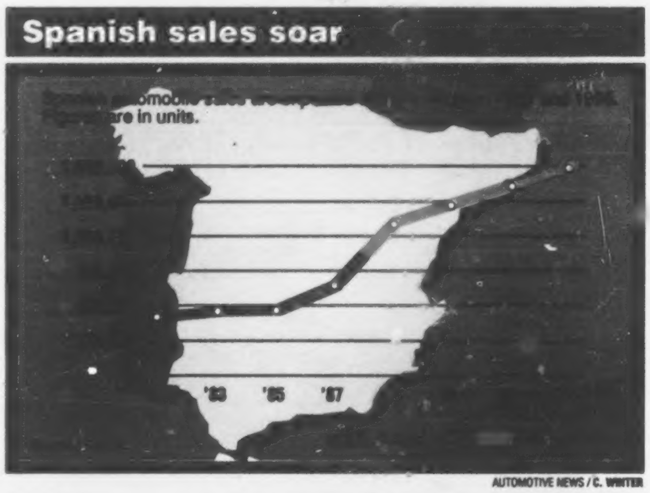
To prepare, importers today are eating Spain's high tariffs in an effort to build market share and dealer networks.

Japanese makers, all but barred from the country by tight import restrictions, are considering manufacturing bases in low-cost Spain, and Spanish carmakers are gearing up to become major exporters.

And there are still other visions of Spain's role in the European auto industry.

see SPAIN, page 29

Spanish sales soar



AUTOMOTIVE NEWS / C. WINTER

Leaders see '89 sales dip, but no panic

AUTOMOTIVE NEWS ROUNDUP

New-car and -truck sales in the United States in calendar year 1989 will decline from 300,000 to 900,000 units, based on forecasts by officials of U.S. auto companies, the National Automobile Dealers Association and the UAW.

Forecasts for next year range from 14.9 million to 15.3 million units. Calendar-year 1988 sales are expected to come in at 15.6 million to 15.8 million units.

The officials, who delivered their forecasts in exclusive interviews in

see PREDICTIONS, page 40

Earnings climb for 3rd quarter Page 2

GM alters salaried pay plan Page 3

Executives change at European makers Page 6

Trade pact hinges on Canadian voters

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Automakers are keeping a close eye on today's parliamentary election in Canada. Canadian voters will decide whether to approve a sweeping Free Trade Agreement with the United States, or tear it up.

Also watching the vote closely will be Michigan Gov. James Blanchard and the UAW, following last week's rejection by the U.S. Trade Representative of Blanchard's trade case over Canada's duty-remission program.

The issue has dominated the debate between the Progressive Conservative government of Brian Mulroney and the Liberal and New Democratic opposition. It was approved by the U.S. Senate earlier this year.

Mulroney calls the pact a tremendous economic opportunity to expand U.S.-Canadian trade and the Canadian economy, while his detractors have accused the prime minister of signing away Canadian sovereignty. U.S. automakers see the Free Trade Agreement as an important resolution to a major trade complaint against the Canadian government.

Because U.S. negotiators were able to win Canadian concessions in the Auto Pact governing motor vehicle trade — the phased elimination of tariffs on auto parts and an agreement to limit transplant participation in duty-free trade between the two countries for 10 years — the Big 3 decided to drop their demands that Canada end a duty remission program of benefit to foreign-based automakers investing in Canada.

The program allows Canadian transplants to earn tariff rebates in exchange for using Canadian-value-added content and for exporting Canadian production.

The program, which is viewed as an illegal government subsidy by the U.S. industry, was challenged by Michigan's Blanchard. The complaint was thrown out last Wednesday, according to James Callow, a legislative aide in Blanchard's Washington office.

"They gave us two reasons," Callow said. "First, the governor did not have standing and second, they said the Free Trade Agreement took care of the issues addressed in the complaint."

Callow said Blanchard hasn't decided what he will do and that a decision will most likely be made after the Canadian election.

The UAW said it was willing to sign on to the Blanchard complaint if it was rejected on the grounds that the governor did not have standing to bring the action.

However, the union had not done so as of last week.

"As you know, the UAW has never been happy with the FTA," UAW economist Steve Beckman said. "Both sides should realize we have had trade problems with Canada in the past, we have trade problems with Canada now ~~and~~ we will have trade problems with Canada in the future. The FTA is not going to eliminate trade disagreements between our two countries."

If such a trade case is successful, it could result in the imposition of penalty tariffs against Canadian imports to the United States, or quotas on Canadian imports here.

U.S. auto parts producers oppose the Free Trade Agreement because it does not immediately eliminate the duty remission program.

"If the FTA is ripped up as promised, we will have a vastly changed situation," said Steve Collins, director of international affairs for the Motor Vehicle Manufacturers Association. Collins, who advised U.S. negotiators on the automotive sections of the Free Trade Agreement, said Canada's failure to ratify the Free Trade Agreement might cause one of the Big 3 to join the Michigan complaint.

While Collins said that such an outcome was uncertain as of last week, he said U.S. automakers will have to reassess their relationship to Canada if the Free Trade Agreement is scrapped.

"If the Big 3 sign on to the duty-remission complaint, it is going to be very difficult for the U.S. government to ignore," Collins predicted.

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GLENN TRIEST

Campbell: "Over the next three to four years, you will see three shifts"

Fiero plant may live

Campbell cites bid for Camaro/Firebird

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

WARREN, Mich. — General Motors has turned down all proposals from outsiders to resurrect the assembly plant that once produced the Pontiac Fiero, but the plant remains in the running for a future GM product.

David Campbell, vice president of manufacturing at the Chevrolet-Pontiac-Canada Group, said the Fiero plant, in Pontiac, Mich., is among four bidding for production of the next-generation Pontiac Firebird and Chevrolet Camaro. Also in the bidding is GM's plant in Van Nuys, Calif., which now produces those models.

A number of outside companies had presented proposals to acquire or operate the Fiero plant and build a vehicle based on the Fiero's space-frame body.

A decision on where the 1992 Firebird and Camaro will be built will be made in March, Campbell said. Only one plant will be needed.

He said the decision will be based on each plant's record of quality and quality improvement, productivity improvement and its union-management relationship.

The Fiero plant, which was closed in August because of slumping sales, had been held up as a model of union-management relations, and it consistently scored high in GM's internal audits for product quality.

Freight also has become a key factor in product-sourcing decisions because of skyrocketing rail rates, Campbell said. "A plant like the Fiero plant has a tremendous advantage over Van Nuys in freight, because it's located not just in the center of GM activities but also in the center of the supplier base," he said.

Working against the Fiero plant is its capacity. When running flat

see CAMPBELL, page 70

Megadealers queried on loan packaging

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

TORRANCE, Calif. — Several megadealers may band together to package their own consumer auto loans into investment-grade commercial paper.

First Boston Corp., a New York-based investment bank, pioneered the public sale of $100 million worth of 48-month consumer car loans in 1986, packaging paper issued by major automakers' financial arms much the same way individual home loans are packaged by federal agencies.

Now, First Boston is considering setting up a dealer acceptance corporation with a board of megadealers, Ed Pasini, a partner at Peat Marwick Main & Co., said at a Society of Automotive Analysts meeting.

Most dealers don't carry their own paper but sell it to a third party, often the financial arms of major automakers such as General Motors Acceptance Corp. or Ford Motor Credit Co., which administer loans and collect monthly payments.

"First Boston's experience is that very large amounts of 48-month loans are very predictable and can be sold as AA or AAA paper," Pasini said.

The appeal to dealers is having a guaranteed availability of credit to consumers. Pasini said the possibility of setting up a system is being eyed as a means of avoiding a repeat of 1981-82 when many banks pulled back from auto financing.

He also said there is appeal for multi-brand dealers because it eliminates having to deal with many different financing companies.

However, the dealer-run acceptance company probably would negotiate a fee for automaker financing arms to administer the loans.

Peat Marwick, a public accounting firm, and First Boston surveyed about 25 of the largest multi-point auto dealers with net sales of $250 million or more to see if there was an interest in accounting and financial services for dealers who might be going public. Pasini said the dealer acceptance corporation idea was warmly received.

Giving credence to Pasini's theory was last week's announcement by First Interstate Bank of California that it is phasing out car loans offered through dealers.

A spokesman said the bank will continue to make car loans directly to consumers. But, he said, it is getting out of the business of so-called indirect loans because competition from finance companies associated with the big automakers has made it unprofitable.

Over a period of about two years, First Interstate will close 14 centers throughout the state that offer dealer loans, first consolidating the business at its Pasadena center and eventually phasing out the operation. The bank has a portfolio of $1.6 billion in loans made through dealers.

In recent years, low interest rates offered as sales incentives by such automaker-affiliated companies as GMAC have hurt the profitability of the First Interstate operation, a spokesman for the financial institution said.

GM alters salaried pay plan

Forced ranking discarded for '89

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors will retain the performance-based pay structure for its 110,000 U.S. salaried employees, but will scrap the employee-ranking process that went along with it.

F. Alan Smith, GM executive vice president, said establishment of the so-called forced-ranking system that was used to determine salaried pay increases did not foster the spirit of teamwork GM's top executives had hoped to achieve.

"It had the opposite effect we intended," Smith admitted.

Under the 1988 ranking system, 10 percent of the employees within each unit didn't quality for a pay raise. Included were those who already were at the top of their pay range. Another 10 percent were eligible for top pay increases. Another 25 percent were grouped in the next highest category, and 55 percent received a basic pay hike.

Salaried workers, many of whom are organized into teams, complained about the forced ranking, charging that it failed to reward a team of workers for achieving or exceeding a set goal.

In 1989, the forced-ranking structure will be discarded.

Salary ranges for GM's eight pay levels for non-executive employees, based on the comparisons with pay at other companies, will be maintained, Smith said.

Managers will be encouraged to keep most employees toward the middle of the ranges. They also will be required to make sure salary levels within their organization are competitive.

"What we're really doing in changing the system is providing more leeway to the individual unit manager to decide what is appropriate for his business," Smith said. "It may be very different in Kokomo, Ind., making electronic chips than in Rochester, N.Y., making injector valves. Central office will not try to administer it and force everybody to fit into the structure."

Smith said there are no inherent flaws in the system, but that GM tried to institute it in too short a time: "I would say what we did not do very well last spring was to shift gears with our employees. We didn't discuss it long enough, thoroughly enough or well enough."

The two proponents of the 1988 plan, including the forced-ranking system, have left GM. Former Executive Vice President Elmer Johnson, whose responsibilities were assumed by Smith, and Roy Roberts, vice president for personnel, both left GM last summer. Johnson returned to his Chicago law firm; Roberts resigned to take an executive post with Navistar.

GM will announce its 1989 salary pay structure to employees by year-end. It has not said how much money has been set aside this year for pay raises.

In 1988, GM set aside 2.5 percent of its salaried payroll for merit increases plus 3.5 percent for recognition awards. GM does not disclose dollar amounts.

U.S. takes a look at Japan quota's impact on U.S.

WASHINGTON — The U.S. International Trade Commission will investigate the economic impact of Japan's voluntary restraints on auto exports as well as other trade restrictions on the U.S. economy.

The fact-finding investigation is being conducted at the request of the Senate Finance Committee and will focus on the effects restraints have on consumers, the output and profits of U.S. corporations, the income and employment of U.S. workers and the net economic welfare of the United States.

The study will be reported in phases. The first phase will deal with manufactured products and is scheduled to be completed next fall. Two other reports will follow: one on agriculture and natural resources, the other on services.

Wheels for the chief exec

Allen Coachworks stretched a Lincoln Town Car 28 inches to come up with its CEO Formal limousine. Compartmental heating and air conditioning and gooseneck reading lamps are standard. Allen Coachworks, Laredo, Texas, is a 20-year veteran of the limo business.

Car sales in high gear; up 33% for Nov. 1-10

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Early-November domestic-car sales climbed 33.63 percent over last year's weak 10-day period.

Deliveries also surpassed early-October's sales surge of 21.60 percent.

Six of the seven U.S. carmakers reported hefty increases in early November, bolstered by a new batch of incentives ranging from round-trip airline tickets to a year's supply of gasoline. Only Nissan reported lower sales of its U.S.-built cars.

Last year's lackluster Nov. 1-10 sales period reflected the end of cleanup incentives and more cautious spending patterns following the Oct. 19 stock market collapse.

DOMESTIC SALES

	Nov. 1-10, 1988	Nov. 1-10, 1987
Eagle	1,396	450
Chrysler	5,840	7,397
Plymouth	7,457	6,249
Dodge	12,119	7,725
Chrysler Motors	26,812	21,821
Ford	40,136	27,424
Mercury	11,163	9,736
Lincoln	5,977	3,717
Ford Motor Co.	57,275	40,877
Buick	14,695	10,005
Cadillac	6,637	5,822
Chevrolet	33,254	24,725
Oldsmobile	16,010	12,970
Pontiac	17,642	13,842
General Motors	88,238	67,364
Volkswagen	—	641
Honda	10,699	6,425
Nissan	1,475	1,723
Toyota	1,421	656
Mazda	601	68
U.S. Industry Total	186,521	139,575

This year, the domestic industry delivered 186,521 cars, up from 139,575 in 1987. The daily selling rate for the period was 20,725, or 18.79 percent ahead of the 17,447 rate last year at this time. This year's period had nine selling days; there were eight a year ago.

In the first 10 days of this month, Ford Motor Co. sold 40.12 percent more cars than one year ago, and Ford Division sales rose 46.35 percent.

General Motors delivered 30.99 percent more cars than it did a year ago, with each of its car divisions reporting increases. Buick delivered 46.87 percent more cars and Pontiac's sales climbed 27.45 percent over last year's equivalent 10 days.

Chrysler Motors sold 22.87 percent more domestic cars in the period, although Chrysler Division car sales dropped 21.05 percent compared to a year ago.

Honda's transplant sales surged 66.52 percent in the 10-day period, and Toyota's transplant sales more than doubled. Mazda, which began reporting sales of U.S.-built cars late last year, sold 601 cars in the first 10 days of November, compared with 68 a year ago.

Only Nissan reported a decline. Its U.S.-built car sales were off 14.39 percent from a year ago.

U.S.-built light-truck sales totaled 109,229 in early November, up 22.61 percent from 89,090 last year. All four producers advanced. GM reported the biggest sales gain, 38.64 percent, while Ford had the smallest gain: 10.02 percent. Chrysler delivered 16.61 percent more trucks and Nissan's transplant truck deliveries rose 23.27 percent.

Sales of U.S.-built cars and light trucks for the first 10 days of November were 295,750, up 29.34 percent from last year's 228,665.

General Motors sold a third more cars and light trucks in the first 10 days of November this year. GM dealers reported their best model-year start in four years, according to C.N. "Bud" Moore, vice president — customer sales and service staff. He said light-truck deliveries broke a record set 10 years ago.

Ford Motor Co.'s combined car and truck deliveries were up 26.64 percent. Chrysler Motors' car and light-truck sales rose 19.83 percent. The combined car and light-truck sales from Nissan's Smyrna, Tenn., operation gave the Japanese transplant a 3.68 percent edge over the equivalent year-ago period.

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1988 called year of major gains for specialty equipment

By Wes Raynal
AUTOMOTIVE NEWS STAFF REPORTER

AUTOMOTIVE NEWS/WES RAYNAL

This Trans Am has appearance and performance components like those available in the aftermarket

The specialty equipment market, spurred by consumer demand, is expected to grow more than 14 percent this year and maintain that level in 1989.

That is the prediction of the 1989 Market Study by the Specialty Equipment Market Association.

It said the industry sold $1.7 billion worth of specialty equipment in 1985, $1.9 billion in 1986 and $2.1 billion in 1987. SEMA predicted that 1988 sales will total $2.4 billion.

Auto manufacturers, likewise, expect to see more aftermarket-based equipment appear on production vehicles, further increasing demand.

Richard Amacher, manager of special product development for Chevrolet, said the aftermarket industry is important to automakers. "It's egotistical for us to think we can do it all," he said.

Amacher said the growth of the aftermarket industry will continue because it uses production vehicles as a base. If a consumer likes an item for a Chevrolet better than a similar item for a Ford, it may influence his purchase decision.

He said the automakers will continue to tap that market.

Chevrolet is particularly interested in the specialty equipment industry, he said, because much of the money spent by car enthusiasts is for equipment for Chevy's small-block V-8.

Mark Reynolds, Mopar Performance manager of service and parts operations at Chrysler, said exhaust headers are a good example of an aftermarket product now seen on many production vehicles.

Production models like the Pontiac McLaren Grand Prix Turbo, the Ford Mustang GT, the Chevrolet Beretta GTU and the Toyota Corolla GTS feature performance, appearance or handling products that were offered in early aftermarket body kits.

Low-profile tires, sunroofs, power windows and cruise control — now common in dealership showrooms and repaired in service departments — all started in the aftermarket. Light- and medium-duty trucks also feature performance and off-road equipment that began in the aftermarket.

"The aftermarket can often come to market with a product faster than we can because of shorter leadtimes," Reynolds said.

He also noted that quality can suffer because of those shorter leadtimes.

"We (the auto manufacturers) must make our products last; the aftermarket sometimes does not meet the durability requirements we have," he said.

The SEMA study said performance tires designed to improve vehicle performance, appearance or handling have been the hottest-selling specialty equipment product in 1988. Custom wheels are second, and tire and wheel combinations together account for almost 40 percent of all specialty equipment sold.

Engine parts for both performance and appearance are third in 1988 sales.

Just as manufacturers are adapting aftermarket-based equipment to new cars, SEMA's study shows that vehicles less than two years old are generating a great deal — 16.4 percent — of aftermarket performance purchases.

Vehicles 11 years old or older generate the lion's share — 50.3 percent — of specialty equipment purchases, although less than 10 percent of all vehicles registered in the United States are that old, according to SEMA.

SEMA's study also found that the amount of money spent on specialty equipment for imported vehicles doesn't reflect the number of imports on the road.

The study said that one in five vehicles registered in the United States is an import, while just 12.1 percent of the money spent for specialty equipment is for imports.

The study said that purchase motivation comprises a number of factors. Where the product is made, brand name and price are all important to the consumer.

A "Made in U.S.A" label was found to be important to specialty equipment buyers. SEMA said that 86.3 percent of buyers called that label important or very important in product selection.

SEMA said that U.S.-made products increase in importance as the amount of equipment purchased increases. Consumers who spend the most money on aftermarket equipment are those who believe that it is important to purchase U.S.-made products.

The brand name of a product is a significant purchasing factor, more so among those buying specialty equipment than those buying in the overall aftermarket. SEMA classifies specialty equipment as products that are purchased on a discretionary basis (such as aluminum wheels) while the overall aftermarket consists of parts purchased in order to keep a vehicle operational.

Reynolds said the demographics of the SEMA study fit exactly what Chrysler is trying to accomplish.

"What drives these buyers, things like brand loyalty, buyers shopping not based on price only, is great for us (Chrysler). We want people to buy our products because we made them, because people believe we make quality products, not because we're cheapest," he said.

Specialty equipment customers are getting older and more affluent, according to SEMA. These older buyers, it said, are generally not do-it-yourselfers and want equipment to be installed by technicians.

SEMA asked specialty equipment manufacturers what is needed to increase competitiveness and expand in their market. The manufacturers said their biggest challenges are keeping product quality high and maintaining innovation.

Surveyed manufacturers also were concerned with keeping their prices competitive and improving manufacturing and distribution efficiency.

The SEMA Market Study findings were compiled from an analysis of consumers, retailers, performance warehouses, manufacturers and market trends.

SEMA used mail questionnaires, telephone surveys, personal interviews and background research. Lang Market Resources Inc. conducted the research and wrote the report. A total of 151 manufacturers were surveyed, and 1,000 consumers responded to questionnaires.

Shop volume rises after dip in July

Upturn in August termed 'seasonal'

By Wes Raynal
AUTOMOTIVE NEWS STAFF REPORTER

Service and parts volume at new-car dealerships was down in July but rebounded in August compared to the year-ago months.

In July, shop volume was down 0.7 percent compared to July 1987, according to the Automotive News Service Index. Shop volume in August was up 11.2 percent compared to August 1987.

Dealers cited seasonal reasons for the August uptick. A dealer in the Northeast was one of many who said his volume was up in August because the unusually hot weather prompted an increase in cooling-system work. A dealer in the Northwest said he serviced more cars for tourists in August.

Gross profit in July was up 0.2 percent compared to July 1987 and up 15.7 percent in August compared to August 1987.

The number of repair orders written was down 8.0 percent in July but was up 2.7 percent in August compared with the 1987 months.

Labor sales (customer paid and warranty) were down 3.0 percent in July and up 8.0 percent in August compared to 1987.

Shop parts used on repair orders were up in both months, 5.0 percent in July and 14.0 in August.

Finally, sales of all parts and accessories were up 2.2 percent in July and 15.8 percent in August compared to the 1987 months.

SERVICE INDEX
99.3*

	July, '88 vs. July, '87	7 mos., '88 vs. 7 mos., '87
Gross Profit on All Labor and P&A Sales	+0.2%	+7.3%
Repair Orders Written	−8.0%	+0.2%
Total Labor Sales (Customer & Warranty)	−3.0%	+6.1%
Shop Parts Sales (Customer & Warranty)	+5.0%	+6.4%
Sales of All P&A	+2.2%	+7.5%

* Survey by Automotive News shows that dealers' service and parts business in July 1988 was 99.3 percent of business in July 1987. Service business in the first 7 months of 1988 was [illegible] percent of business in the corresponding period in 1987.

SERVICE INDEX
111.2*

	August, '88 vs. August, '87	8 mos., '88 vs. 8 mos., '87
Gross Profit on All Labor and P&A Sales	+15.7%	+7.6%
Repair Orders Written	+ 2.7%	+0.4%
Total Labor Sales (Customer & Warranty)	+ 8.0%	+6.2%
Shop Parts Sales (Customer & Warranty)	+14.0%	+7.0%
Sales of All P&A	+15.8%	+8.0%

* Survey by Automotive News shows that dealers' service and parts business in August 1988 was 111.2 percent of business in August 1987. Service business in the first 8 months of 1988 was [illegible] percent of business in the corresponding period in 1987.

GM picks Techline as shop-systems tag

SHOP TALK

WES RAYNAL

General Motors' new service technology group will market its Computerized Automotive Maintenance System and other advanced diagnostic service and service information retrieval systems under the trade name Techline.

Techline equipment will be offered as a series of tools ranging from the Tech 1 hand-held diagnostic tester to the top-of-the-line $20,000 CAMS diagnostic terminal, now labeled Tech 100.

In addition, a basic service information retrieval system, which allows GM service personnel to look up service bulletins electronically, will be marketed to independent repair shops by Sun Electric Corp., Crystal Lake, Ill., under the Expertec name.

Sun will also market related training materials to independent repair shops.

Crane acquires Allison

Crane Cams of Daytona Beach, Fla., manufacturer of aftermarket auto parts, has purchased Allison Automotive of Monrovia, Calif.

Financial details were not disclosed.

Allison Automotive manufactures ignition systems, timing control computers and spark plug wires for use in drag racing, stock car racing and high-performance street models.

At the recent Specialty Equipment Market Association show, Crane introduced its new Engine Management System. Company officials said it can be used to replace the original-equipment engine control computer, allowing higher performance while maintaining legal emissions levels.

Crane also introduced Compu-Cam, a line of computer compatible camshafts designed specifically for cars equipped with engine control computers.

The camshafts provide better performance while allowing the engine to maintain proper manifold vacuum pressure and idle speed, the company said.

Allison entered the market in 1971 when it introduced the XR-700 ignition system, an electronic system for high-performance applications.

Allison's ignition systems include XR-1000, XR-2000 and XR-3000, all for high-performance street applications. Allison also makes the DMS-6000, a system strictly for racing, and the DTC-2000, a driver-adjustable timing-control unit.

IBM and Ford link

IBM has developed a fully automated manufacturing process to assemble instrument clusters at Ford Motor Co.'s Saline, Mich., plant.

It was developed by IBM's systems integration division.

The process is called the Automated Logistics and Production System.

IBM said it can assemble 5,000 instrument clusters a day.

The clusters are assembled at 10 work stations in two assembly modules.

A worker loads the cluster backplates onto carriers that transport them to a stacker. The stacker keeps count of the inventory of backplates while transporting them to the robotic workstations for assembly.

Next, robots insert light bulbs and clips into the backplate; another robot installs fuel, speed and engine temperature gauges; yet another robot attaches the lenses; and a final robot screws the cluster together.

The robots use integrated and tactile sensors that can "see and feel" parts.

The system can be programmed to handle the manufacture and testing of other assemblies as well.

New leak detector

Spectronics Corp., inventor of fluid-leak detectors, has introduced a new leak-detection device called Spectroline ALD-80.

The ALD-80 uses Spectroline's new black light, the BIB 120. Spectronics says that the ALD-80 weighs 2½ pounds and has a self-contained power unit.

Traditional black lights normally use an external transporter for power and are heavier.

The kit retails for $279.

October truck sales by manufacturer and segment

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1988	TOTAL 1987
CHRYSLER-PLYMOUTH	MO	16,575						16,575	15,008
	YR	177,550						177,550	123,952
DODGE	MO	40,334						40,334	41,486
	YR	470,538						470,538	470,398
JEEP	MO	22,435						22,435	17,297
	YR	209,114						209,114	167,321
TOYOTA	MO	18,160						18,160	22,211
	YR	210,043						210,043	260,234
NISSAN	MO	11,332						11,332	17,984
	YR	142,980						142,980	165,113
MAZDA	MO	6,122						6,122	7,591
	YR	81,136						81,136	108,292
ISUZU	MO	8,311						8,311	7,055
	YR	73,480						73,480	76,581
MITSUBISHI	MO	3,411						3,411	4,751
	YR	36,877						36,877	43,205
SUZUKI	MO	1,493						1,493	5,916
	YR	52,010						52,010	71,175
SUBARU	MO	0						0	48
	YR	10						10	1,251
RANGE ROVER	MO	287						287	329
	YR	2,814						2,814	1,878
FORD	MO	115,447	1,977		646	2,601	1,152	121,823	117,669
	YR	1,224,223	16,703		9,333	30,289	12,204	1,292,752	1,218,175
FREIGHTLINER	MO						2,748	2,748	2,168
	YR						19,914	19,914	19,606
CHEVROLET	MO	114,866		26	806	797		116,495	94,790
	YR	1,120,287		203	6,451	7,993	273	1,135,207	1,001,895
GMC	MO	28,727		524	533	890		30,674	25,746
	YR	297,438		4,366	10,373	13,057	1,090	326,324	291,757
KENWORTH	MO					30	1,464	1,494	1,240
	YR					381	13,691	14,072	11,827
MACK	MO				193	256	1,864	2,313	1,820
	YR				1,609	2,184	17,789	21,582	19,798
MERCEDES	MO				72	142		214	384
	YR				924	1,613		2,537	3,276
NAVISTAR	MO		49	24	1,621	3,596	3,937	9,227	8,377
	YR		238	289	15,290	27,896	28,905	72,618	62,070
PETERBILT	MO					60	1,538	1,598	1,238
	YR					309	13,255	13,564	10,279
VOLVO	MO					102	1,564	1,666	1,320
	YR					1,204	12,689	13,893	10,311
HINO	MO			43	55	154		252	150
	YR			524	434	841		1,799	1,589
NISSAN DIESEL	MO	16		56	24	57		153	168
	YR	19		619	250	821		1,709	1,379
ISUZU TRUCK	MO	319	73	21	33	49		495	451
	YR	3,893	379	121	701	366		5,460	4,648
MITSUBISHI FUSO	MO	138		43	12	37		230	272
	YR	1,243		431	194	512		2,380	1,356
SCANIA	MO						10	10	11
	YR						132	132	129
IVECO TRUCKS	MO	297	88	40	22			447	204
	YR	1,305	593	300	142			2,340	2,265
WESTERN STAR	MO						108	108	152
	YR						1,216	1,216	1,195
OTHER DOMESTICS	MO				1	49	38	88	147
	YR				32	49	684	765	1,065
GRAND TOTAL	MO	388,270	2,187	777	4,018	8,820	14,423	418,495	395,563
	YR	4,104,960	17,913	6,853	45,733	87,515	121,842	4,384,816	4,172,020
1987 YR to DATE		3,932,703	785	6,683	35,488	86,653	109,708	4,172,020	

NOTE: Class 3 total includes 48 Subarus sold in October 1987; also, 10 Subarus sold for 10 months of 1988 and 1,251 sold for 10 months of 1987.

Trucks hit Oct. record

Makers are on road to new yearly high

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

U.S. retail truck sales in October recorded a new monthly high, with all industry weight classifications except one showing gains over last year.

The October performance also kept the industry on track for a new calendar-year high.

Retail truck sales totaling 418,495 in October were up 5.79 percent from 395,563 a year earlier.

For the 10-month period, the industry total of 4,384,816 was up 5.10 percent from 4,172,020 in like 1987.

For the month, Class 1-3 light-duty sales of 388,270 were up 4.49 percent from 371,575 a year ago, according to Automotive News' tabulations based on manufacturers' reports.

Class 4-7 medium-duty sales of 15,802 were up 22.18 percent from 12,933 last year, according to the Motor Vehicle Manufacturers Association.

Class 8 heavy-truck sales of 14,423 were up 19.64 percent from 12,055 a year earlier, MVMA said.

In the medium segment, Class 4, bolstered by Ford's Super Duty models, continued to score the biggest gains. Class 4 sales totaled 2,187 compared with only 142 in the same month a year ago.

Class 5 sales, bolstered by newer Japanese entrants, nearly doubled. They totaled 777 compared with 421 in the like year-earlier period.

Class 6 sales came in at 4,018, up from 3,393 in like 1987.

Class 7 was the only segment recording a decline in October. The segment has been particularly disappointing in view of the new "Baby 8" models introduced within the past year, which, thus far, haven't done much to move the sales needle.

The segment produced 8,820 sales in October, down from 8,977 a year ago.

Class 8 heavy-truck sales surged ahead in October, after being somewhat restricted in the earlier sales period by the Ross steering gear recall. Generally, manufacturers had held up shipments on some new models in order to give priority to replacing defective components in trucks already on the road.

October's Class 8 sales of 14,423 surged 19.64 percent ahead of the 12,055 sales in the year-earlier period.

For the 10-month period, the industry retailed 4,104,960 Class 1-3 light-duty vehicles, a 4.38 percent increase over the 3,932,703 of like 1987.

During the same period, medium-duty sales of 158,014 were up 21.92 percent from 129,609 last year.

Class 8 sales of 121,842 were 11.06 percent higher than the 109,708 a year earlier.

David Healy, an analyst with Drexel Burnham Lambert, estimated Class 8 sales of about 145,000 for this calendar year and a drop to the 140,000-unit level in calendar 1989.

Healy also sees Classes 6-7 in the medium segment coming in at 156,000 this year, declining to 150,000 in calendar 1989.

GM's medium-duty truck for the '90s POPULAR MECHANICS/JIM DUNNE

All-new styling, with a more rounded front end, characterizes General Motors' 1990 medium-duty trucks, which go into production next fall. The Chevrolet Kodiak, shown here, and comparable GMC Top Kick have doors that wrap higher into the roof and more-slanted, aerodynamic windshields. They apparently will also have some plastic body panels. Among the engines offered will be Caterpillar's 3116 diesel, according to GMC.

Truckers seek axle rule change

The National Motor Carrier Advisory Committee has asked the Federal Highway Administration to consider truck manufacturers' recommendations to exclude the steering axle from calculations when applying the Federal Bridge Formula-B to vehicle combinations.

The committee advises the U.S. Department of Transportation on trucking industry issues.

The change would allow better placement of steering axles in short trucks hauling heavy loads, some truckmakers say. The advantages include a shorter wheelbase and improved steer angles, improved operator and service access, smoother ride and increased load-carrying capacity.

Ernst G. Stoeckl, Freightliner president and chief executive officer, said the object of the amendment is to allow operators to benefit from the selection of a steering axle placement that would optimize vehicle performance without changing the current bridge formula and avoid any detrimental affects on roads and bridges.

U.S. truck design and operations have been constrained since 1974 when the Federal Bridge Formula-B was enacted, forcing the steering axle to an extreme forward position to reach the allowed 80,000-pound GVW limit.

The Surface Transportation Assistance Act of 1982 liberalized overall length on federal highways but did not change the Federal Bridge Formula-B guidelines.

Manheim spends $7 million on auction in namesake city

Groundbreaking ceremonies were held recently for the construction of a $7 million facility in Manheim, Pa., for the Manheim Auto Auction.

The facility will house administrative offices, a cafeteria and 12 auction lanes northwest of the existing facility. It also includes an eight-lane drive-through registration area.

Manheim Auto Auction has operated continuously at this 69-acre site since 1948. A total of 28 acres is being improved to accommodate the new operation.

When completed next summer, there will be 45 acres of paved parking within the complex.

Greg Gehman, general manager, said the expansion is long overdue. "We are bursting at the seams under our current situation," he said. "This new facility will serve our expected increases in volume well into the next decade."

AUCTION BRIEFS

CHARLES THOMAS

ServNet elects officers

Alexis Jacobs, owner of Wednesday Auto Auction in Columbus, Ohio, has been elected president of ServNet, a nationwide cooperative advertising network of independent auto auction owners.

Also elected were Larry Tribble, owner of Southern Auto Auction, East Windsor, Conn., vice president; Chet Goins, owner of Auto Dealers Exchange of Indianapolis, vice president; Jeff Barber, owner of State Line Auto Auction in Waverly, N.Y., secretary; and Jake Hershey, owner of Pennsylvania Auto Dealers Exchange in York, Pa., treasurer.

ServNet was formed to provide a national network for independently owned auto auctions. It allows them to compete with auction chains.

Omaha auction debuts

Anglo American Auto Auctions has dedicated its new $8 million facility in Omaha, Neb. It will employ 165 people and have consignments of about 50,000 vehicles annually.

The new Omaha Auto Auction has five lanes, a restaurant, a 40,000-square-foot vehicle reconditioning center and 47 acres of vehicle storage lots. Cost of the facility is $8 million, and it is part of a $40 million construction and renovation program under way at several Anglo facilities across the nation.

Michael J. Richardson, Anglo American president, said the Omaha operation's profitability had warranted the investment.

Like all Anglo auctions, the Omaha facility protects dealers against false odometer readings. The plan guarantees that if a vehicle's mileage reading has been reduced, the selling auction will give the buying dealer a choice of a full refund or a cash settlement.

Smith opens auction

Dealers Auto Auction in Oklahoma City has opened under the ownership of Gary D. Smith, former owner-manager of Denver Auto Auction before its sale to GE Capital Auto Auctions.

The $5 million facility has four selling lanes, 30 paved acres and a reconditioning center. It opened earlier this month with 600 vehicles consigned and a selling rate of more than 50 percent.

Smith also owned the Dallas Auto Auction, Grand Prairie, Texas, before selling it to Anglo American Auto Auctions. Smith said he plans to keep his newest auction.

CalWest in business

CalWest Auto Auction held its grand opening last week with more than 500 cars consigned.

GE Capital purchased the two-lane auction in San Jose, Calif., in early September from a limited partnership that had turned the former truck depot into an auction.

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OHIO

Ohio Auto Auction. The Tuesday sale. 3905 Jackson Pike. Columbus, Ohio. Call 614-871-2771

OHIO

Wednesday Auto Auction. Exit 49 on I-270 Columbus, Ohio. Every Wednesday. Call Area 614-497-2000

OREGON

Portland Auto Auction. Fleet & lease accts welcome, repos, etc. The West's best. Call Rene , 503-286-3000. 3000 No. Hayden Island. Portland, Oregon 97217

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PENNSYLVANIA

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"The Auction Designed With You In Mind"
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PENNSYLVANIA

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Ford
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INTERSTATE AUTO AUCTION, INC.
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For information
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Exit 33 off I-79 1/2 mile south Rt 62

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FULL SERVICE AUCTION
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PENNSYLVANIA

Carriage Trade, Norristown, Pa. Every Mon. & Thurs., 6 PM (400 units), except 1st & 3rd Thurs. when GMAC auction (off lease/repos) at 11 AM. All dealers. Call: 215-CAR-SALE.

PENNSYLVANIA

Commonwealth Auto Auction 215-328-7100. Mondays & Wednesdays-7 PM/Saturdays-11 AM. Morton, PA-Rte 420 S. of Baltimore Ave. Open to public-Cars/Trucks/Vans.

PENNSYLVANIA

Hatfield Auto Auction
Route 309, Box 309
Hatfield, Pa.
FLEET & LEASE
From quick pickup to condition report to recon to sale. 21 years servicing the industry. Contact: Paul Cleveland or Mort Gallub
215-822-1935
Sale Every Tuesday, 11 A.M.

SOUTH CAROLINA

Rawls Auto Auction — Since 1938. Pickup, delivery unlimited. Recon facilities. Sale every Tues., 11 A.M. 803-657-5111 or 657-7244, Leesville, South Carolina.

SOUTH CAROLINA

Clanton's Auto Auction, P.O. Box 51, Darlington, South Carolina, 803-393-2861. Sale every Thurs., Regular Consignment, 11 a.m. & Early Bird, 9 a.m. (repos & lease units).

TENNESSEE

Memphis Auto Auction, 2650 Mt. Moriah Rd, Memphis, Tenn. 38115. 901-794-7700. Sale every Tuesday at 11 AM. Mid-South's newest auto auction.

TEXAS

DEALERS AUTO AUCTION OF DALLAS
A Manheim Auction
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TEXAS

Fort Worth Auto Auction (div. of GECAA), 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Thursday. Contact: George Horton, 817-626-5494.

TEXAS

San Antonio Auto Auction (div. of GECAA), 1500 Ackerman Rd., San Antonio, Texas 78219. Sale every Weds. Contact: Frank Post or Michael Milikien, 512-661-4200.

TEXAS

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TEXAS

Austin Auto Auction, 740 Bastrop Hwy, Austin TX 78741. Sale every Wed 7 pm. Lease/fleet accts, bank repos welcome. New & growing fast. Tom Swanson 512-385-2277.

WASHINGTON

So. Seattle Auto Auction. The lease & Fleet Specialists. Tom Chase, 1-800-872-6800. P.O. Box 5189, Kent, Washington 98064.

WISCONSIN

Metro Milwaukee Auto Auction. Sale every Wednesday. FMC, GMAC, all leasing. 414-835-4436, Caledonia, Wisconsin.

AUCTION DATES

Chrysler Motors

Nov. 22 — Florida Auto Auction of Orlando, Ocoee, Fla.; American Auto Auction, Walpole, Mass.; Denver Auto Auction, Aurora, Colo.; Nashville Auto Auction, Nashville, Tenn.; South Seattle Auto Auction, Kent, Wash.; Golden Gate Auto Auction, Fremont, Calif.; Hatfield Auto Auction, Hatfield, Pa.; and Aptco Auto Auction, Taylor, Mich.

Nov. 23 — The Big Sky Auto Auction Inc., Billings, Mont.; Clanton's Auto Auction, Darlington, S.C.; Salt Lake Auto Auction, Salt Lake City; Northway Exchange, Clifton Park, N.Y.; Minneapolis Auto Auction, Plymouth, Minn.; Butler Auto Auction, Gibsonia, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Ark-La-Tex Auto Auction, Shreveport, La.

Nov. 29 — Dallas Auto Auction, Grand Prairie, Texas; Arena Auto Auction, Chicago; Greensboro Auto Auction, Greensboro, N.C.; Portland Auto Auction, Portland, Ore.; Riverside Auto Auction, Riverside, Calif.; and Hatfield Auto Auction, Hatfield, Pa.

Ford Motor Co.

Nov. 22 — Denver Auto Auction, Aurora, Colo.; Harrisonburg Auto Auction, Harrisonburg, Va.; and Bay Cities Auto Auction Inc., Hayward, Calif.

Nov. 23 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Lakeland Auto Auction, Lakeland, Fla.

General Motors

Nov. 22 — Atlanta Auto Auction, Atlanta; Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; Clanton's Auto Auction, Darlington, S.C.; Southern California Auto Auction, Fontana, Calif.; and Omaha Auto Auction, Omaha, Neb.

Nov. 29 — Harrisonburg Auto Auction, Harrisonburg, Va.; Florida Auto Auction of Orlando, Ocoee, Fla.; and A.D.E. of Birmingham, Moody, Ala.

Nov. 30 — Puget Auto Auction, Auburn, Wash.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneaspolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

Used Car Sales
Auction Averages

November 88	**$5,565**
Month ago	**$5,719**
Year ago	**$5,962**

Model Breakdown
Auction Averages

	NOV 1988	OCT 1988	SEPT 1988
1988 ...	$9,439	$9,863	$9,772
1987 ...	$7,276	$7,759	$7,554
1986 ...	$6,296	$6,495	$6,816
1985 ...	$5,376	$5,698	$5,593
1984 ...	$3,882	$4,206	$4,177
1983 ...	$3,048	$3,258	$3,556
1982 ...	$2,342	$2,633	$2,535
1981 ...	$1,743	$1,882	$1,743
Overall Average	$5,565	$5,748	$5,757

Makers face higher California air cost

SACRAMENTO, Calif. — Costs of complying with California's clean-air programs are likely to increase dramatically for carmakers and car owners under legislation that goes ito effect July 1.

The state will collect as much as $4.5 million from carmakers to help administer the new auto-related smog programs that seek to reduce smog 5 percent per year.

A spokesman for the California Air Resources Board estimated that in the first two or three years, the assessment could be as high as $3 per car sold. After that, it should decline because a number of the projects will be concluded.

Based on registration data for 1987, a $3-per-car assessment would have cost General Motors more than $1 million; Ford Motor Co., more than $950,000; and Chrysler Corp., almost $400,000.

Currently, the Air Resources Board collects the board's actual costs for assembly-line and in-use testing of a maker's cars. GM said it paid the board $82,900 in 1987 for the testing program; Ford said it paid $42,000; and Chrysler reported paying $57,125.

DEALING WITH DEALERS

FROM PAGE 66

announced plans for a complete renovation of the BMW dealership in Honolulu.

CITIZENSHIP

Continuing its commitment to helping San Diego's homeless and jobless, **Bob Baker Enterprises and Automotive Group** once again donated $12,000 to the Rev. Joe Carroll's St. Vincent De Paul/Joan Kroc Center for the homeless. This brings megadealer Baker's cumulative donation and future pledge to the center to more than $150,000. Baker also donated a 1988 Ford Crown Victoria to Carroll. Baker's $12,000 donation to the St. Vincent de Paul/Joan Kroc Center was generated by a Labor Day weekend promotion. During the second annual promotion, Baker contributed $100 for each car sold during that weekend. The car, a check for $12,000 and a $30,000 pledge were all presented to Carroll by Baker during a news conference in which Carroll unveiled an award he recently received from the Archbishop of Canterbury for the "best shelter for the homeless in the world."

Gerald and Gail Roberts, Roberts Chevrolet-Oldsmobile, Green Cove Springs, Fla., celebrated the 50th anniversary of their dealership by presenting $50 checks to each of 50 charitable organizations. Later this year, the Oldsmobile dealership will be moved to a new facility in Orange Park. The Chevrolet dealership will remain in Green Cove Springs.

Bjorn Sefeldt, general manager of Nils Sefeldt Volvo, Houston, donated $500 to Houston's Discovery Zoo. The donation represents a portion of the proceeds from the dealership's first "garage sale." Volvo owners came to the sale to buy parts and accessories for their cars at reduced prices. "Our customers were pleased with their savings, and we were delighted to contribute to the children's zoo program. We're tentatively planning another such sale periodically," Sefeldt said.

ADVERTISING

The **Heart of Michigan Oldsmobile Dealers** selected J. Wilson & Associates, Albuquerque, N.M., as its agency. The 13-member group will be handled by Wilson's Detroit office. The agency now represents 22 dealer advertising groups, including 19 Oldsmobile dealer advertising groups.

The **North Mississippi GMC Truck Advertising Association** and the **GMC Truck Force**, Jackson, Tenn., have selected Geoff Sutton Advertising, Cordova, Tenn., as their agency. The agency handles 14 dealer advertising groups, including six GMC groups.

The Lubbock, Texas-based **$1 Chevy Team Dealer Association** has awarded its $350,000 advertising account to Strong Automotive Merchandising, Birmingham, Ala. The group has 17 dealer members.

The New York City-based **4-Star Chevrolet Dealer Association** has selected McCaffrey & Ratner, New York, as its advertising agency. The association, which is made up of Chevrolet dealers in New York's five boroughs, has an estimated $1 million advertising budget.

The Tri-States Pontiac Connection Dealers in Georgia, North Carolina and Tennessee has hired Terry L. Butz Creative, Waterloo, Iowa, as its ad agency. Tri-States Pontiac Connection officers include: **Richard Fortney**, Heritage Pontiac, Athens, Tenn., president, and **H.N. Long III**, Trotter Pontiac, Chattanooga, Tenn., treasurer.

The **Northwest Chevrolet Dealer Association**, Portland, Ore., awarded its $2 million account to Strong Automotive, Birmingham, Ala. The association has 14 dealer members.

Dorschel Chevrolet, Charlotte, N.C., and **Lou Bachrodt Chevrolet**, Rockford, Ill., have named Lewis & Freese Advertising, Virginia Beach, Va., as their advertising agency.

The Institute of Outdoor Advertising said a billboard from **Lathrop Jaguar**, Groton, Conn., placed in the top 10 percent of all of its entries for outstanding outdoor advertising. The billboard was created by VanEs Advertising, North Haven, Conn. The billboard depicts a large leaping Jaguar and the only words are Lathrop Jaguar, Groton.

The **Palm Beach Chevrolet Dealers Association** and the **Richard Kelley Organization**, a multi-franchise dealer group operating stores in Florida, Alabama and South Carolina, named Bateman, Bryan and Galles/Competitive Edge as their agency of record. The accounts are valued at $2.5 million in annual billings.

ALSO OF INTEREST

A new showroom display created for **Peugeot dealers** nationwide won a Gold Outstanding Merchandising Achievement Award from the Point of Purchase Advertising Institute, Jean-Philippe Fournier, national marketing manager for Peugeot Motors of America Inc., announced. Peugeot took top honors for best permanent display and storewide program in the transportation category. Said Fournier, "The contemporary, high-tech design of Peugeot's new showroom display reflects the sleek lines and high performance of the new Peugeot 405. This specially designed display also creates a highly visible Peugeot dealership within a multi-franchised store." Peugeot's compact showroom display units are constructed from extruded aluminum and finished in metallic charcoal gray. A free-standing information center presents model colors, trim levels and sales brochures. Separate information pylons placed near the cars highlight individual models. A video cabinet and radio display also are available. Peugeot's new showroom display was designed and created by DCI Marketing, Milwaukee, in conjunction with Peugeot Motors of America.

James Schouten and **Terry Gober**, formerly of the Crownrich Cos., have formed Automall Design Inc., Dallas. The firm specializes in automobile dealership facilities and is providing architectural services, construction management, dealer equipment, interior furnishings, executive recruiting and planning for auto malls, auto parks and single-point dealerships.

Compiled by
Mary Beth Vander Schaaf

Study charts cost to own, operate cars

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

It will cost about $3,800 more a year to own, operate and maintain a 1989 Cadillac DeVille than it will a 1989 Ford Escort. Those figures are from a recent study by Runzheimer International, a management consulting firm based in Rochester, Wis.

"Larger high-priced luxury cars will obviously cost more for all associated transportation costs," said Mike Bassi, marketing vice president of the company's transportation division. Higher-priced cars depreciate more each year and owners pay higher taxes and steeper operating and maintenance costs, he said.

Imported luxury cars also cost more to own, operate and maintain. For example, total costs for a 1989 BMW 325 are about $8,429 annually.

Lower-priced compact imports are less costly. For instance, the total costs of a 1989 Honda Accord DX a[illegible]d at $5,025 and a Toy[illegible]s annual costs are estim[illegible]5,112. Each costs about [illegible] than the BMW 325 to o[illegible]in and operate. The Hond[illegible]d's estimated annual total costs are $25 less than those of the Ford Escort.

Another finding in the study is that total costs of a minivan are less than those of many compact cars. Also, some imported compact cars have lower total fixed and operating costs on a yearly basis than many U.S.-built compact cars, according to the projected cost analysis.

Luxury cars cost substantially more to own, operate and maintain. At one end of the spectrum, the 1989 Cadillac DeVille has annual fixed and operating costs of $8,881, the study found. That is 76 percent more than a subcompact Ford Escort with fixed and operating costs of $5,050.

It isn't only size that affects fixed and operating costs, however.

A standard-sized Chevrolet Caprice V-8's annual costs totaled $6,454. That's an annual difference of $2,427 or 27 percent less than the Cadillac.

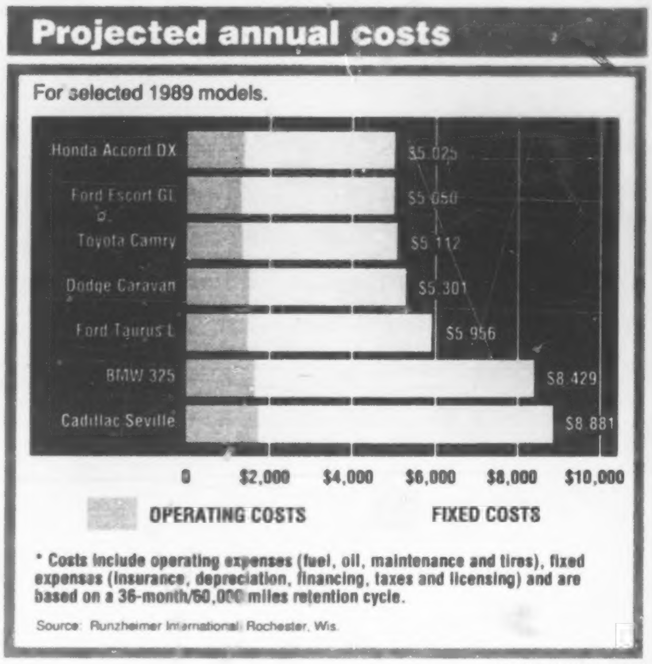
The fixed and operating costs of an intermediate Cutlass Ciera V-6 are almost as high as those of the Caprice. Its total costs are estimated at $6,216, only $238 or 3.69 percent less than the Caprice.

Total costs for other selected intermediate cars are about $200 a year less than those of the Ciera. The Chevrolet Celebrity V-6 has estimated annual costs of $6,095 a year, while a Ford Taurus V-6 costs $260 less a year to own, maintain and operate. Its total costs are about $5,956 annually.

Total estimated costs for two compact cars are each about $500 less than the least expensive intermediates. A 4-cylinder Ford Tempo GL has total costs of $5,500 per year and a 4-cylinder Chevrolet Cavalier's total costs are about $5,420.

Runzheimer analyzes fixed and operating costs of more than 200 models each year to set reimbursement standards and per-mile rates for many private businesses.

Operating costs include fuel, oil tires and maintenance; and fixed costs are a composite of insurance, depreciation, financing, taxes and licensing costs. Calculations are based on a 36-month, 60,000-mile trade-in cycle.


Projected annual costs

For selected 1989 models.

* Costs include operating expenses (fuel, oil, maintenance and tires), fixed expenses (insurance, depreciation, financing, taxes and licensing) and are based on a 36-month/60,000 miles retention cycle.

Source: Runzheimer International, Rochester, Wis.

AUTOMOTIVE NEWS / C. WINTER

LEASING AID: *California firm's dealer plan runs from used cars to exotics*

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — International Bankers Acceptance Corp., a recently formed financial service firm, is offering lease financing programs to selected dealerships in California for new cars and for used cars up to five years old.

In addition, the company provides leasing programs for luxury automobiles, as well as exotics, classics and collector cars, according to S. Vernon Rodriguez, executive vice president.

The firm is a member of the Los Angeles-based Brittingham Group of financial service companies. Brittingham was founded in 1963 and today is active in luxury new- and used-car leasing, limo and daily car rentals and deluxe European motoring vacations.

"IBAC believes that both used-car leasing and luxury-automobile leasing are marketing niches of opportunity in the automobile leasing industry," Rodriguez said. "IBAC offers closed and open-end consumer leases via an indirect-leasing program."

While Brittingham does some individual leasing, Rodriguez said, the company decided to expand its operations about a year ago and established International Bankers Acceptance Corp., essentially as a lender for lease financing.

Rodriguez said the company offers the investment community short-term, high-quality automobile lease receivables in portfolios as low as $100,000. The receivables in the portfolio package consist of new- and used-car residual-value lease contracts acquired from franchised car dealerships and leasing firms.

"Under our program, the dealer is approved to work with IBAC," Rodriguez explained. "When a consumer decides to lease a new or used car, the consumer fills out a credit application that is telefaxed to our office.

"We check it out and when we determine that the consumer is a credit-worthy lessee, we approve and underwrite the contract and notify the dealer. The dealer then signs up the consumer, knowing IBAC has approved the deal."

After the transaction is completed, the dealer sells the total contract to International Bankers Acceptance, Rodriguez said.

"We buy the whole package, which also means buying the automobile and the contract, including the dealer's profit," he said. "The dealer no longer has anything to do with the contract or consumer. Disposal of the automobile at the end of the lease also is handled by IBAC.

"We have the contract, which is collateralized by the automobile, and we in turn sell it for a yield to our investor."

Although many dealers keep leasing contracts, Rodriguez said some prefer to sell contracts to sources such as his company because they do not have sufficient credit lines to keep the paper or they do not have enough working capital to hold the paper and remain liquid.

"Also, there are consumers who have difficulty qualifying creditwise, and dealers usually want to keep only the best paper, which is called A Credit Paper," Rodriguez said. "Since we have a source for B Credit Paper, we can take a little more of a risk than a dealer can."

Although one-stop leasing service is new to Western dealers, especially in California, Rodriguez said International Bankers Acceptance has approved some 150 dealers in California since it was organized "in a formalized fashion" last May. He said those dealers are now submitting lease contracts on a daily basis.

Rodriguez said the program covers luxury used cars because their potential demand is tremendous.

According to International Bankers Acceptance, new-car manufacturers traditionally have been the principal funding source for automobiles. However, because they are concerned with the movement of new vehicles, not the turnover of used cars, their leasing programs have been unavailable to their dealers' used-car departments, Rodriguez said.

"The potential demand for used-car leasing is tremendous," he said. "In 1985, consumers acquired nearly 16 million used autos, representing some $100 billion in sales."

U.S. cuts deficit in auto trade

August imbalance shows 6.5% dip

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The U.S. automotive trade deficit in cars and light trucks improved 6.5 percent in August compared to the year-earlier month.

The improvement was the result of a 31.8 percent increase in export value and a 2.3 percent decline in the value of imports.

August's drop in the automotive trade deficit followed a decline of 20.7 percent in July.

When the 12-month period ended Aug. 31 is compared with the year ended Aug. 31, 1987, the automotive trade deficit shows a 5.1 percent improvement.

As of August, the United States was running an annualized trade deficit of $43.21 billion in passenger cars and light trucks. That compares with $45.49 billion a year earlier. The annual totals reflect a 5.5 percent decline in the number of vehicles imported to the United States over the most recent 12-month period. Exports jumped 15.7 percent during the period.

Trade numbers released by the U.S. Commerce Department show a trade deficit for cars and light trucks of $3.17 billion in August. Total car and light-truck exports had a value of $599.40 million during the month, and monthly car and light-truck imports were valued at $3.77 billion. The automotive trade deficit for August 1987 was $3.39 billion.

Passenger-car exports reached 47,824 vehicles in August, with an estimated value of $486.70 million. Light-truck exports for the month totaled 11,462 vehicles, having an estimated value of $112.70 million.

Passenger-car exports were up 18.0 percent to Canada and 302.2 percent to Japan.

On the import side, Japan continued to show a downturn in both the quantity and value of vehicle shipments during the month. Car shipments also declined from West Germany, Sweden, Yugoslavia, the United Kingdom and Italy.

Meanwhile, imports from Canada, Brazil, South Korea, Mexico, France and Brazil showed growth in August.

Total vehicle imports in August were valued at $3.76 billion, down 2.3 percent from $3.86 billion in August 1987. There were 393,113 finished vehicles imported to the United States in August 1988, compared with 408,118 last year.

Passenger-car imports reached 335,975 units for the month and had a value of $3.34 billion. Light-truck imports totaled 57,138 units, with a value of $426.88 million. The value of imported trucks increased 5.0 percent in August, although shipments fell 12.6 percent. That same phenomenon occurred in June and July, indicating that reduced sales of imported trucks are having little effect on the overall trade deficit because of higher prices.

Japanese car imports dropped 19.0 percent for the month while the value of the shipments fell 14.9 percent. Japanese truck imports were off by 21.8 percent and their value was down 12.7 percent. Japan shipped 178,475 cars to the United States in August, down from 220,229 cars a year earlier. Truck shipments totaled 39,596 units, down from 50,664 in 1987.

Canada shipped 39,927 cars to the United States, a 37.6 percent increase. South Korean shipments staged a slight recovery in August, increasing 8.0 percent. Korean shipments have been depressed for several months due to strikes.

Mexico shipped 13,330 passenger cars to the United States in August, up 27.9 percent from a year earlier. Brazilian automakers exported 5,630 cars to this country, up 30.3 percent.

West German shipments for the month fell 35.7 percent from August 1987. Sweden's exports dropped 30.1 percent.

Yugoslavia shipped 1,000 vehicles in August, according to the Commerce Department, compared with 3,400 cars a year earlier.

U.S. AUTOMOTIVE TRADE BY VALUE
(x $1,000)

Passenger cars

Country	Trade	Aug. 1987	Aug. 1988	Sept. 1986-Aug. 1987	Sept. 1987-Aug. 1988
Japan	Export	$ 3,039	$ 12,223	$ 54,027	$ 155,732
	Import	1,956,249	1,685,416	21,180,857	19,913,720
Canada	Export	335,635	396,102	5,469,017	6,152,946
	Import	375,836	829,978	10,523,736	12,638,320
West Germany	Import	642,506	330,288	8,864,280	6,771,205
South Korea	Import	197,248	217,029	1,698,308	2,289,996
Sweden	Import	75,614	59,541	1,944,876	1,657,014
Mexico	Import	88,912	111,063	776,632	1,270,374
Yugoslavia	Import	8,330	2,998	288,763	103,887
United Kingdom	Import	57,721	51,057	859,419	1,070,391
Italy	Import	12,900	10,720	278,811	180,193
France	Import	963	19,810	197,237	186,228
Brazil	Import	21,080	33,126	100,567	392,398
Others	Export	36,296	78,343	697,818	1,434,235
	Import	12,111	9,656	234,759	305,461
Car total	Export	374,969	486,668	6,220,862	7,742,914
	Import	3,449,180	3,349,690	46,916,244	46,759,180
Trade balance		(3,074,211)	(2,864,012)	(40,697,382)	(39,016,266)
Light trucks (up to 10,000 lbs. GVW)					
Canada	Export	$ 78,756	$ 100,444	$ 1,475,454	$ 1,702,412
	Import	121,513	180,558	1,803,149	2,831,960
Japan	Import	273,247	238,465	4,663,086	3,251,119
Mexico	Import	9,202	1,030	126,116	6,643
Others	Export	6,256	12,276	167,449	334,145
	Import	2,500	8,802	49,196	147,880
Truck total	Export	85,013	112,719	1,642,903	2,036,557
	Import	406,462	426,876	6,441,525	6,237,602
Trade balance		(321,449)	(314,157)	(4,798,622)	(4,201,045)
Car and truck total	Export	459,982	599,387	7,863,765	9,779,471
	Import	3,855,642	3,767,556	53,359,769	52,996,782
VEHICLE TRADE BALANCE		(3,395,660)	(3,168,169)	(45,496,004)	(43,217,311)
TOTAL U.S. Merchandise trade (customs value)	Export	20,884,100	27,545,500	239,549,100	321,751,400
	Import	34,482,300	38,106,100	389,907,900	466,718,100
TRADE BALANCE		(13,598,200)	(10,560,600)	(150,358,800)	(144,966,700)

U.S. AUTOMOTIVE TRADE BY QUANTITY

Passenger cars

Country	Trade	Aug. 1987	Aug. 1988	Sept. 1986-July 1987	Sept. 1987-July 1988
Japan	Export	193	960	3,359	12,074
	Import	220,229	178,475	2,423,459	2,174,077
Canada	Export	29,018	39,927	563,927	602,451
	Import	34,791	74,168	986,851	1,134,029
West Germany	Import	22,780	14,638	400,324	275,553
South Korea	Import	37,292	40,294	337,281	430,936
Sweden	Import	5,486	3,836	145,977	107,561
Mexico	Import	10,426	13,330	78,494	148,007
Yugoslavia	Import	3,400	1,000	52,894	39,175
United Kingdom	Import	2,660	1,482	40,866	38,876
Italy	Import	557	540	21,903	6,945
France	Import	48	1,961	28,651	17,491
Brazil	Import	4,322	5,630	21,178	71,178
Others	Export	2,795	6,947	52,353	111,247
	Import	720	622	15,609	19,307
Car total	Export	32,006	47,824	619,639	725,772
	Import	342,711	335,975	4,553,587	4,463,134
TRADE BALANCE		(310,705)	(288,151)	(3,933,948)	(3,737,362)
Light trucks (up to 10,000 lbs. GVW)					
Canada	Export	8,456	10,151	158,031	169,092
	Import	13,550	17,469	174,201	257,786
Japan	Import	50,664	39,596	869,175	572,657
Mexico	Import	1,094	0	16,152	72
Others	Export	5,760	1,311	14,054	26,687
	Import	99	67	1,103	1,693
Truck total	Export	9,031	11,462	178,686	195,780
	Import	65,407	57,138	1,050,631	832,208
Trade balance		(56,376)	(45,676)	(873,946)	(636,428)
Car and truck total	Export	41,037	59,286	798,324	921,552
	Import	408,118	393,113	5,604,218	5,295,342
TRADE BALANCE*		(367,081)	(333,827)	(4,807,894)	(4,373,790)

Compiled by Automotive News from official statistics of the U.S. Commerce Department, as reported by the U.S. International Trade Commission. Because of rounding, figures may not add to the totals shown.

Imports face struggle for big bucks

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LAGUNA NIGUEL, Calif. — Next fall's entry of two Japanese high-end brands into an already crowded luxury-car market will quickly "make upscale cars almost commodities," with styling and image key competitive elements.

Toyota's Lexus and Nissan's Infiniti divisions will enter the market in the 1990 model year, and improving U.S. competitors will create "an upscale battleground like the low-end car and small-truck segments are now," said David E. Cole, director of the Office for the Study of Automotive Transportation at the University of Michigan.

Cole spoke at a BMW Technical Symposium here, less than a hour's drive from the U.S. headquarters of BMW's newest Japanese competitors.

"You can't differentiate on features (in the 1990s) on high-end cars," Cole said.

"Styling will be critical. It's already been demonstrated that the Japanese can move very quickly."

In a reference to long European product cycles compared with much shorter Japanese cycles, Cole added, "Ten years is an eternity when dealing with the Japanese."

However, while shorter product cycles will help the Japanese make adjustments in a new segment, they reduce profitability, noted Hans-Herman Braess, vice president of research for BMW AG, in reaction to Cole's keynote speech.

Braess acknowledged that the largest vehicles from Lexus and Infiniti, which used the BMW 735i as a design target, will press BMW at the upper end of the market much as the Acura Legend sedan and coupe have at the lower end of BMW's range, the 3 series.

"We may lose some sales to them," Braess admitted.

Parts group fights Clarion's subzone plea

WASHINGTON — The Motor and Equipment Manufacturers Association is opposing a request for a Foreign Trade Subzone filed with the U.S. Commerce Department by Clarion Manufacturing Corp.

Clarion has an assembly plant for automotive audio equipment in Walton, Ky. The company supplies original equipment to several Japanese automobile manufacturers in the United States and is a major aftermarket supplier.

Foreign Trade Subzone status would allow Clarion to pay lower tariffs on components it imports for final assembly and sale in the United States.

An increasing number of automotive suppliers have begun petitioning the Commerce Department for Foreign Trade Subzone status now that most automobile assembly plants are covered by the reduced-tariff program.

Although U.S. auto part manufacturers have opposed the Foreign Trade Subzone program for several years, the Commerce Department's Foreign Trade Zones Board has yet to deny an application for an automotive-related subzone.

IACOCCA

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Asked if GM has turned the corner, the Chrysler chairman said, "Turning the corner means do they have their costs in line with the volume they can expect? That last phrase is the key phrase.

"If they want to continue to say we're going to get 40 (percent market share) at all costs, they are not going to turn the corner. Forty-five is a dream. Thirty-five, if they accept that, and do what we had to do — pare down the company, that means all areas are in line with that objective — then they've turned the corner."

"GM is a good company. I've watched them for 40 years. They're good on product and sure, they make some mistakes, like I do all the time. But I think they're on their way to being what they've been — the premier car company in the world."

Iacocca also said that as Chrysler revamps its two product hits for the 1990s — the minivan and Jeep Cherokee — he wants to avoid the mistake made at Ford Motor Co. in its handling of the 1964 Mustang.

"I got burned so bad on the Mustang I could write another book on how it happened," Iacocca said of the instantly successful Mustang, which by 1970 suffered plummeting sales after several reworkings.

"The truth is, we blew it. We kept killing it little by little, and we ended up with a camel done by a committee. Everybody got into the act because they know how to change a winner."

Iacocca said Chrysler executives are aware of that history as the minivan and Cherokee are restyled for the early 1990s.

"The big argument now is the new Cherokee because the other one is almost like a cult," Iacocca said. "We keep researching it with all the Jeep owners, and they say, 'Drop dead.' It's tough. It's like the first Mustang."

About the Cherokee, Iacocca said, "I have a feeling that you can't horse around too much with what appeals as an accepted no-nonsense durable car/truck/station wagon. We've researched the new one. It's great with a body of owners that never had a Cherokee. But if you had a Cherokee, it's tough to satisfy. That's a crapshoot. I don't know quite yet what to do."

Asked if a similar pitfall might exist with a minivan restyling because Chrysler pioneered the segment, Iacocca said, "Don't worry, I'm worried about that too."

"It's tough to do, yet you must keep aggressively modernizing it. Get the repairs per hundred down on a continuing basis, add interior things the women want, maybe give 10-year rust warranties if you can do it."

Even though competitors in the minivan market will be "coming in right through the woodwork" in the coming years, Iaccoca said Chrysler is considering additional production capacity.

"We're looking at a possible third minivan source. I guess we believe in it," he said.

Iacocca said a determination would be made "in the next two years."

One possibility, Iacocca said, is to add "brick and mortar" to the St. Louis plant. Chrysler also builds minivans in Windsor, Ontario.

AUTOMOTIVE NEWS/JOE WILSSENS

Iacocca: "I got burned so bad on the Mustang I could write another book"

"When we went for the second source of the minivans, we did it a little bit tentatively because we knew Windsor was at 270,000 units," Iacocca said. "So we took St. Louis 2, which we knew wasn't going to get much over 160,000 units. We're missing 100,000 just by mistake. If we had put in a bigger plant, we'd be selling them right now."

Iacocca said he believes in the strength of the minivan market because the vehicle appeals to four-door sedan buyers.

"Ninety percent are bought by car buyers. I'm selling virtually one-for-one Caravan/Voyager against Taurus/Sable. But they say (Ford) hit a four-door market. Well, I've got these rich cars, and they've got four doors, but one slides and one opens funny.

"With all these new (minivan) entries, all you are going to do is cannibalize the four-door sedan market. No question about that."

Iacocca said that after launching the new Cherokee and minivan in the 1990s, the company's next product priority is the LX/LH car platform, which will debut in the fall of 1991.

The platform is expected to be larger than Chrysler's existing K-platform and variations.

Iacocca indicated all three Chrysler franchises, including Jeep-Eagle, will likely receive products from the new platform.

"All three franchises and three brands will make their distinctions as they see fit," he said.

Iacocca said Chrysler's product line is well-positioned for the coming decade, although he expects it to take five years to establish the Eagle car brand created from the purchase of AMC.

He also suggested that the subcompact Dodge Omni/Plymouth Horizon may remain in Chrysler's product lineup longer than anticipated. Iacocca previously suggested the model would be phased out by late 1991 or early 1992.

"We have to stay with the Omni/Horizon a little longer than maybe we wanted to because we have no possibility to source (a replacement) unless we looked at the Koreans, the Malaysians and the Taiwans."

Asked if such sourcing is likely, he said, "Maybe. We're always talking, but nothing is happening.

"We had always felt in this company that Mitsubishi could always supply us with a little car. But now they're saying to me 'We're thinking of going to Korea or Malaysia.'"

Iacocca also said that he is not interested in marketing a minicar that would be "an entry-level vehicle against the used-car market."

"The next generation of Chrysler executives might want them, but I don't want them," he said.

Iacocca said Chrysler will use as image builders Chrysler's TC by Maserati and vehicles obtained through its purchase of Lamborghini.

This fall Chrysler curtailed its plans with Maserati and formed a relationship with Fiat. The TC coupe is expected to be introduced in 1989, although its debut initially was planned for early 1987.

"You either have to control a plant in Europe or you have to have a company like Fiat backing you," Iacocca said, explaining the troubled TC launch.

"Too much is done on the basis that we build cars only by hand in Italy and we don't worry about quality," he said. "That's okay if you're building an exotic sports car. But if you're starting a production line, you don't have the quality and the safeguards to make sure the car is right.

"We had all kinds of start-up problems being on a foreign shore and having a labor force that was not run by us. We put in the paint system but beyond that, it was in the hands of other people.

"We said it just would not meet the quality standards of Chrysler, and we couldn't put our name on it."

Iacocca said the car is now being shipped following a production revamping led by Richard E. Dauch, Chrysler Motors executive vice president of manufacturing.

The new relationship with Fiat, by which Chrysler will market Alfa Romeo models, is expected to grow.

Iacocca said he hoped the linkup with Fiat "would bode well for something more because they are a powerful worldwide company."

Asked if future deals might include joint production, he responded, "Who knows? Maybe."

Chrysler's dealings with Renault, which began with the purchase of AMC, are also likely to expand, and Iacocca described the relationship as "twofold now."

In addition to the componentry Chrysler is buying from the French automaker, Iacocca said Renault is likely to handle Jeep distribution in additional European markets, and it may be involved in Jeep production ventures.

"We have given them France and Italy for Jeep distribution," he said. "They are doing a good job — so good I think we are about to give them Spain and Portugal.

"But we have a lot of new Jeep stuff coming, so our discussion with them tends to be all involved around the total Jeep line worldwide."

Iacocca said discussions included possible joint production because Jeep is developing a cult following in Europe.

Iacocca said he may visit Brazil in February as part of an expanded program in South America. Chrysler currently produces Jeeps at a plant in Valencia, Venezuela, which it inherited with AMC.

"The idea is to joint-venture with a number of South American companies beyond Venezuela," Iacocca said. "Probably you start with Jeep. Like any emerging country, you start with knock-downs until there is an infrastructure of parts there."

Iacocca also said that although the First Automobile Works in Changchun, China, did not select the Dodge 600 for car production, Chrysler expects eventually to complete a vehicle project in China. With its AMC acquisition, Chrysler received part ownership in Beijing Jeep Corp., which produces a Cherokee and another utility vehicle.

Iacocca, who recently returned from a trip to China, said First Automobile Works is considering adding an axle line. Chrysler sold tooling and machinery to First Automobile Works to produce 2.2-and 2.5-liter four-cylinder engines.

"I think when they see the help we have given them with the engine line and the other help they have asked us for, we will probably do some kind of a car/truck program with them in the immediate term," Iaccoca said. "I don't know when."

Iacocca also said while future joint ventures are likely, Chrysler is unlikely to make any additional significant automotive purchases.

However, investments are likely in nonautomotive areas, as the Chrysler Technologies subsidiary grows and seeks defense business.

Iacocca said Chrysler Technologies Chairman Paul E. Wright, who was appointed in September, "will probably come up with some acquisitions of smaller subsuppliers rather than prime suppliers to the Pentagon."

Iacocca's goal is to double the size of Acustar, the $3 billion component manufacturer that Chrysler tried to sell earlier this year. The sale was aborted after the UAW protested.

"With currency straightened out at least for now, they should be good contenders. They've got some great plants. It's up to them to go after the world componentry business."

Chrysler, Renault agree to drop Eagle Medallion

PARIS — Renault will not resume production of the Medallion, a car sold by Chrysler Motors' Eagle dealers.

Renault decided against moving production of the American version of the Renault 21 to another plant and Chrysler approved the decision, according to sources at the French automaker and in the United States. The announcement is expected this week.

The decision to discontinue the line was predicated on the dollar's low value, the modest sales performance — only 12,731 in the first 10 months of 1988 — and Renault's need to use the capacity for production of its new Renault 19 and for the 21, which is a strong seller in Europe.

American Motors first introduced the compact sedan at the Chicago Auto Show early in 1987. Production had begun in October 1986 but was halted because of market uncertainty [illegible] Chrysler acquired AMC in Augu[illegible] Chrysler resumed sales of a modif[illegible]n, which stayed in production until the end of July 1988. Altogether, 36,000 have been exported to the United States.

— [illegible]

FORECAST

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gressive production schedule.

Both analysts predicted that an aggressive GM could force Ford and Chrysler back into the incentive wars, leaving the two smaller makers short of inventory in the first quarter.

If GM sticks to its latest estimate for the first quarter, it will end March with about 80 days' worth of cars on hand and at dealerships, Luckey predicted. Typically the domestics run in the 60s at that time of the year.

But even with its revised plans for the last quarter of this year, GM's production for the quarter is scheduled to run nearly 13 percent ahead of last year's pace. And that means GM is scheduled to fall only 1 percent short of its total 1987 car production total.

U.S. CAR PRODUCTION FORECAST

	Fourth Quarter			Full Year		
	1988 Estimate*	1987 Actual	Percent Change	1988 Estimate*	1987 Actual	Percent Change
GM	949,000	839,946	+12.98	3,411,100	3,455,463	− 1.28
Ford	457,000	461,143	− 0.90	1,815,000	1,830,446	− 0.84
Chrysler	295,000	283,062	+ 4.22	1,067,000	1,109,411	− 3.82
Honda	86,000	80,227	+ 7.20	364,000	324,064	+12.32
NUMMI	18,000	38,901	−53.73	129,000	187,378	−31.16
Nissan	24,600	15,289	+60.90	108,800	117,334	− 7.27
Mazda	59,500	3,800	—	162,300	4,200	—
VW	0	21,147	—	36,000	66,696	−46.02
Toyota	17,000	0	—	17,000	0	—
Diamond-Star	2,300	0	—	2,300	0	—
Industry	1,908,400	1,743,515	+ 9.46	7,112,500	7,094,992	+ 0.25

*Updated

Ford expects to assemble 474,000 cars in the first three months of next year, a dip of 1 percent from the beginning of 1988. Its latest fourth-quarter plan is to build 457,000 cars, off 1 percent from the 1987 quarter but up nearly 6 percent, or 25,000 cars, from what it had scheduled in its September forecast.

Ford's updated fourth-quarter schedule means it would end this year less than 1 percent below its total production for 1987.

Chrysler projects it will build 272,000 cars during 1989's first quarter, 4 percent more than in 1988. Its fourth-quarter 1988 schedule has been hiked 1 percent from its September forecast, but more than 4 percent from the number it actually built in the last quarter of 1987.

If its fourth-quarter plan holds true, Chrysler will build 4 percent fewer cars in all of 1988 than it did in 1987.

All of the transplant companies scheduled increases for the first quarter compared to the comparable period of this year.

Honda of America Manufacturing Inc., targets production at 99,400 cars for the first three months of next year, an increase of 8 percent. However, it reduced its fourth-quarter schedule 2 percent, or 1,500 units. That would still give Honda a 7 percent increase over actual production in the fourth quarter of 1987 and a 12 percent increase over full-year 1987.

New United Motor Manufacturing Inc. expects to assemble about 45,000 cars in the beginning of 1989, 8 percent more than the 41,738 built during this year's first quarter. Its estimated fourth-quarter schedule is running 54 percent behind the 1987 quarter, which would mean that NUMMI plans to end this year 31 percent behind its full-year 1987 output.

Nissan Motor Manufacturing Co. U.S.A. projected first-quarter output of about 30,000 cars, 48 percent more than the comparable period in 1988. Its fourth-quarter schedule is unchanged from its previous estimate.

Truck build is highest since May

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Last week's scheduled U.S. truck production of 92,188 units was the highest since the week ended May 21, when 92,256 trucks were built.

U.S. truck output last week was 2.17 percent above the prior week's 90,233 and 10.17 percent above the year-ago week's 83,679.

Year-to-date, U.S. makers have built 3,703,736 trucks, 7.20 percent more than the 3,454,873 completed at this point last year.

Total planned domestic auto production last week was 163,466 units, 1.52 percent below the previous week's 165,997 but 8.56 percent more than the year-ago week's 150,582.

So far this year, the industry has assembled 6,348,694 cars, 1.19 percent below the 6,425,405 completed by this time last year.

Last week's scheduled U.S. car output was shared as follows: General Motors, 50.16 percent; Ford Motor Co., 24.34 percent; Chrysler Motors, 16.00 percent; Honda of America Manufacturing Inc., 4.59 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.49 percent; Nissan Motor Manufacturing Co. U.S.A., 1.26 percent; New United Motor Manufacturing Inc., 0.16 percent.

GM's Detroit truck plant was closed last week for schedule adjustments. The plant is expected to reopen Nov. 28.

GM's Reatta Craft Center in Lansing, Mich., shut down last week to prepare the body shop for convertible output and to make paint shop changes. The plant is expected to resume operations Nov. 28.

Overtime was slated last Saturday at these GM plants: Lordstown, Ohio; Shreveport, La.; Moraine, Ohio; and the Pontiac West truck facility in Pontiac, Mich.

Ford scheduled overtime last Saturday at its Edison, N.J., and Lorain, Ohio, plants.

Daily overtime is slated at all Ford plants today, tomorrow and Wednesday.

All car and truck plants will be idle Thursday and Friday for the Thanksgiving holiday.

Car production rises in Canada

Canadian automakers scheduled assembly of 17,883 units last week, up 10.34 percent from 16,207 the prior week, but 8.82 percent below the year-ago week's 19,613.

So far this year, 938,190 cars have been produced, 32.97 percent more than the 705,565 completed at this point last year.

The industry scheduled 21,453 trucks last week, 8.46 percent above the previous week's 19,780 and 20.48 percent more than the year-ago week's 17,806.

Year-to-date, 829,984 trucks have been assembled, 13.10 percent more than the 733,876 built by this time last year.

General Motors' Oshawa (No. 2), Ontario, plant remains idle for model changeover. The plant is expected to resume production Jan. 3, building the Buick Regal and Chevrolet Lumina.

U.S. CAR	Week Ended Nov. 19, 1988	Week Ended Nov. 21, 1987	Week Ended Nov. 12, 1988	Nov. to Date	Jan. 1 to Nov. 19, 1988	Jan. 1 to Nov. 21, 1987
Alliance	0	0	0	0	0	15,994
Total Eagle	0	0	0	0	0	15,994
Horizon	1,700	822	2,082	4,871	72,693	40,430
Sundance	2,400	1,851	2,334	6,302	92,877	81,624
Reliant	2,100	3,436	2,178	5,806	81,889	118,893
Acclaim	800	0	773	2,082	2,891	0
Caravelle	0	480	0	0	9,265	39,584
Gran Fury	400	156	483	1,152	19,066	6,368
Total Plymouth	7,400	6,745	7,850	20,212	278,503	286,899
LeBaron K	0	1,012	0	0	7,912	59,438
LeBaron J	2,900	0	2,611	7,417	76,733	102,201
LeBaron GTS	150	510	179	387	8,335	34,939
N. Yorker E-Class	0	0	0	0	0	57,102
N. Yorker C-Class	2,200	1,794	2,244	6,237	94,717	12,678
Fifth Avenue	800	1,342	1,023	2,458	29,668	58,854
Total Chrysler	6,050	4,658	6,057	16,499	217,365	325,212
Omni	1,600	745	2,052	4,810	71,475	35,073
Daytona	1,900	0	1,779	4,933	70,023	55,781
Shadow	2,400	2,167	2,063	5,911	91,437	85,585
Aries	2,500	3,740	2,506	6,862	81,415	111,517
Dodge 600	0	686	0	0	8,549	36,616
Dynasty	2,900	554	3,086	8,186	99,367	2,943
Lancer	200	302	214	620	8,292	21,680
Spirit	800	0	787	2,059	2,402	0
Diplomat	400	407	525	1,267	17,636	13,193
Total Dodge	12,700	8,001	13,012	34,650	450,596	362,388
CHRYSLER MOTORS	26,150	20,004	26,919	71,362	946,464	990,493
Escort	10,029	9,256	9,523	28,397	371,216	351,496
Mustang	4,288	4,337	3,457	11,055	180,748	193,087
Tempo	3,556	4,984	3,655	10,003	165,318	127,794
Taurus	8,852	8,978	8,460	23,867	355,530	370,221
Thunderbird	2,481	3,482	1,698	5,246	98,526	142,572
Total Ford Div.	29,206	30,487	26,793	78,569	1,171,347	1,185,170
Lynx	0	0	0	0	0	21,352
Topaz	1,394	935	1,296	3,893	63,451	41,198
Cougar	1,809	2,497	1,719	4,592	77,262	126,222
Sable	2,714	2,784	3,081	8,031	121,007	110,654
Total Mercury	5,917	6,216	6,095	16,516	261,720	299,661
Continental	1,568	407	1,535	4,340	47,643	10,965
Mark VII	763	609	766	2,150	24,889	25,710
Lincoln	2,336	3,061	2,305	6,495	111,579	127,794
Total Lincoln	4,667	4,077	4,606	12,985	184,111	164,469
Total L-M Division	10,584	10,293	10,701	29,501	445,831	464,130
FORD MOTOR CO.	39,790	40,780	37,494	108,070	1,617,178	1,649,300
Skyhawk	936	0	1,170	2,876	24,359	30,719
Skylark/Somerset	1,785	1,288	1,767	4,634	47,265	59,779
Century	3,886	3,313	4,765	12,110	126,959	144,012
Regal (rwd)	0	757	0	0	0	38,734
Riviera	629	385	633	1,784	10,432	12,132
Electra	2,510	3,451	2,544	6,833	80,143	86,829
LeSabre (fwd)	2,595	2,156	2,798	7,263	120,995	131,200
LeSabre (rwd)	220	376	226	622	8,923	8,869
Reatta	0	0	263	429	8,722	0
Total Buick	12,580	11,726	14,164	36,551	427,798	512,274
Cimmaron	0	41	0	0	3,693	10,074
Eldorado	742	700	775	2,123	31,816	18,526
Seville	562	631	579	1,611	20,812	16,980
Brougham (rwd)	915	1,905	912	2,560	31,785	67,936
Deville (fwd)	4,920	3,321	4,776	12,668	142,550	127,118
Allante	75	100	75	198	1,894	4,120
Total Cadillac	7,214	6,698	7,117	19,157	232,550	244,754
Cavalier	7,022	7,079	7,790	20,102	321,215	281,739
Camaro	2,740	2,497	3,042	7,945	88,361	110,331
Celebrity	4,773	6,775	5,683	14,807	169,296	271,359
Corsica/Beretta	10,884	8,760	9,105	28,066	380,730	311,408
Monte Carlo	0	1,825	0	0	0	67,510
Caprice	4,240	5,700	3,983	11,456	187,025	174,630
Corvette	565	638	540	1,527	20,651	25,563
Total Chevrolet	30,224	33,274	30,143	83,902	1,177,278	1,242,540
Calais	3,015	2,492	2,987	7,848	104,890	107,059
Firenza	0	0	0	0	5,230	12,710
Cutlass Ciera	1,685	1,367	1,322	4,305	30,768	107,331
Cutlass Supreme	3,656	1,441	3,468	10,018	130,311	99,082
Toronado	315	429	330	901	13,788	14,359
88 (fwd)	3,100	3,794	3,312	8,990	141,394	162,519
88 (rwd)	105	446	161	395	10,032	13,324
Olds 98	1,752	2,172	1,744	4,726	66,564	64,507
Total Oldsmobile	13,607	12,141	13,324	37,182	502,967	554,489
Sunbird	2,922	1,983	2,920	7,755	99,453	79,087
Grand Am	4,800	4,801	5,760	14,490	217,573	226,572
Firebird	1,750	1,572	2,021	5,101	59,245	71,079
Grand Prix	4,060	0	4,000	11,260	130,227	0
Pontiac 6000	2,085	1,094	2,381	6,162	83,4[illegible]	65,698
Bonneville	2,695	1,927	2,976	8,044	108,668	115,826
Safari/Parisienne	90	113	101	275	6,841	8,497
Fiero	0	0	0	0	13,297	28,942
Total Pontiac	18,402	11,490	20,159	53,086	718,750	595,701
GENERAL MOTORS	82,007	75,329	84,907	229,879	3,059,343	3,149,758
HONDA	7,500	7,218	7,529	22,087	331,373	293,725
Civic	2,450	1,849	2,572	7,271	98,619	80,425
Accord	5,050	5,369	4,957	14,816	232,754	213,300
MAZDA†	5,699	406	5,702	15,228	140,484	2,255
NISSAN	2,060	1,325	2,037	5,723	100,008	107,711
NUMMI	260	3,705	1,409	3,003	117,847	173,880
Corolla	160	1,071	1,409	2,903	47,177	39,129
Geo Prizm/Nova	100	2,634	0	100	70,667	134,751
VOLKSWAGEN	0	1,815	0	0	35,997	58,283
Golf/GTI	0	1,115	0	0	30,444	43,740
Jetta	0	700	0	0	5,553	14,543
Total Cars, U.S.	163,466	150,582	165,997	455,351	6,348,694	6,425,405
Total Cars, Canada	17,883	19,613	16,207	50,786	938,190	705,565
U.S., Canada Cars	181,349	170,195	182,204	506,137	7,286,884	7,130,970
U.S., Canada Cars and Trucks	294,990	271,680	292,207	816,900	11,820,604	11,319,719

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended Nov. 19, 1988	Week Ended Nov. 21, 1987	Week Ended Nov. 12, 1988	Nov. to Date	Jan. 1 to Nov. 19, 1988	Jan. 1 to Nov. 21, 1987
Eagle	0	—	0	0	0	—
Premier	1,275	—	1,277	3,622	53,963	—
CHRYSLER MOTORS	1,275	114	1,277	3,622	53,963	6,881
Escort	0	—	0	0	0	—
Lynx	0	—	0	0	0	—
Tempo	3,268	—	2,320	8,195	153,605	—
Topaz	1,628	—	1,124	4,022	61,175	—
Crown Victoria	2,895	—	2,939	8,100	115,369	—
Grand Marquis	2,865	—	2,887	8,122	117,135	—
FORD MOTOR CO.	10,656	8,037	9,270	28,440	447,344	386,434
Celebrity	427	—	397	1,169	18,812	—
Cutlass Ciera	3,845	—	3,574	10,161	201,034	—
Cutlass Supreme	0	—	0	0	0	—
Grand Prix	0	—	0	0	0	—
Pontiac 6000	0	—	0	0	29,690	—
Regal	0	—	0	2,727	139,603	—
GENERAL MOTORS	4,272	10,958	3,971	14,057	389,139	290,859
Civic	1,500	—	1,545	4,199	40,254	—
Accord	0	—	0	0	1,628	—
HONDA	1,500	504	1,545	4,199	42,082	13,402
VOLVO	180	0	144	468	5,662	7,989
Total Cars, Canada	17,883	19,613	16,207	50,786	938,190	705,565

U.S. TRUCK☆	Week Ended Nov. 19, 1988	Week Ended Nov. 21, 1987	Week Ended Nov. 12, 1988	Nov. to Date	Jan. 1 to Nov. 19, 1988	Jan. 1 to Nov. 21, 1987
Caravan	2,300	—	2,078	6,229	82,438	—
Dakota	2,300	—	2,235	6,481	97,166	—
Mini-Ram Van	150	—	238	563	11,051	—
Pickups	2,300	—	2,238	6,485	75,674	—
Total Dodge	7,050	9,095	6,789	19,778	266,329	279,576
Cherokee	4,500	—	4,604	12,167	167,230	—
Commanche	900	—	846	2,366	39,926	—
Grand Wagoneer	300	—	350	928	12,599	—
Pickups	0	—	0	0	0	—
Wagoneer	200	—	202	579	9,768	—
Total Jeep	5,900	4,545	6,002	16,040	229,523	201,362
Voyager	2,100	—	1,888	5,636	76,594	—
Total Plymouth	2,100	—	1,888	5,636	75,959	—
CHRYSLER MOTORS	15,050	13,640	14,679	41,455	568,900	480,958
Aerostar	4,299	—	4,042	10,443	185,046	—
Bronco	1,811	—	1,686	4,931	50,848	—
Bronco II	2,941	—	2,706	7,759	108,631	—
Econoline	5,599	—	5,481	15,245	217,746	—
Heavy trucks	1,307	—	1,311	3,684	58,725	—
Light trucks	11,179	—	10,618	30,027	442,026	—
Ranger	7,230	—	6,232	17,908	290,744	—
Total Ford Div.	34,366	32,603	32,076	89,976	1,353,766	1,334,398
FORD MOTOR CO.	34,366	32,603	32,076	89,976	1,353,766	1,334,398
Astro	3,491	—	4,261	10,675	153,998	—
Blazer	505	—	529	1,542	23,702	—
Mediums/Heavies	360	—	444	1,120	17,998	—
P-Model	0	—	697	1,679	36,773	—
Pickups	8,678	—	8,132	24,138	328,670	—
S-10	6,921	—	6,012	17,796	274,039	—
S-10 Blazer	4,257	—	4,437	11,559	153,763	—
Sportsvan/Van	1,807	—	2,246	5,415	86,209	—
Suburban	1,374	—	1,408	4,108	63,364	—
Total Chevrolet	27,393	23,408	28,366	78,031	1,143,516	1,021,910
Jimmy	148	—	167	461	6,924	—
Mediums/Heavies	590	—	507	1,543	32,246	—
P-Model	0	—	123	176	4,679	—
Pickups	2,682	—	2,651	7,867	101,148	—
S-15	1,544	—	1,294	4,461	62,719	—
S-15 Jimmy	1,203	—	1,152	3,225	43,231	—
Safari	894	—	976	2,476	40,601	—
Suburban	584	—	675	1,897	28,148	—
Vandura/Rally Vans	574	—	675	1,746	30,613	—
Total GMC	8,219	6,212	8,220	23,874	350,309	342,603
GENERAL MOTORS	35,612	29,620	36,586	101,905	1,493,825	1,364,513
NAVISTAR	1,970	1,686	1,733	5,003	77,486	67,430
NISSAN	2,440	3,380	2,399	6,649	83,809	88,314
AM GENERAL*	450	450	450	1,260	20,610	15,300
MISCELLANEOUS*	2,300	2,300	2,300	6,440	105,340	105,960
Total Trucks, U.S.	92,188	83,679	90,223	252,689	3,703,736	3,454,873

CANADIAN TRUCK	Week Ended Nov. 19, 1988	Week Ended Nov. 21, 1987	Week Ended Nov. 12, 1988	Nov. to Date	Jan. 1 to Nov. 19, 1988	Jan. 1 to Nov. 21, 1987
Caravan	3,286	—	3,099	8,872	126,719	—
Mini-Ram Van	201	—	187	538	10,873	—
Ram Wagon	665	—	500	1,675	23,752	—
Ram Van	1,685	—	1,448	4,552	64,862	—
Total Dodge	5,837	8,107	5,234	15,637	226,206	347,544
Voyager	2,545	—	2,386	6,968	113,583	—
Total Plymouth	2,545	—	2,386	6,968	113,583	—
Wrangler	1,248	—	1,304	3,569	46,215	—
Total Jeep	1,248	726	1,304	3,569	46,215	32,288
CHRYSLER MOTORS	9,630	8,833	8,924	26,174	386,004	379,832
FORD MTR. (lt. trks.)	3,648	2,727	3,588	10,125	145,234	135,671
Light trucks	4,169	—	3,383	10,429	139,072	—
Vans	1,566	—	1,503	4,338	53,927	—
Total Chevrolet	5,735	—	4,886	14,767	192,999	—
Light trucks	1,591	—	1,507	4,494	68,571	—
Vans	579	—	600	1,752	26,703	—
Total GMC	2,170	—	2,107	6,246	95,274	—
GENERAL MOTORS	7,905	6,021	6,993	21,012	288,273	209,573
NAVISTAR	270	225	275	763	10,473	8,800
Total Trks., Canada	21,453	17,806	19,780	58,074	829,984	733,876
U.S., Canada Trks.	113,641	101,485	110,003	310,763	4,533,720	4,188,749

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Tale of two cities

One plant dies; one blossoms

Chrysler contrast: Kenosha, Normal

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

This is the tale of two cities that share a car-building story.

Though similarities exist between the two, they do not share the same fate.

Those who have lived in these cities have encountered and endured pendulous economic, social and psychological extremes.

And they've survived.

These cities have something else in common. They are divided by the same employer, Chrysler Motors.

Separated by 150-odd miles as the corporate jet flies, Normal, Ill., and Kenosha, Wis., are geographically close. Yet consider their juxtaposition: For some 42 days this year, the plants in these two cities will most vividly illustrate the passing of auto manufacturing's guard, as Chrysler builds cars in one of the country's most antiquated auto plants and, via Diamond-Star, in the newest.

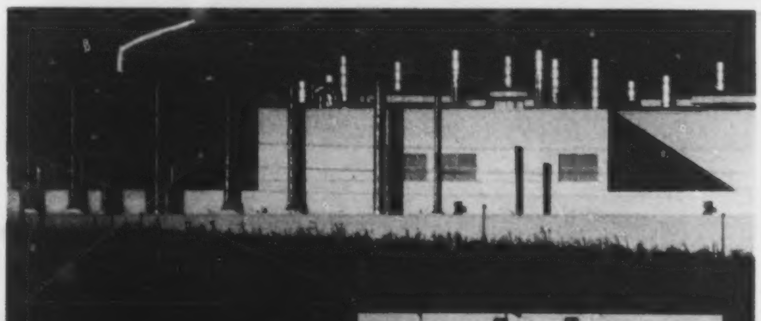
And, thanks largely to the changing way in which industrial America conducts its business, Dec. 22 will mark the end of another era, as Kenosha's car plant closes.

This is a tale of how the art of automobile manufacturing affects the people in that car-building story.

The trip to Kenosha is 55 minutes of driving along toll roads and Interstate 94 from Chicago's O'Hare airport. The city lies seven miles north of the Illinois border on Lake Michigan.

The gauntlet up I-94 outside the city is flanked with factory outlet shopping arcades and an occasional adult book store. A coal-fired power plant is five miles south of town and a nuclear power plant sits a bit further downstream.

Blues songs are written about places like this.



WELCOME TO
NORMAL

AUTOMOTIVE NEWS/JOE WILSSENS PHOTOS

Industry's two faces show varied expressions with Diamond-Star Motors, above, and Kenosha's nearly 100-year-old lakefront plant

WELCOME TO
Port of Kenosha

It's 6 a.m., and it's cold and dark. A handful of first-shift workers, carrying lunchboxes and mini-coolers, stamp out breakfast cigarettes in a gravel parking lot. As they cross the street, they appear resigned not to try and race the blustery winds that gust in front of Gate 26 at Chrysler's main Kenosha plant.

A man of medium build, dressed in a navy blue UAW baseball jacket, climbs out of his American Motors Concord sedan. As he walks through the gate, the light from the plant's halogen gas lamps outlines his military style flat-top haircut.

On the bumper of his car is a black-on-white sticker. It reads, "Iacocca Is A Liar."

Rudy Kuzel, Kenosha UAW Local 72

see CITIES, page 18

Makers trim health costs, spur conflict

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

In their drive to cut the costs of treating workers with psychiatric and substance abuse problems, automakers are in the thick of a nationwide controversy over "managed care," a system that restricts and monitors treatment.

A federal judge in Flint, Mich., will decide this week whether to dismiss a suit against Blue Cross and Blue Shield of Michigan brought by physicians caring for General Motors workers. The Flint-area workers are in a pilot psychiatric managed care program administered by Preferred Health Ltd., Wilton, Conn.

The 10 physicians seek an injunction to stop the pilot. They charge that the program unlawfully interferes with the physician-patient relationship under Michigan law.

The pilot began in January and is scheduled to run until June 1989. It covers about 125,000 GM workers, retirees and dependents who are covered by traditional Blue Cross insurance, as opposed to a health maintenance plan.

According to a Michigan health-care provider, approximately 7 percent of those covered, or about 8,750 persons, would be expected to use the program during a calendar year.

The physicians filed suit in February.

In September, Chrysler Motors became the first automaker to launch a managed care program for its entire workforce. It, too, is managed by Preferred Health. The program is expected to cut $10 million next year in the cost of care for psychiatric and substance abuse problems, Chrysler said.

This year, the cost of caring for workers with those problems will total $40 million to $50 million, Chrysler said.

The cost of mental health benefits at GM rose 18.5 percent between 1984 and 1987 — to $83 million, though the number of people eligible rose by only 5.7 percent, GM said.

In the lawsuit against Blue Cross, the psychiatrists said in affidavits that monitoring done by telephone by case managers at Preferred Health undermines treatment. They said the monitoring has made care difficult and at times inadequate, in one instance for a psychotic and potentially dangerous patient.

Some doctors' affidavits also charge that Preferred Health case managers, who are not physicians, suggest more aggressive drug therapy "in an effort to promote

see HEALTH, page 50

Japan's yen for flexibility

Small production savings mean big gains in currency upswing

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — At Akebono Brake, the boxes carrying parts to the assembly line have been reduced in size. That makes it easier for workers to move between them. The saving: a tenth of a second.

Some machinery was narrowed by one foot. Workers save a half second.

Those fraction-by-fraction moves toward higher efficiency are taking place throughout the Japanese industry. While starting with a need to cut costs in the face of the yen's escalation in value, the net result is a high degree of flexibility. If the auto industry is racing toward many niches requiring low-volume lots, as many analysts predict, then the Japanese are first out of the blocks.

Masayoshi Ikeda, professor of economics at Chuo University, cited flexibility as the key asset of the Japanese makers. That flexibility means shorter development times for new models. All companies are trying to reduce that leadtime, and the Japanese have been highly successful.

For instance, Honda has reduced its leadtime to 39 months. Toyota may cut that to 24 to 36 months.

Ikeda said the most important factor in speeding up the process is improved efficiency of suppliers.

Three years ago, when the Japanese companies were reeling from the effects of the yen's ascent, most makers laid out ambitious goals to cut costs. To do so, they overhauled their production systems and leaned heavily on their suppliers to do the same.

In the fall of 1986, after Nissan Motor Co. recorded — to much embarrassment — its first operating loss, the company called for a major effort to increase productivity by 30 percent and, in essence, cut costs. That goal was largely accomplished when the company reported it reduced operating costs by about 94 billion

see JAPAN, page 53

Buffalo car dealers start own auction

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

It took just 20 minutes for members of the Niagara Frontier Automobile Dealers Association in Buffalo, N.Y., to snatch up $550,000 of Class A stock at $5,000 per share to build the Greater Buffalo Auto Auction.

Next month, the dealer group is expected to make a second stock offering to its members to raise $1 million to partially finance construction of the proposed $7 million facility.

In a novel business venture for dealer associations, the Buffalo group is building its own five-lane auto auction complete with a car wash, reconditioning center and restaurant on 150 acres on the outskirts of Buffalo in Alden, N.Y.

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LOW COST

O'Connell vows GM will be best

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

O'Connell says belt tightening will continue to meet 1992 goal

AUTOMOTIVE NEWS/JOE WILSSENS

DETROIT — General Motors' chief financial officer predicts that the automaker will reverse its position as the high-cost domestic producer and become the lowest-cost domestic producer by 1992.

GM already has realized some benefit from its massive belt-tightening, said Robert O'Connell, who in July was named executive vice president in charge of the finance group and General Motors Acceptance Corp.

"The benefit will accumulate, and I think the 1990-1992 era has a real potential for GM to be the low-cost domestic producer," he said.

Auto analysts generally agree that GM's strong third quarter showed that it has turned the corner on the profit front, but the company remains the high-cost domestic producer.

O'Connell contends that key factors in GM's cost structure will show dramatic improvement by the 1990-1992 time frame.

GM has promised its shareholders that its North American factory utilization rate will rise to 100 percent by 1992. GM's truck plants are already there but the utilization rate is only 80 percent at its car plants, O'Connell said.

He didn't confirm that more plants must be closed to reach the 100 percent goal. However, other GM executives, including Chairman Roger B. Smith, have acknowledged that more plants will be idled. Analysts expect GM to close as many as four more assembly plants in the coming years.

Through attrition, GM will eliminate 20,000 hourly workers annually, O'Connell said.

"We want to take a very prudent approach to this, one that is market sensitive and employee sensitive, and do this right in terms of improving our capacity utilization to 100 percent," O'Connell said.

In addition, he said industry sales could be stronger than anticipated, giving GM the potential to improve market share. GM would have an advantage in some product lines over capacity-constrained Ford Motor Co. And stronger GM sales would immediately boost the automaker's factory-use rate.

"We think that our product program is very strong relative to the competition," he said. "Our primary objective is to profitably raise our market share, and that applies to keeping costs under control, improving our efficiency from a variable cost standpoint and also working on our fixed costs in terms of ongoing improvement in our cost structure."

GM guaranteed its shareholders that it would cut $10 billion from its 1986 cost structure by 1990 and has since upped the ante to nearly $13 billion.

O'Connell said the cut in the number of models offered, increased sharing of components among models and a reduction of possible build combinations, now numbering in the millions at some GM plants, will help GM reduce costs significantly.

"We started many efforts toward that, but it will be the 1990 time frame when it starts to get into that powerful level," O'Connell said.

Product simplification can reduce costs by $200 to $250 a vehicle, for a savings of more than $1 billion annually, O'Connell estimated. Analysts suggest the savings to GM could exceed $2 billion.

GM has cut the number of models offered to 140 this fall, 20 percent fewer than in 1986. The goal for 1992 is 120 models.

Capital spending is slowing, and this year's total is expected to be less than last year's $7.1 billion. GM's all-time high was $11.7 billion in 1986.

O'Connell said that overseas operations are expected to be a continued strength for GM, just as they have been for two years, following the sell-off of unprofitable businesses and the restructuring of remaining operations.

He also said that GM's acquisitions, Electronic Data Systems and Hughes Aircraft, will be major contributors to GM's earnings.

In addition, Delco Electronics, the other part of GM Hughes Electronics, predicts significant growth with the increase in vehicle electronics.

O'Connell said EDS has potential for more GM business and "limitless potential for outside business," even though EDS founder H. Ross Perot is bidding against the company for a key Texas Medicaid contract.

In the short term, opinions vary widely among analysts as to how GM will do in 1989. Some predict GM will earn more than in 1988; others predict the opposite. The analysts' scenarios for the overall economy run the gamut.

While O'Connell is prohibited from forecasting earnings, he does predict a mild slowing in the economy's growth rate but with continued expansion. GM's forecast for 1989 new-car and truck sales is 15.0 million, down from 1988's expected 15.6 million.

O'Connell, like other GM executives and some analysts, predicts GM will boost its market share. GM hopes to gain one more percentage point of the car market and one extra point of the truck market.

"Our improvement in market share would more than offset any mild softening in the overall market, so we are looking for a very good year in 1989," O'Connell said.

Such strong expectations have prompted some auto analysts to suggest that GM boost its dividend minimally or offer an extra year-end dividend.

However, O'Connell said GM won't raise the dividend until it knows that the higher level can be sustained. GM will watch how the total economic picture develops in 1989 before it hikes the dividend, he said.

"We do have a fundamental improvement in the basic earnings of the corporation," O'Connell acknowledged. "That is a strong supporting factor, but it has to include the total outlook for the company, which includes the economy and the overall conditions in the automobile industry."

Earlier this month, GM declared a dividend of $1.25 a share on its common stock, the amount it has paid since the second quarter of 1984. Dividends for the Class E and Class H stock were increased to 17 cents a share and 11 cents a share, respectively, to reflect the growth in profitability at EDS and GM Hughes Electronics.

As chief financial officer, O'Connell will be a key player in turning the GM ship around. Should that effort be successful, O'Connell, now 50, may well be in line to become a future company chairman. The chairman customarily has been the chief financial officer, and O'Connell's predecessor, F. Alan Smith, is among those mentioned as a potential successor to Chairman Roger B. Smith, who retires in 1990.

O'Connell was named executive vice president in July when F. Alan Smith became executive vice president in charge of the operating staffs and public affairs group.

'88 sales climb for Campbell

First disclosure by public dealer

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — In the first public disclosure of quarterly earnings by a U.S. car dealership, Campbell Automotive Group said its sales for the first nine months of 1988 rose 3.01 percent to $109.4 million.

The eight-dealer chain, which is half-owned by Lex Service PLC, a publicly owned British auto retailer, said 1987 sales for the same period totaled $106.2 million.

While vehicle sales revenue rose a scant 1.47 percent, to $89.8 million from $88.5 million, parts sales were up 9.52 percent, to $11.5 million from $10.5 million.

However, the fastest growing revenue center was service and body shop operations, up 12.33 percent to $8.2 million from $7.3 million.

The company said it plans to expand gradually, using the $13.5 million in cash generated by the Aug. 9 sale of a half interest to Lex.

John B.T. Campbell, president of the group, said his organization will concentrate on the southern California market for dealership acquisitions. Campbell said that restricting expansion to one geographic area allows group executives to keep a close eye on operations.

The group's business plan calls for controlled growth and a low debt-to-equity ratio of 0.85-to-1, Campbell said, despite a recent offer from a bank to lend the company capital for expansion at a ratio of up to four to one. That means the bank was willing to lend the company three additional dollars — for a total of four dollars of debt — for every dollar of equity.

Campbell, who recently spoke to a West Coast meeting of the Society of Automotive Analysts, predicted that public ownership of dealerships will grow slowly.

"This is not the beginning of a wave, but the beginning of a trickle," Campbell said.

He said that five conditions must be met for a public offering to

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Big-truck dealers tally 9-month profit boom

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Profits of medium- and heavy-truck dealers have rebounded strongly this year.

And the prospects for dealers to continue improving their profitability in 1989 are very good if they can further tighten control of their operations, Bob Young, manager of the American Truck Dealers Consulting Services, told an ATD committee meeting in Orlando, Fla., recently.

The ATD is a division of the National Automobile Dealers Association. Consulting Services is the new name for its Dealer 20 Group activity. The name change reflects ATD's intention to expand beyond 20 Groups into one-on-one consulting services for individual dealerships.

For the first nine months of this year, dealers' sales and profits indicators were up, according to ATD's critical variables analysis, based on the average of its 20 Groups. ATD has 11 of these 20 Groups, five more than last year. They represent at least 150 dealerships.

Fixing the precise number of dealerships in the groups is difficult, Young said, because of the large number of megadealers represented. A group might have 14 members, but they could own 30 dealerships among them, he added.

At any rate, dealer net profit as a percentage of sales climbed to 2.5 percent during the first nine months of calendar 1988, up sharply over the 1.8 percent net profit showing of the similar 1987 period, according to ATD's critical variables analysis.

Young called the 39 percent improvement "very encouraging," though obviously the net profit still doesn't compare to some other automotive dealer segments.

Again, dealers' return on assets increased to 10.7 percent this year from 6.6 percent in the year-earlier period.

Dealers' return on equity improved to 34.5 percent from 24.9 percent last year, and expenses as a percent of gross profit also dropped.

Dealers spent only $88.70 for every $100 of gross profit this year compared to an outlay of $94.80 in the year-earlier period.

Their new- and used-truck gross profits, along with their parts and service receivables, were up modestly from last year.

They averaged $291,500 a month on parts sales this year compared to $268,000 a year ago, while retaining the same 25.1 percent gross profit on such sales, Young said.

Increasing their parts sales while holding the line on gross profits "means that they didn't have to give the store away to get the additional business," Young said.

He conceded that medium/heavy-truck sales might "drop off a bit" next year, "but the rest of the business should hang in there pretty strong. And it's the other part of the business that's carrying the dealership anyway."

Industry analysts, like Drexel Burnham Lambert's David Healy, predicts calendar 1988 Class 8 sales of about 145,000, dropping to about 140,000 in 1989. Ford truck operations and Volvo GM Heavy Truck officials generally concur with those projections.

Ford sees the overall Class 4-8 medium/heavy segment, which it projects at 330,000 sales this year, dropping to 320,000 in calendar 1989.

RECREATION ON WHEELS

Chevrolet signs 103 converters

As of mid-November, Chevrolet had signed 103 new converters, giving it a total of 167 approved for its pool system.

With those signings, Chevrolet's main focus will be on the marketing side of its van program and in getting dealers more involved in retailing those units, said Thomas Pfingst, Chevrolet's assistant director of fleet and special vehicle sales.

Chevrolet is currently introducing a new dealer booklet that includes a listing of all its van converters. The book provides ad space for upfitters to depict their products. It is set up to include new companies as they are signed up.

Separately, some Elkhart, Ind., van converters reported an overabundance of van chassis equipped with Chevrolet's 305-cid V-8 engine and a real shortage of 350-cid V-8 models.

Pfingst said he was unaware of the imbalance. Chevrolet has no plans to provide incentives on the 305 V-8 engine chassis.

Meanwhile, Elkhart converters also reported a real scarcity of GMC compact Safari van chassis.

Detroit's Class A's

General Motors and Ford both missed out on their original November introduction date for their new Class A motor home chassis.

RV TRENDS

JOSEPH BOHN

The companies have, however, begun taking orders for the units, which they now expect to begin producing in January.

Chevrolet said it looked forward to its third consecutive 100,000-unit-plus RV sales year in the 1989 model year. That figure includes van conversion products, as well as its current 14,500-pound GVW Class A and the new 16,000-pound GVW unit and its Class C cutaway chassis.

Chevrolet will offer a toll-free telephone number as a "security blanket" for buyers of its new Class A, which puts them in touch with Chevrolet dealers and independent RV centers capable of servicing the chassis. Appliances added by motor home manufacturers are not included in the program.

Ford is raising production of its small 11,500-pound GVW Class A and its Class C cutaway chassis, as well as gradually phasing in the new 16,000-pound GVW Class A.

It expects to produce 100 to 200 of the new Class A's initially and is planning to produce and sell 12,000 to 15,000 yearly, once it gets to full production by next summer, according to Jerome Mittman, Ford Division RV sales manager.

Recreational Vehicle Wholesale Deliveries

	September 1988	September 1987	% change	9 mos. 1988	9 mos. 1987	% change
Travel trailers	4,000	4,500	−11.1	47,800	48,500	− 1.4
Park Trailers	600	600	− .0	5,400	4,800	+12.5
Travel trailers—fifth wheel	2,500	2,400	+ 4.2	24,300	20,400	+19.1
Folding camping trailers	3,100	3,400	− 8.8	32,700	32,100	+ 1.9
Truck campers	900	900	− .0	9,000	8,200	+ 9.8
Towable RV total	11,100	11,800	− 5.[illegible]	119,200	114,000	+ 4.6
Conventional (type A)	3,700	3,600	+ 2.8	31,600	30,600	+ 3.3
Van Campers (type B)	300	700	−57.1	3,900	5,200	−25.0
Chopped vans (all)	2,200	2,000	+10.0	20,500	21,300	− 3.8
Motor home total	6,200	6,300	− 1.6	58,000	57,100	− 1.9
Van conversions	15,400	15,300	+ 0.7	153,300	142,400	+ 7.7
TOTAL ALL RVs	32,700	33,400	− 2.1	328,500	313,500	+ 4.8

Source: Recreation Vehicle Industry Association.

Recreational Vehicle Wholesarle Deliveries

	August 1988	August 1987	% change	8 mos. 1988	8 mos. 1987	% change
Travel trailers	4,400	4,400	− .0	43,800	44,000	− 0.5
Park Trailers	500	600	+16.7	4,800	4,200	+14.3
Travel trailers—fifth wheel	2,500	2,200	+ [illegible]	21,800	18,000	+21.1
Folding camping trailers	3,700	3,700	− [illegible]	29,600	28,700	+ 3.1
Truck campers	1,000	900	+ [illegible]	8,100	7,300	+11.0
Towable RV total	12,100	11,800	+ [illegible]	106,100	102,200	+ 5.8
Conventional (type A)	3,400	3,800	−10.5	27,900	27,000	+ 3.3
Van Campers (type B)	400	700	−42.9	3,600	4,500	−20.0
Chopped vans (all)	2,200	2,400	− 8.3	18,300	19,300	− 5.2
Motor home total	6,000	6,900	−13.0	49,800	50,800	− 0.2
Van conversions	17,200	14,200	+21.1	137,900	127,100	+ 8.5
TOTAL ALL RVs	35,300	32,900	+ 7.3	295,800	280,100	+ 5.6

Source: Recreation Vehicle Industry Association.

Aviator turns to pickups, strikes conversion gold

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

WAKARUSA, Ind. — Aviator Conversions is one of the van converters that gravitated toward pickups when van chassis were tight — and struck pay dirt.

This year, with its booming pickup business and a rebound in van chassis availability, the company has signed 200 new dealers and is moving full speed ahead in both segments of its conversion operation.

It plans substantial production increases for van and pickup conversions.

Aviator got its feet wet with large-scale pickup conversions last year when it did a special Winchester promotional truck for GMC. Earlier this year, it began doing a Tony Lama special edition vehicle for Chevrolet.

The Lama pickup, designed under an exclusive licensing agreement with Tony Lama Co. of El Paso, Texas, features the company's logo, graphics and monogram on the interior and exterior, and special interior and exterior trim. It also provides complimentary snakeskin boots to retail customers.

Chevrolet is running a national sweepstakes called Truck 'N Boot through Dec. 31. Two full-sized Lama pickups, plus a variety of Tony Lama lizard, rattlesnake, antelope and cowhide boots and wallets are being given away at Chevy dealerships.

Earlier this year, Aviator had been working with local and regional dealer associations and ad groups, promoting Lama edition pickups at state fairs and agricultural shows.

Larry Laguardia, Aviator vice president and general manager, pointed to the considerable amount of effort involved in putting together such promotional vehicles, often requiring production of a large number of specially tailored vehicles in a short time.

Having done a good job for the ad associations on pickups has helped Aviator sign new dealers for its van conversions.

"We found out that, as a result of our truck programs with GMC and because of the way we handled them and the quality of our product, many of those dealers came back and bought vans from us," LaGuardia said.

It turned out to be an important factor in Aviator's success in signing so many new dealers within such a short time.

LaGuardia credits a large part of the pickup programs' success to the liberal attitude of Utilimaster, its parent company, in allowing it to get into new ventures. Utilimaster not only endorsed the program, but provided considerable engineering and other support work.

Aviator has never sought to be the low-price competitor in the van conversion market. LaGuardia said it seeks to be as competitive as it can, but maintains certain standard requirements that preclude taking production short cuts.

He said he believes Chevrolet's new requirement of adding at least $3,000 of value to a conversion is valid because some manufacturers have been taking short cuts to lower prices, detracting from the quality and longevity of the vehicles in the process.

He said he doesn't mind competing with quality converters and, in fact, likes being on a dealer's lot with other major conversion manufacturers, but he takes exception to "junk that is just sold as a price piece."

The company has moved away from the base van concept for 1989 and put together a "complete van at every price level," from the entry level through high-line models. All its vehicles have a roof rack, running boards, four captain's chairs, and other standard features.

LaGuardia said he believes that simplifies ordering and retailing by eliminating a lot of variables.

Aviator this year is also offering a lot of "quick spec" packages that bring together the most popular options into groups.

Good Times Vans sold

Texas converter now part of Coachmen

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Coachmen Industries Inc. of Elkhart, Ind., has purchased the assets of Bentley Corp.'s Good Times Van in Grandview, Texas.

Aside from creating a more formidable van conversion competitor, the deal was significant because it stemmed largely from GM's consignment pool change.

Bentley's sale of Good Times' assets, including its building and materials, was due primarily to new financial requirements it would have had to fulfill as a large Chevrolet bailment pool account, said Bill Snook, president of Coachmen Vans and newly named president of Good Times Van.

"They (Bentley) needed tremendous credit lines to satisfy the (new) GMAC credit requirement. They would not have been in a comfortable position to do that without other guarantees, letters of credit and guarantees from the owner," Snook said.

The Good Times acquisition roughly doubles Coachmen Van's dollar and unit sales. It also provides some financially beneficial economies of scale, though the two van operations will operate separately.

Good Times and Coachmen Vans, including its Consolidated Leisure Van operation, each did about $20 million in sales during the 1988 model year, Snook said. Coachmen Industries overall is a $400 million company.

Snook is looking for each of the van operations to sell about 2,100 units in the 1989 model year, or 4,200 units in total, up about 20 to 25 percent from last year.

Coachmen is increasing its van conversion capacity in Elkhart by 50 percent this year by moving van campers out of a facility that currently does both van conversions and van campers. It will produce van campers in another facility.

"It's a good growth year for both products. As you can see by our acquisition, we're particularly optimistic about the van conversion outlook," Snook added.

The Good Times acquisition also gives Coachmen some additional advantages.

"There will be some products actually produced down there (Texas)," Snook said. "They are sophisticated ABS plastic producers. They manufacture their own door panels in ABS.

"We should be able to use some of those. We also have better buying power. Both companies buy similar materials."

He added, though, "Our intention is to leave both companies as stand-alone companies. We feel their product was designed in the South for that market. It has been very successful.

"We would like to continue what has been developed by those people. And we will continue up here (Elkhart) our line for the Midwest market. Both will be separate profit centers."

Good Times Van, employing about 150 people, supplies Chevrolet and Ford van conversions, pickup trucks and Suburban conversions throughout the Southwest. The company will retain its established trade name, Good Times. It will operate as a separate subsidiary of Coachmen under the Transcoach Inc. designation.

Gene Stout, executive vice president of Coachmen, said Good Times will not only expand Coachmen's market base into the Southwest and Southern California but also will be its entry into the pickup truck and Suburban conversion business.

"In turn, Coachmen's financial capacity and chassis pools with Chevrolet, Ford, GMC and Dodge will allow Good Times to expand its dealer base and achieve additional growth in the future," Stout added.

Small converter blames politics for loss of Chevrolet business

DEARBORN, Mich. — D.J. Ven Huizen, president of Cypress Van Conversions in Muskegon, Mich., represents many smaller converters who believe the non-bailment segment was treated unfairly in Chevrolet's new program.

Ven Huizen, though, feels the real reason non-pool converters lost out is because they were too quiet and too uninvolved in what was going on to make their case before it was too late.

"The bailment companies had more backing, more money. They were more active in the Recreation Vehicle Industry Association. When the issue with Chevrolet came up, there was no one there to balance out the non-bailment companies' side of the issue," he said.

Underscoring their lack of voice, Ven Huizen said that even though non-pool converters comprise more than half of RVIA membership, they don't have fair representation on any of its major committees.

He said he is the only non-pool converter member of RVIA's custom van conversion committee, for example.

Even more indicative, he said, is the fact that when RVIA's automotive liaison committee had its annual meetings with auto company executives in Dearborn in mid-November, there was not one representative of the non-bailment segment on hand. None are members of the committee.

"The non-pool converters have requested representation on the various RVIA committees that affect our segment of the industry, to no avail," Ven Huizen said.

He believes non-pool companies have repeatedly been "portrayed as the bad guys. In fact, we are entrepreneurs who are responsible for purchasing tens of thousands of chassis per year."

"We have a fierce pride in our units and must serve our smaller customer base," he added, pointing out that small converters have to work harder to keep their dealers and the retail customers happy because they don't have the benefit of a broad distribution system.

Ven Huizen said that Chevrolet pool converters "were successful in eliminating half their competition through politics, not by building a better product."

He said non-pool converters must become more involved in the political side of their business, principally through the RVIA, if they are to survive.

October sales dip 5% in Europe; Fiat clings to '88 lead

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — European new-car sales dipped in October, as much as 12 percent in Europe's largest market, West Germany. It may signal the start of a longer-term decline predicted by some industry executives.

Overall sales in Western Europe were off 5 percent and the West German market slumped 12.7 percent, according to industry estimates compiled by Automotive News.

The German decline enabled Fiat to cling to first place over Volkswagen AG, which has been narrowing the gap in recent months.

Sales in 17 European markets totaled 1,025,700 units in October, compared with 1,079,700 in October 1987.

Analysts attributed part of the decline to booming fourth-quarter sales last year fueled by tax cuts and incentives in France and Germany. The 14.4 percent drop in France's October sales was blamed on a 1987 cut in the value-added tax that sparked extra sales.

In Germany, sales rose in the fourth quarter of 1987 because of the reduction of tax incentives on catalytic-converter-equipped cars that took effect in 1988.

Indeed, not all analysts are convinced that Europe's boom is over.

"I'd like to first see a few more months' results," said Phillips & Drew's Stephen Reitman.

But most industry executives continue to plan for a new-car market in 1989 that is down at least slightly from what promises to be record sales year of close to 13 million units in 1988.

Sales through October totaled 11,045,900, an increase of 4.5 percent over last year's record pace, which resulted in 12.4 million sales.

Fiat Group, including Alfa Romeo and Lancia, has held first place all year. But VW, with Audi and Seat, has rapidly closed the gap in recent months, outselling Fiat by more than 20,000 units in September.

VW outsold Fiat again in October, but by less than 2,000 cars, 158,000 to 156,300, as the Italian market continued to rise. For the year-to-date, Fiat held a slender sales lead of 15,600 cars.

Fiat's 10-month sales of 1,633,700 cars amounted to 14.8 percent of the European market and a volume increase of 7.2 percent. Alfa Romeo, with its new 164 sedan in Italy, has increased sales 13.1 percent, or more than 20,000, units, to 181,500.

VW, Europe's sales leader for the past three years, held 14.6 percent of the market through October with sales of 1,618,100 units, up 2.9 percent.

VW's hottest brand is the Spanish subsidiary Seat, which is up 10.6 percent to 230,200 units. Helped by a boisterous new-car market in Spain and expanding exports, Seat is the only major brand in Europe without an all-new model to achieve a sales gain of at least 10 percent in 1988.

Peugeot S.A., including Peugeot and Citroen, held a 12.7 percent market share through October on sales of 1,403,800 cars. The French group's increase of 12 percent was the best performance among Europe's six big groups. However, October's weak French market, in which the company was down 12 percent, caused its total European sales to decline 3.3 percent.

Ford, which suffered product shortages following its February strike in the United Kingdom, was in fourth-place with sales of 1,263,600 units and an 11.4 percent share. Ford's 14.3 percent decline in October was traced to a 34 percent fall-off in West Germany.

Fifth-place General Motors has boosted share in recent months with better availability of the Corsa small car from Spain. Sales ran flat through the early part of the year, but were now up 3.5 percent to 1,171,700 for the 10-month period. That was despite a 3.9 percent decline in October.

EUROPEAN SALES

Manufacturer	10 months 1988	1988 share*	10 months 1987	Volume Change '88 vs '87
Fiat Group**	1,633,700	14.8	1,524,000	+ 7.2
VW-Audi-Seat	1,618,100	14.6	1,573,100	+ 2.9
PSA***	1,403,800	12.7	1,252,900	+12.0
Ford	1,263,600	11.4	1,271,500	− 0.6
General Motors****	1,171,700	10.6	1,131,500	+ 3.5
Renault	1,097,900	9.9	1,106,500	− 0.8
Austin Rover	395,600	3.6	367,400	+ 7.7
Mercedes-Benz	381,000	3.4	374,900	+ 1.6
Nissan	330,100	3.0	313,800	+ 5.2
BMW	305,300	2.8	248,600	+22.8
Toyota	302,200	2.7	299,400	+ 0.9
Volvo	224,500	2.0	224,800	− 0.1
Mazda	214,800	1.9	197,800	+ 8.6
Mitsubishi	134,100	1.2	130,300	+ 2.9
Honda	122,400	1.1	112,300	+ 9.0
Others	447,100	4.0	442,800	+ 1.0
Total	11,045,900	100.0	10,571,400	+ 4.5

* Does not add to 100 because of rounding
** Includes Alfa Romeo
*** Peugeot, Citroen, Talbot
**** Opel, Vauxhall, Isuzu, GM-U.S./Canada

Sixth-place Renault was hurt by the weak French market in October and dropped 18.7 percent overall in Europe last month. For the year, it had 9.9 percent of the market with 1,097,900 units, down less than one percentage point.

With its new 5 series, BMW remains the hottest single brand in Europe this year. Sales are up almost 23 percent to 305,300, and it managed to stay even in Germany last month while the rest of the market was off.

Elsewhere, BMW gained 31 percent in the United Kingdom in October, 110 percent in Italy and 23 percent in France.

Mercedes-Benz was down 10 percent in Europe last month as it came under increasing pressure from BMW's 5 series and two-year-old 7 series. Mercedes' 10-month sales were 381,000, up 1.6 percent and good for 3.4 percent of the European market.

Japanese makers continue to avoid political fallout by following overall market growth in 1988. Combined sales for 10 months totaled 1,253,600, an increase of 4.2 percent and a steady 11.2 percent share of the market.

Among national markets, West Germany was down 2.6 percent for the year to 2,379,100. In 1987, it set a record with 2.9 million car sales.

The United Kingdom was up 10.9 percent to 1,974,600 for the 10-month period. It will surpass 2 million units for the second straight year and establish a record. However, sales in October were up only 2.6 percent.

NEW-CAR SALES BY COUNTRY IN EUROPE

Country	Jan-Oct. 1988	Change on 1987
West Germany	2,379,100	− 2.6
United Kingdom	1,974,600	+10.9
Italy	1,852,400	+ 8.2
France	1,761,900	+ 3.7
Spain	886,500	+16.3
Netherlands	444,700	−13.1
Belgium-Luxembourg	408,200	+ 4.7
Sweden	280,700	+10.5
Switzerland	275,900	+ 5.3
Austria	222,200	+ 1.0
Portugal	165,900	+64.4
Finland	151,800	+14.8
Denmark	78,800	−27.3
Norway	58,400	−40.2
Ireland	57,300	+12.4
Greece	46,800	+ 8.0
Total	11,045,900	+ 4.5

The Italian market is also approaching 2 million cars. Sales were up 8.2 percent to 1,852,400 for the first 10 months, and volume improved 8.5 percent in October.

France's 14.4 percent decline in October left total sales at 1,761,900 cars for all of 1988, a 3.7 percent gain over 1987 when full-year sales were a record 2 million.

Spanish sales rose 15.7 percent in October, in line with the 10-month growth rate of 16.3 percent. Ten-month sales totaled 886,500 units as Spain stayed on course to go over one million sales for the first year ever.

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Ferrari look-alike draws lawyers

Australian company drops Ferrino name, prancing horse logo

By Pedr Davis
SPECIAL CORRESPONDENT

SYDNEY, Australia — Plans to launch a Ferrari look-alike in Australia have been altered after attorneys representing the Ferrari importers visited the stand during the recent Sydney Motor Show.

Colin Wilson, a leading Holden dealer, had planned to call his new sports car Ferrino, but after conferring with lawyers the name has been changed to Cerino. Also dropped was the logo, which resembles a prancing horse. The car, however, retains a shape that resembles a Ferrari 308-GTB.

Manufactured in Adelaide, the fiberglass body is fitted with Toyota Celica components, including a 1.6-liter, twin-cam engine. Buyers have a choice between a kit costing about $5,000 ($4,000 U.S.) and a complete, ready-for-the-road car for $22,000 ($18,200 U.S.).

Wilson said he will make at least 30 complete cars annually and as many kits as there are orders for. He said the complete car has been approved under Australia's design rule requirements.

Cerino seats four and has rear-wheel drive and a five-speed manual transmission.

Wilson adopted the styling from Geoff Heard of Creative Cars, who provided the original name, Ferrino. Wilson initially acquired the distribution rights and later took over the project and revamped the coupe to make it a four-seater.

He said Cerino is the first of a number of cars that will be built and marketed by his Warilla Speciality Vehicle Division.

PEDR DAVIS

Ferrino moniker has been dropped, in favor of Cerino

COMING EVENTS

General

Nov. 29-Dec. 2 — National RV Trade Show, Kentucky Fair and Exposition Center, Louisville, Ky.

Nov. 30-Dec. 2 — National Conference on Technical and Skills Training, Indiana Convention Center, Indianapolis, (703) 683-8174

Jan. 11-13 — Motor Vehicle Air Conditioning and Installed Accessories Trade Show and International Mobile Air Conditioning Association Convention, Hyatt Regency Hotel, Dallas-Fort Worth Airport, Texas, (214) 484-5750

Jan. 25-28 — Mobile Air Conditioning Society convention and trade show, Town and Country Hotel, San Diego, (215) 362-5800

Feb. 5-7 — National Automotive Institute seminar, Reno, Nevada, (217) 786-2850

Feb. 7-9 — Automotive Parts & Accessories Association's Pacific Automotive Show, Reno, Nev., (818) 376-0014

Feb. 27-March 3 — SAE International Congress & Exposition, Cobo Hall, Detroit, (412) 772-7131

March 2-5 — Truck Renting and Leasing Association meeting, Ritz Carlton Hotel, Naples, Fla., (202) 775-4859

March 12-15 — Metalform '89, Metalforming & Equipment Exposition, Precision Metalforming Association, O'Hare Expo Center, Chicago, (216) 585-8800

March 12-16 — American Car Rental Association annual meeting, Fairmont Hotel, New Orleans, (202) 223-2118

April 2-7 — American Welding Society Convention and Welding Show, Washington Convention Center, Washington, (305) 443-9353

April 4-5 — International Automotive Industry Conference, University of Michigan, Ann Arbor, Mich., (313) 764-1489

April 6-8 — Autokorjaamo, Fair Centre, Helsinki, Finland

April 12-14 — Meeting the Japanese Challenge: Building Competitive Organizations, Michigan Business School, University of Michigan, Ann Arbor, Mich., (313) 763-1000

April 16-19 — National Association of Fleet Administrators conference, New York Hilton, New York, (201) 494-810

April 19-21 — Small Motor Manufacturers Association meeting, Mariner's Inn, Hilton Head, S.C., (508) 651-3920

April 21-24 — Castexpo, American Foundrymen's Society, Cobo Hall, Detroit, (312) 824-2277

Technical

Nov. 27-Dec. 2 — American Society of Mechanical Engineers' winter meeting, Hyatt Regency, Chicago, (212) 705-7037

Dec. 1-2 — Effective CAD Management, Irvine, Calif., (619) 488-0533

Jan. 9-11 — Society of Automotive Engineers Sub-zero Engineering Conditions conference, Rovaniemi, Finland, (412) 776-4841

Jan. 23-25 — Society of Automotive Engineers Autotechnologies conference and exposition, Centre de Congres Auditorium, Monte Carlo, Monaco, (412) 776-4841

Feb. 6-9 — Composites Institute of the Society of the Plastics Industry conference, Loews Anatole Hotel, Dallas, (212) 351-5410

April 3-6 — International Programmable Controllers Conference & Exposition and Expert Systems Conference & Exposition, Engineering Society of Detroit, Cobo Conference and Exhibition Center, Detroit, (313) 995-4440

April 16-20 — National Computer Graphics Association convention and exposition, Philadelphia Civic Center, Philadelphia, (703) 698-9600

April 24-27 — National Design Engineering show and conference, McCormick Place North, Chicago, (203) 352-8372

April 25-27 — Vision '89, Society of Manufacturing Engineers, Hyatt O'Hare, Chicago, (313) 271-1500

April 25-27 — Advanced Manufacturing Systems exposition and conference, McCormick Place North, Chicago, (312) 299-9311

Dealer conventions

Jan. 28-31 — National Automobile Dealer Association convention and exposition, New Orleans

March 8-11 — National Independent Automobile Dealers Association, Bally's, Las Vegas, (214) 556-0044

Auto shows

Nov. 30-Dec. 4 — Central Florida International Auto Show, Orange County Convention/Civic Center, Orlando, Fla., (800) 345-1487

Dec. 28-Jan. 2 — National Capital Area International Auto Show, Washington Convention Center, Washington

Dec. 28-Jan. 3 — Indianapolis Auto Show, Hoosier Dome and Indianapolis Convention Center, Indianapolis

Jan. 7-15 — North American International Auto Show, Cobo Hall, Detroit

Jan. 7-15 — Greater Los Angeles Auto Show, Los Angeles Convention Center, Los Angeles, (818) 995-8990

Jan. 7-16 — Philadelphia International Auto Show, Civic Center, Philadelphia, (800) 345-1487

Jan. 11-15 — Greater Toledo Auto Show, Seagate Center, Toledo, Ohio

Jan. 12-22 — Montreal Auto Show, Place Bonaventure, Montreal

Jan. 14-22 — International Auto Show, Convention Center and Festival Hall, Baltimore

Jan. 18-22 — Greater Kansas City Auto Show, Bartle Hall, Kansas City, Mo.

Jan. 19-29 — Brussels Truck Show, Brussels, Belgium

Jan. 21-29 — Pennsylvania International Auto Show, State Farm Show Complex, Harrisburg, Pa., (800) 345-1487

Jan. 21-29 — Houston Auto Show, Astro Arena, Houston, (213) 444-5202

Jan. 24-29 — Greater Metro Portland International Auto Show, Memorial Coliseum Complex, Portland, Ore.

Jan. 25-29 — Greater St. Louis International Auto Show, Cervantes Convention and Exhibition Center, St. Louis

Jan. 26-29 — Utah Auto Show, Salt Palace, Salt Lake City, (801) 484-8845

Feb. 1-5 — York Auto Show, York Fairgrounds, York, Pa., (800) 345-1487

Feb. 2-5 — Hampton Roads International Auto Show, Virginia Beach Pavilion, Virginia Beach, Va.

Feb. 2-5 — Spokane International Auto Show, Spokane River Park Center, Spokane, Wash.

Feb. 2-12 — Amsterdam Auto Show, RAI International Exhibition Centre, Amsterdam, The Netherlands, 020-549-1212

Feb. 3-5 — Michiana Auto Show, Century Center, South Bend, Ind., (219) 291-0425

Feb. 4-12 — Auto Show '89, Veterans Memorial, Columbus, Ohio

Feb. 8-12 — Buffalo Auto Show, Buffalo Convention Center, Buffalo, N.Y.

Feb. 10-13 — Tarrant County Auto Show, Tarrant County Convention Center, Fort Worth, Texas

Feb. 11-19 — Chicago Auto Show, McCormick Place, Chicago, (312) 698-6630

Feb. 15-19 — Greater Milwaukee Auto Show, Milwaukee Exposition & Convention Center & Arena, Milwaukee, (800) 345-1487

Feb. 16-26 — Toronto Auto Show, Metropolitan Toronto Convention Center, Toronto

Feb. 17-19 — Greater New Orleans International Auto Show, New Orleans Convention Center, New Orleans, (504) 831-8863

Feb. 18-26 — Orange County International Auto Show, Anaheim Stadium, Anaheim, Calif.

Feb. 22-26 — Edmonton International Auto & Truck Show, Edmonton Northlands Agricultural Complex, Exhibition Grounds, Edmonton, Alberta

Feb. 22-26 — Pittsburgh Auto Show, David L. Lawrence Convention Center, Pittsburgh

Feb. 23-26 — Greater Richmond International Auto Show, Richmond Centre, Richmond, Va., (804) 358-2277

Feb. 24-March 5 — Greater St. Paul and Minneapolis Auto Show, Hubert H. Humphrey Metrodome, Minneapolis

Feb. 25-March 5 — Cleveland Auto Show, International Exposition and Trade Center, Brook Park, Ohio

March 1-5 — San Diego International Auto Show, San Diego Convention & Performing Arts Center, San Diego

March 1-5 — Greater Rochester International Auto Show, Riverside Convention Center, Rochester, N.Y.

March 2-5 — International Auto Show, Myriad Convention Center, Oklahoma City

March 2-12 — Geneva Auto Show, Geneva

March 3-5 — Arkansas Auto Show, Arkansas State Fair Grounds, Little Rock, Ark.

March 8-12 — Jacksonville International Auto Show, Jacksonville Convention Center, Jacksonville, Fla.

March 13-19 — Quebec City Auto Show, Laval University, Quebec City, Quebec, (418) 683-2994

March 15-19 — Capital District Auto Show, Empire State Plaza, Albany, N.Y.

March 16-19 — Tulsa Auto Show, Expo Square — Tulsa State Fairgrounds, Tulsa, Okla., (918) 493-7272

March 16-19 — Louisville New Car Show, Kentucky Fair and Exposition Center, Louisville, Ky.

March 24-April 2 — Belgrade Auto and Truck Show, Belgrade, Yugoslavia

March 25-April 2 — Greater New York International Automobile Show, Jacob Javits Convention Center, New York, (718) 746-5900

March 29-April 2 — Atlanta Journal-Constitution International Auto Show, Georgia World Congress Center, Atlanta

March 29-April 2 — Arizona Auto Show, Phoenix Civic Center, Phoenix, Ariz.

March 29-April 2 — Denver Auto Show, Currigan Hall, Denver

April 21-May 1 — Turin Truck Show, Turin, Italy

April 29-May 7 — Barcelona Auto and Truck Show, Barcelona, Spain

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AUCTION DATES

General Motors

Nov. 29 — Harrisonburg Auto Auction, Harrisonburg, Va.; Florida Auto Auction of Orlando, Ocoee, Fla.; and A.D.E. of Birmingham, Moody, Ala.

Nov. 30 — Puget Auto Auction, Auburn, Wash.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

Dec. 1 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Southwest Auto Auction, Phoenix, Ariz.

Dec. 6 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; South Seattle Auto Auction, Kent, Wash.; and National Auto Dealer Exchange, Bordentown, N.J.

Dec. 7 — Atlanta Auto Auction, Atlanta; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Southern California Auto Auction, Fontana, Calif.; Mississippi Auto Auction, Hattiesburg, Miss.; and Omaha Auto Auction, Omaha, Neb.

Dec. 8 — Butler Auto Auction, Gibsonia, Pa.; Mid Ark Auto Auction, North Little Rock, Ark.; Aptco Auto Auction, Taylor, Mich.; Big H Auto Auction, Houston; and Nashville Auto Auction, Nashville, Tenn.

Dec. 13 — A.D.E. of Birmingham, Moody, Ala.; Florida Auto Auction of Orlando, Ocoee, Fla.; and Manheim Auto Auction, Manheim, Calif.

Dec. 14 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

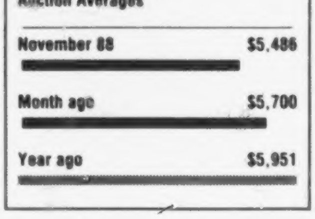
Dec. 15 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Utah Auto Auction, West Bountiful, Utah

Dec. 20 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and Harrisonburg Auto Auction, Harrisonburg, Va.

Dec. 21 — Atlanta Auto Auction, Atlanta; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Southern California Auto Auction, Fontana; Puget Auto Auction, Auburn, Wash.; and Omaha Auto Auction, Omaha

Dec. 22 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; Nashville Auto Auction, Nashville; and Denver Auto Auction, Englewood, Colo.

Used Car Sales
Auction Averages



Model Breakdown
Auction Averages

	NOV 1988	OCT 1988	SEPT 1988
1988 ...	$9,347	$9,863	$9,772
1987 ...	$7,272	$7,759	$7,554
1986 ...	$6,220	$6,495	$6,816
1985 ...	$5,322	$5,698	$5,593
1984 ...	$3,827	$4,206	$4,177
1983 ...	$3,038	$3,258	$3,556
1982 ...	$2,255	$2,633	$2,535
1981 ...	$1,846	$1,882	$1,743
Overall Average	$5,486	$5,748	$5,757

PRODUCTION

Turkey Day slashes car, truck output

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Last week's targeted domestic car and truck production dipped considerably from the prior week's as assembly plants worked only three days due to the Thanksgiving holiday.

Scheduled output of 88,033 cars fell 46.07 percent from the previous week's build of 163,245 and dropped 4.45 percent from the year-ago week's 92,130.

The year-ago week also included the Thanksgiving holiday.

So far this year, 6,436,506 cars have been assembled, 1.19 percent below the 6,513,808 completed last year at this point.

Companies split last week's scheduled production as follows: General Motors, 51.34 percent; Ford Motor Co., 26.35 percent; Chrysler Motors, 12.04 percent; Honda of America Manufacturing Inc., 4.90 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.27 percent; Nissan Motor Manufacturing Co. U.S.A., 1.40 percent; and New United Motor Manufacturing Inc., 0.70 percent.

Truck output also dropped sharply last week, as the manufacturers scheduled assembly of 51,331, 44.68 percent below the previous week's 92,784 but 2.90 percent more than the year-ago week's 49,886.

Year-to-date, 3,755,663 units have been assembled, 7.20 percent more than the 3,503,467 built last year at this time.

GM closed its Doraville, Ga., plant last week until Dec. 5 due to bloated inventories of the Oldsmobile Cutlass Supreme. The company also closed the Fairfax, Kan., plant, which builds the Pontiac Grand Prix, until Dec. 12.

A GM spokeswoman said Fairfax was shut down because of a parts shortage. The closure of the two plants will idle 7,600 workers.

GM's Reatta Craft Centre in Lansing, Mich., resumed work today after a two-week shutdown to prepare the body shop for convertible output and to make paint shop changes.

Ford has scheduled overtime next Saturday at Lorain, Ohio; Wixom, Mich.; Wayne, Mich.; Kansas City, Mo.; Norfolk, Va.; and Louisville, Ky.

All car and truck plants were closed last Thursday and Friday for the holiday.

No holiday; Canada steady

Last week's scheduled Canadian auto output totaled 17,527 cars, 1.18 percent below the previous week's 17,737 and 22.75 percent below the year-ago week's 22,690.

So far this year, 955,571 cars have been assembled, 31.57 percent more than the 726,261 completed last year at this point.

Truck output was slated at 20,703 units last week, 5.24 percent fewer than the the 21,848 built in the previous week but 14.92 percent more than the 18,015 assembled in the year-ago week.

Year-to-date, 851,082 trucks have been built, 13.25 percent more than the 751,532 assembled last year at this time.

U.S. CAR	Week Ended Nov. 26 1988	Week Ended Nov. 28 1987	Week Ended Nov. 19 1988	Nov. to Date	Jan. 1 to Nov. 26 1988	Jan. 1 to Nov. 28 1987
Alliance	0	0	0	0	0	15,994
Total Eagle	0	0	0	0	0	15,994
Horizon	0	510	1,717	4,088	72,710	41,002
Sundance	1,200	1,058	2,501	7,603	94,178	82,525
Reliant	1,100	1,971	2,051	6,857	82,940	121,228
Acclaim	500	0	878	2,080	3,256	0
Caravelle	0	387	0	0	9,266	39,914
Gran Fury	0	104	511	1,283	19,189	9,474
Total Plymouth	2,800	4,030	7,658	23,270	281,581	291,144
LeBaron K	0	591	0	0	7,912	60,009
LeBaron J	1,500	1,719	2,914	8,932	78,248	103,851
LeBaron GTS	100	321	106	542	8,490	35,249
N. Yorker E-Class	0	0	0	0	0	67,102
N. Yorker C-Class	1,300	1,063	2,389	7,626	96,106	13,722
Fifth Avenue	0	827	842	2,500	29,710	59,846
Total Chrysler	2,900	4,521	6,251	19,600	220,466	339,770
Omni	0	437	1,037	4,847	71,512	35,518
Daytona	1,000	1,116	1,941	5,974	71,064	56,931
Shadow	1,200	1,206	2,441	7,192	92,678	86,652
Aries	900	2,428	2,617	7,470	82,032	114,207
Dodge 600	0	466	0	0	6,548	37,102
Dynasty	1,600	347	3,128	10,014	101,193	3,297
Lancer	100	144	241	761	8,433	21,832
Spirit	500	0	981	2,080	3,008	0
Diplomat	0	256	316	1,189	17,562	13,609
Total Dodge	4,900	6,342	13,220	40,070	456,016	369,139
CHRYSLER MOTORS	10,600	14,893	27,129	82,941	958,048	1,006,047
Escort	5,714	5,683	10,028	34,111	376,938	357,140
Mustang	2,428	2,660	3,799	12,994	182,687	165,589
Tempo	2,150	2,455	3,570	12,167	167,482	129,460
Taurus	4,518	4,799	8,684	28,217	359,888	375,059
Thunderbird	1,550	2,151	2,130	8,445	99,725	144,712
Total Ford Div.	16,360	17,748	28,212	95,935	1,186,713	1,291,952
Lynx	0	0	0	0	0	21,352
Topaz	820	735	1,380	4,680	64,257	41,767
Cougar	1,039	1,436	1,601	5,423	78,093	127,670
Sable	2,162	1,537	2,668	10,148	123,124	112,161
Total Mercury	4,021	3,708	5,650	20,270	265,474	303,185
Continental	941	332	1,549	5,282	48,585	11,259
Mark VII	468	377	782	2,617	25,356	28,051
Lincoln	1,411	1,017	2,336	7,906	112,990	129,608
Total Lincoln	2,820	2,496	4,667	15,805	186,931	168,920
Total L-M Division	6,841	6,204	10,317	36,075	452,405	470,105
FORD MOTOR CO.	23,201	23,952	38,529	130,010	1,639,118	1,672,057
Skyhawk	566	0	779	3,439	34,922	34,719
Skylark/Somerset	1,071	780	1,780	5,706	48,337	60,457
Century	1,898	2,240	3,752	13,915	128,764	146,009
Regal (rwd)	0	427	0	0	0	39,206
Riviera	374	214	614	2,143	10,791	12,357
Electra	1,530	827	2,470	8,323	81,635	87,655
LeSabre (fwd)	1,749	1,440	2,855	9,072	122,804	132,398
LeSabre (rwd)	134	207	226	762	9,083	9,089
Reatta	0	0	0	429	8,722	0
Total Buick	7,322	6,135	12,476	43,789	436,058	517,888
Cimmaron	0	0	0	0	3,693	10,045
Eldorado	441	389	707	2,529	32,222	18,949
Seville	334	382	542	1,925	21,128	17,356
Brougham (rwd)	551	1,170	905	3,101	32,328	69,229
DeVille (fwd)	2,992	1,927	4,703	15,441	145,325	129,080
Allante	45	89	75	243	1,939	4,210
Total Cadillac	4,363	3,957	6,932	23,239	236,631	248,878
Cavalier	3,853	4,252	7,033	23,986	325,079	295,489
Camaro	1,581	1,479	2,853	9,439	89,855	111,779
Celebrity	2,822	3,926	4,809	17,675	172,164	275,171
Corsica/Beretta	5,186	5,172	11,154	33,502	396,186	316,398
Monte Carlo	0	1,130	0	0	0	68,547
Caprice	2,312	3,319	4,021	13,549	189,118	178,136
Corvette	338	389	549	1,849	20,964	25,945
Total Chevrolet	16,092	19,667	30,210	99,970	1,193,346	1,251,463
Calais	1,909	1,708	3,027	9,069	106,711	108,241
Firenza	0	0	0	0	5,230	12,710
Cutlass Ciera	966	695	1,673	5,309	31,772	107,975
Cutlass Supreme	0	868	3,582	9,915	130,295	69,959
Toronado	187	251	298	1,071	13,958	14,613
88 (fwd)	1,979	2,087	3,159	11,829	143,433	164,551
88 (rwd)	71	275	147	508	10,145	13,599
Olds 98	1,008	1,144	1,745	5,767	67,615	65,581
Total Oldsmobile	6,120	7,228	13,582	43,287	509,072	580,817
Sunbird	1,461	1,351	2,994	9,296	100,986	80,030
Grand Am	3,120	2,113	4,821	17,831	220,714	228,489
Firebird	1,010	886	1,886	6,047	80,181	72,021
Grand Prix	2,436	0	4,099	13,636	132,808	0
Pontiac 6000	1,470	881	2,177	7,724	85,088	96,335
Bonneville	1,735	1,929	2,883	9,787	110,423	116,985
Safari/Parisienne	54	52	80	335	8,384	8,475
Fiero	0	573	0	0	13,287	29,880
Total Pontiac	11,286	7,785	18,480	64,489	730,114	601,988
GENERAL MOTORS	45,183	44,785	81,670	274,735	3,104,199	3,191,052
HONDA	4,316	4,071	7,514	26,411	335,697	297,939
Civic	1,456	1,303	2,497	8,768	100,116	81,685
Accord	2,860	2,768	5,017	17,643	235,581	216,313
MAZDA†	2,878	214	5,714	18,121	143,377	2,509
NISSAN	1,236	788	2,118	7,917	101,302	108,512
NUMMI	615	2,224	571	3,929	118,773	175,335
Corolla	486	652	461	3,699	47,973	39,800
Geo Prizm/Nova	129	1,572	110	230	70,797	135,535
VOLKSWAGEN	0	1,225	0	0	35,997	59,298
Golf/GTI	0	800	0	0	30,444	44,335
Jetta	0	425	0	0	5,553	14,963
Total Cars, U.S.	88,033	92,130	163,245	543,188	6,436,506	6,513,808
Total Cars, Canada	17,527	22,690	17,737	68,167	955,571	726,261
U.S., Canada Cars	105,560	114,820	180,982	611,330	7,392,077	7,240,069
U.S., Canada Cars and Trucks	177,594	182,721	295,614	995,118	11,998,822	11,495,068

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended Nov. 26 1988	Week Ended Nov. 28 1987	Week Ended Nov. 19 1988	Nov. to Date	Jan. 1 to Nov. 26 1988	Jan. 1 to Nov. 28 1987
Eagle	0	—	0	0	0	—
Premier	1,275	—	1,280	4,902	86,243	—
CHRYSLER MOTORS	1,275	946	1,280	4,902	86,243	7,913
Escort	0	—	0	0	0	—
Lynx	0	—	0	0	0	—
Tempo	3,260	—	3,234	11,489	166,806	—
Topaz	1,628	—	1,673	5,686	62,949	—
Crown Victoria	2,885	—	2,869	10,959	118,238	—
Grand Marquis	2,885	—	2,870	10,962	120,005	—
FORD MOTOR CO.	10,658	9,670	10,646	39,096	467,998	394,476
Celebrity	381	—	416	1,549	19,182	—
Cutlass Ciera	3,525	—	3,760	13,801	294,474	—
Cutlass Supreme	0	—	0	0	0	—
Grand Prix	0	—	0	0	0	—
Pontiac 6000	0	—	0	0	29,898	—
Regal	0	—	0	2,727	139,608	—
GENERAL MOTORS	3,906	11,613	4,176	17,877	302,959	291,977
Civic	1,508	—	1,466	5,654	41,709	—
Accord	0	—	0	0	1,828	—
HONDA	1,508	467	1,466	5,654	43,537	13,909
VOLVO	180	0	180	648	5,842	7,986
Total Cars, Canada	17,527	22,690	17,737	68,167	955,571	726,261

U.S. TRUCK★	Week Ended Nov. 26 1988	Week Ended Nov. 28 1987	Week Ended Nov. 19 1988	Nov. to Date	Jan. 1 to Nov. 26 1988	Jan. 1 to Nov. 28 1987
Caravan	1,000	—	2,474	7,468	83,612	—
Dakota	1,200	—	2,413	7,784	98,479	—
Mini-Ram Van	100	—	218	751	11,219	—
Pickups	1,200	—	2,423	7,308	76,997	—
Total Dodge	3,500	6,088	7,528	23,756	270,307	294,021
Cherokee	2,200	—	4,598	14,465	169,528	—
Comanche	100	—	602	2,728	40,288	—
Grand Wagoneer	100	—	610	1,076	12,749	—
Pickups	0	—	0	0	0	—
Wagoneer	400	—	212	691	9,880	—
Total Jeep	2,800	2,957	6,022	18,982	232,445	294,527
Voyager	1,000	—	2,261	6,799	77,755	—
Total Plymouth	1,000	—	2,261	6,799	77,129	—
CHRYSLER MOTORS	7,300	7,995	15,811	49,516	576,981	489,148
Aerostar	2,985	—	4,386	13,465	186,089	—
Bronco	1,083	—	1,745	5,946	51,885	—
Bronco II	1,725	—	2,865	9,408	110,280	—
Econoline	3,121	—	5,649	18,418	220,917	—
Heavy trucks	735	—	1,307	4,369	59,469	—
Light trucks	6,742	—	11,071	36,051	448,660	—
Ranger	4,233	—	7,128	22,030	294,875	—
Total Ford Div.	20,624	18,339	34,131	110,385	1,374,155	1,353,342
FORD MOTOR CO.	20,624	18,339	34,131	110,385	1,374,155	1,353,342
Astro	2,111	—	3,248	12,543	160,866	—
Blazer	302	—	507	1,846	24,006	—
Mediums/Heavies	216	—	507	1,483	18,361	—
P-Model	0	—	0	1,679	36,773	—
Pickups	5,161	—	8,903	29,522	394,056	—
S-10	3,356	—	7,138	21,371	277,614	—
S-10 Blazer	2,118	—	4,177	13,587	155,801	—
Sportvan/Van	0	—	1,802	5,410	86,204	—
Suburban	806	—	1,443	4,983	64,238	—
Total Chevrolet	14,072	13,106	27,725	92,435	1,157,920	1,094,861
Jimmy	90	—	151	554	7,017	—
Mediums/Heavies	354	—	473	1,780	32,483	—
P-Model	0	—	0	178	4,679	—
Pickups	1,607	—	2,395	9,207	102,466	—
S-15	812	—	1,688	5,387	63,656	—
S-15 Jimmy	612	—	1,315	3,949	43,955	—
Safari	507	—	890	2,979	41,104	—
Suburban	369	—	532	2,214	28,466	—
Vandura/Rally Vans	0	—	576	1,750	30,617	—
Total GMC	4,351	4,523	8,002	28,008	354,443	346,505
GENERAL MOTORS	18,423	17,629	35,727	120,443	1,512,363	1,381,356
NAVISTAR	1,870	1,078	1,875	6,778	79,261	69,413
NISSAN	1,484	2,094	2,490	8,163	86,323	68,298
AM GENERAL*	270	450	450	1,530	20,880	15,576
MISCELLANEOUS*	1,380	2,300	2,300	7,820	106,720	107,340
Total Trucks, U.S.	51,331	49,886	92,784	304,616	3,755,663	3,503,467

CANADIAN TRUCK	Week Ended Nov. 26 1988	Week Ended Nov. 28 1987	Week Ended Nov. 19 1988	Nov. to Date	Jan. 1 to Nov. 26 1988	Jan. 1 to Nov. 28 1987
Caravan	3,286	—	3,347	12,219	130,066	—
Mini-Ram Van	201	—	199	737	11,072	—
Ram Wagon	665	—	661	2,336	24,413	—
Ram Van	1,685	—	1,762	6,314	66,624	—
Total Dodge	5,837	7,709	5,969	21,606	232,175	395,651
Voyager	2,545	—	2,621	9,589	116,204	—
Total Plymouth	2,545	—	2,621	9,589	116,204	—
Wrangler	1,248	—	1,272	4,841	47,487	—
Total Jeep	1,248	379	1,272	4,841	47,487	32,864
CHRYSLER MOTORS	9,630	8,088	9,862	36,036	395,866	398,518
FORD MTR. (lt. trks.)	3,648	3,623	3,660	13,786	148,894	138,396
Light trucks	3,536	—	4,156	13,962	142,595	—
Vans	1,529	—	1,671	5,972	55,561	—
Total Chevrolet	5,065	—	5,827	19,924	198,156	—
Light trucks	1,744	—	1,620	6,267	70,344	—
Vans	616	—	608	2,397	27,348	—
Total GMC	2,360	—	2,228	8,664	97,692	—
GENERAL MOTORS	7,425	6,026	8,055	28,587	295,848	215,594
NAVISTAR	0	230	271	764	10,474	9,025
Total Trks., Canada	20,703	18,015	21,848	79,172	851,082	751,532
U.S., Canada Trks.	72,034	67,901	114,632	383,788	4,606,745	4,254,999

★—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, [illegible], Peterbilt, Freightliner, [illegible], etc.
Monthly estimates may contain error of one or two units due to rounding.

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Mall fight a warning for Saturn

Tennessee refuses added dealer site

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

A two-year-old fight between a Memphis Oldsmobile dealer and the Tennessee Motor Vehicle Commission over the dealer's expansion plans may soon escalate into a string of lawsuits.

It also may sound the opening salvos of impending legal battles in several states around the South for General Motors' Saturn Corp. project and other franchises searching for new sales outlets in shopping malls or satellite locations.

Martin Pryor, president of Pryor Oldsmobile in Memphis, has attempted since 1986 to win the Tennessee Motor Vehicle Commission's approval of a plan to open a minidealership in a local shopping mall. The state body has vetoed his plan twice — the second time in defiance of a chancery court decision in his favor — and, according to Pryor, he is now being advised by attorneys to sue the 12 members of the commission individually.

The commission, which is composed of eight auto retailers from around the state and four consumer representatives, maintains that Pryor's plan constitutes a request for a new dealership license. Under Tennessee law, dealerships must be physically separate from other businesses and must consist of a full sales, service and parts facility.

Pryor's proposed mall dealership would use a store location in The Mall of Memphis as a showroom

see SATURN, page 43

Trotman, left, and Lataif: Ford of Europe's strategists are taking at least a cursory look at several product niches, including the minicar segment beneath the Fiesta

Ford Europe wants minivan

May team with parent, go it alone or try joint deal

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

WARLEY, England — Ford of Europe may team up with Ford's North American automotive operations to develop a minivan for the European market.

Ford of Europe is anxious to fill what is seen as an expanding niche in Europe. It would look first to the United States for product help and likely opt for a version of its next-generation minivan rather than import and re-badge the current Aerostar in large volume, according to Ford of Europe President Louis Lataif.

Failing that, it might develop its own minivan or develop one in cooperation with another manufacturer in Europe, Lataif said.

In a joint interview, Lataif and Ford of Europe Chairman Alex Trotman said the company's European strategists are taking at least a cursory look at several product niches, including the minicar segment beneath the Fiesta.

Such a car could be produced in Europe in association with another carmaker, though "we're not staying up all night worrying about the sub-B car," Trotman said.

"We stay up at night worrying about the minivan a little," Lataif said.

Industry analysts view the small van segment as a growing one in Europe. Renault has never been able to supply enough of its low-volume, Matra-built Espace van, and Chrysler Corp. is now importing its North American-built Voyager.

Fiat, General Motors and Volkswagen are all reputedly working on European minivan projects. Fiat is thought to be developing an Alfa Romeo small van on a Tipo platform and considering selling Chrysler's Voyager with a smaller engine in Italy. GM is studying a Kadett-based, high-roof vehicle that would be produced in Brazil, and VW is reportedly examining small-van concepts based on the next-generation Golf or Passat.

Talk of Ford-VW cooperation on a VW-designed minivan using a Passat floorpan has circulated for months. There is no evidence, however, the project has advanced to approval stage.

see FORD EUROPE, page 43

Ford charts radical path in truck field

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. has on its drawing board a radical approach to developing light trucks that could result in most of Ford's lineup being built off a common, "flexible" platform within the next decade.

Industry sources familiar with Ford's plans say the project, if carried to its potential, would be staggering in scope and quite possibly a landmark in auto history.

However, Ford is said to have reached a point where it is closely scrutinizing the cost of the program. The company could scale back plans or blend them with conventional approaches if ambitions prove too costly to implement, sources said.

A separate team has been assigned to manage the program and is sharing information with existing truck engineering staffs. The goal, said one Ford insider, "is to make this thing the best vehicle in the world."

At its heart is a platform that can be adapted to fit two wheelbases — 114 inches and 126 inches. The width could also be adjusted to allow the platform to carry a range of distinct products. In the process, Ford would expect to gain strategic advantages through engineering and manufacturing flexibility.

"If it works, it would be the singularly most important concept of the rest of the century," said William Pochiluk, president of Autofacts Inc., a consulting firm in Paoli, Pa.

Products slated to be replaced under the program include the Aerostar minivan, F-150 pickups, full-sized Bronco sport-utility and the Ranger compact pickup. Also in the plans are an intermediate-sized pickup. It is believed other products could also be spun off to fill special niches.

While the program is known by the code name PN38, each model is being designated internally by a sequence of three letters followed by the number 38.

One of the first models is expected to be the next-generation Aerostar, which has been targeted for debut around 1993 or 1994. Other entries would follow during a span of about five years.

Suppliers said they expect delays, however, because of the scope of the project, potential hurdles with technology, and the length of time between now and pro-

see FORD TRUCK, page 43

Rebates out; Nissan to add Smyrna model

By Mary Ann Maskery
and Andrew R. McGill
AUTOMOTIVE NEWS STAFF REPORTERS

TOKYO — To make its North American operations more profitable and self-sufficient, Nissan Motor Co. will offer no retail rebates for the 1989 model year and next year will begin a substantial new investment program that eventually will yield a third model for Nissan's Tennessee plant and a Mexican-built engine for that model.

Norio Ohsawa, general manager — marketing and sales of Nissan's American sales group, said Nissan will balance its shipments from

see NISSAN, page 45

AUTOMOTIVE NEWS/JOE WILSSENS

Al Febbo is guiding GE's marketing push to attract more automotive business

Giant GE trains its might on host of auto activities

By Charles M. Thomas
and David Versical
AUTOMOTIVE NEWS STAFF REPORTERS

General Electric, the high-rolling corporate powerhouse that seems to continually shuffle its portfolio of businesses in pursuit of hot markets, is stalking the auto industry.

And if GE brings the same relentless commitment to automotive that it has to other ventures, its rivals had better beware. For in an industry known for its almost glacial sluggishness, GE plays with a distinctly different style.

Since Chairman Jack Welch took over nearly eight years ago, GE has shed hundreds of mature or low-margin operations in favor of scores of others with greater profit potential, particularly in technology and services.

Under Welch, GE has percolated an odd brew of unlikely business entities that includes broadcasting giant NBC and brokerage house Kidder Peabody & Co. It is a dominant force in global medical systems and jet engines.

Now it has launched an aggressive, multi-layered blitz on the auto industry. Its auto-related activities include: fleet leasing; direct customer leasing in a joint program with American Express; auto

see GE, page 44

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Tonkin wants Lada,
but there's a catch
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Senate boss is tough foe on clean air

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Senate Democrats last week chose a leader who has a reputation for being uncooperative toward the auto industry on environmental issues. Nonetheless, the car companies are optimistic about working relations.

New Senate majority leader George Mitchell, D-Maine, has been a prime mover behind clean-air legislation in Congress, and the stringent new controls he wants on tailpipe emissions have been fought tooth and nail by the automakers for several years.

Now that Mitchell has the top party post in the Senate, automakers are bracing for a battle in 1989. Although Mitchell is a self-described liberal Democrat, environmental specialists for the auto industry say he may work well with President-elect George Bush.

Bush has indicated that, as president, he will place a high priority on environmental matters and is especially anxious to find a cure for acid rain.

A Ford Motor Co. spokesman said, "Mitchell was the obvious choice of the Democratic majority in the Senate. We look forward to working with him as closely as he desires."

General Motors' Washington office had no official comment, but expressed hope for clean-air legislation that will not weaken the American automobile industry.

Robert G. Liberatore, Chrysler Corp. director of public policy, said, "Chrysler feels Senator Mitchell can make a real contribution to the public policy process."

Liberatore was staff director for the Democratic Policy Committee before joining Chrysler in 1985.

"Mitchell is a liberal, but I wouldn't say he is anti-business," Liberatore said. "I think he will be relatively aggressive on issues like child care, mandatory health insurance and the minimum wage, but he is a reasonable man. He has an open mind on trade and that has great appeal to us."

The National Automobile Dealers Association is particularly concerned about the mandated benefits issues mentioned by Liberatore because of the financial impact they would have on car dealers. Like the automakers, however, NADA believes it can work well with the new majority leader.

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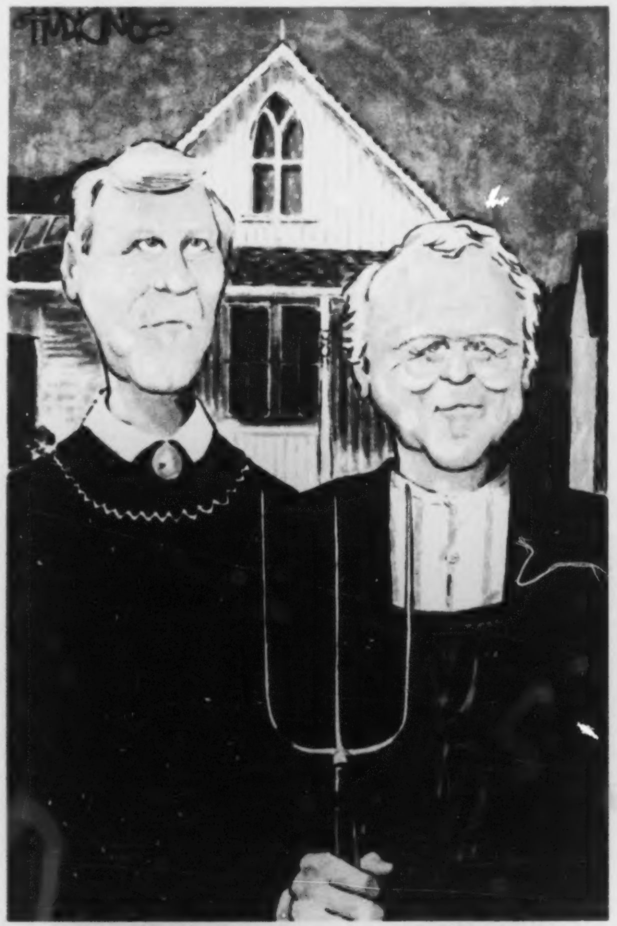

AMAIZING: *Saturn's 1st born is field of corn*

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

NASHVILLE, Tenn. — The factory walls are still going up at Saturn Corp.'s massive plant, but one thing is already clear: Cars aside, the operation has a heck of a future in crop management.

About 500 acres of the Saturn site were planted with corn this year. Since the summer drought wiped out more than a third of the Iowa/Illinois corn crop, the national supply was down, prices were up and General Motors was on the spot.

Saturn-employed farmers harvested some 20,000 bushels of corn — all of it snapped up by one dairy farmer in Alabama.

The drought cut GM's yield from last year, but not the price. Corn prices in 1987 hovered in the range of $1.65-$1.75 a bushel. A bushel this year fetched about $3.15, representing an 80 percent increase in gross margins. Saturn's proceeds from the venture: $63,000.

Had the entire 2,450-acre tract been planted, the corn raiser/carmaker might have earned about $300,000.

The company also has 400 acres under winter wheat, 180 acres under barley and almost 400 acres under soybeans. Soybean prices, incidentally, are up 75 percent compared with last year. Imagine boosting Grand Am prices 75 percent.

Ed Killgore, Saturn's manager of site facility, said the farming operation is primarily a function of land maintenance.

"We want to keep the land the way we found it," he said. "That means more than having a bunch of industrial buildings on it. We want to blend into the neighborhood.

"It's definitely good land," Killgore added. "We made out pretty good."

Easy credit hikes GMAC, Ford repos

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Easy credit intended to sell more cars and trucks has inflated loan delinquency and repossession rates at the captive finance arms of General Motors and Ford Motor Co.

A new study released here by the American Bankers Association shows that General Motors Acceptance Corp. and Ford Motor Credit Co. — at one time among the most conservative lenders in the United States — now have higher — and worsening — repossession and delinquency rates than do commercial banks on comparable loans.

GMAC's repossession rate rose to 2.1 percent during the first nine months of this year from 1.7 percent during the same period a year earlier. Ford declined to release quarterly figures, but the No. 2 carmaker said the rate was troublesome enough that Ford stepped up collections, cracking down on customers with late payments in an attempt to reduce the repo rate.

In comparison, the American Bankers Association survey showed that commercial banks had a third-quarter 1.2 repossession rate on loans made directly to retail customers and a 1.9 repossession rate on indirect loans made through new-car dealers.

Both quarterly figures were up from the prior quarter and the corresponding year-ago period, but remained lower than the GMAC rate.

Another indicator of potential losses is delinquencies. GMAC's delinquent loan rate, payments that are at least 31 days overdue, was 2 percent for the first nine months, compared with 1.9 percent during 1987.

Although the American Bankers Association survey rates are based on per-1,000 loans and the GMAC rates are stated as a percent of outstanding loans, the bankers' group and GMAC agree the rates are comparable.

Ford Credit's late loans were also on the upswing during the first nine months, although the finance unit refused to release specific data.

The increase in problem loans — although a seemingly small shift of a few percentage points — also has sent earnings plummeting and has made both giant financial institutions seriously re-examine their lending practices.

Both GMAC and Ford Credit now admit that in their zeal to attract new buyers, especially students and customers with questionable credit ratings, they may have loosened credit standards too much.

"We made some bad loans, it's easy to see in the long term," said Don Cook, executive vice president of Ford Credit. "But we can see the trends and we can do something about it."

But there's little that either company can do to reduce the percentage of higher-risk loans already on the books. And ultimately, GM and Ford dealers who use the captive finance arms will feel the pinch.

About 30 percent of Ford Credit's loans are with recourse, Cook said. A recourse loan provides that the dealer shares the risk and forfeits a portion of his profit for arranging the loan — typically more than for a non-recourse loan — if it goes bad. GM said 21 percent of its loans are with recourse.

The consequences of easier credit are only beginning to show up. Banking experts said it takes at least 15 to 24 months for an average car loan to go bad. Now, nearly two years after credit requirements were eased in late 1986, both GMAC's and Ford Credit's late payment rates and repossessions are up.

The most dramatic barometer of bad loans is repossessions. Taking back a car is considered a last resort by the captive financial institutions because of the ill will that is created by a repossession. GMAC often attempts to work out extended credit payments and change the terms of a loan to avoid a repossession, said a GMAC spokesman.

But while GM and Ford delinquency rates were up for the first nine months, the percentage of late payments on bank car loans dropped, according to a survey by the American Bankers Association.

Late direct car loans fell to 1.77 percent in the third quarter from 1.89 percent three months earlier, and delinquent indirect loans decreased to 2.31 percent from 2.33 percent in the second quarter.

So what happened at GMAC and Ford Credit? The companies say they changed credit policies to go after new customers and, ultimately, to help their dealers sell more cars.

see REPOS, page 43

Big truck makers expect price hikes to stick

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Strong sales and inflation give heavy-truck manufacturers a greater opportunity and more incentive to make their first real price increase in several years stick.

Manufacturers have boosted prices an average of 3 to 3.5 percent for the 1989 model year. Such an increase would hardly raise an eyebrow in most industries, but it is big news for the cutthroat Class 8 market.

For several years, heavy-truck manufacturers have attempted to raise prices at the start of each model year — but quickly undercut them with huge price concessions when the bidding battle for retail orders got under way.

There has been practically no bottom to manufacturers' price-cutting, some dealers said.

As Owen Hildreth, owner of Owens International, a South Holland, Ill., Navistar dealership pointed out, prices were determined on a deal-by-deal basis. The bottom was determined when the hungriest manufacturer sewed up the deal.

Added Joseph Rossetti, executive vice president of sales and marketing for Mack Trucks, "Every deal stands on its own today. There is no consistency in pricing strategies. There is still a lot of discounting. To raise the book price is one thing. To collect it is another."

But this time around, Rossetti and other industry officials are optimistic about making a 3 to 3.5 percent price increase stick.

The industry is under pressure from several years of cost absorption and from recent dramatic increases in the cost of such basic materials as steel and aluminum and componentry. In October, for example, Cummins and Caterpillar, which supply nearly 80 percent of the Class 8 market's engines, both raised their prices nearly 3 percent.

Larry Oliphant, Volvo GM Heavy Truck vice president of sales and marketing, said "it nets down to just what the market will bear

see TRUCK PRICES, page 25

'89 price ladder: $4,349 to $205,500

By John K. Teahen Jr.
AUTOMOTIVE NEWS STAFF REPORTER

New-car buyers in the United States can select 1989 autos ranging from a Yugo hatchback at $4,349 to a Rolls-Royce Corniche II convertible at $205,500.

In between are some 600 imported and domestic models, nearly all of them a lot closer to the made-for-misers Yugo than to the made-for-millionaires Rolls ragtop.

Looking at domestic cars alone, the spread is considerably narrower. The 1989 price leaders among the U.S.-built models are the Dodge Omni America/Plymouth Horizon America five-door hatchbacks at $6,595. At the top of the list is the Cadillac Allante convertible at $57,183, fol-

see CAR PRICES, page 23

Mid-month sales dip 7%; fewer selling days

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Mid-November sales of U.S.-built cars fell 81 percent below last year's comparable 10-day period, although the daily selling rate inched up 3.72 percent this year.

The mid-month sales total was only slightly behind (4.05 percent) the Nov. 1-10 domestic 10-day delivery figure, when the Big 3 launched a plethora of attractive incentives.

All four transplant automakers reported 10-day gains while the Big 3 shared losses in November's second 10-day period.

There were 159,082 domestic cars sold Nov. 11-20 compared with 172,552 a year ago. However, there were eight selling days this year and nine in 1987. The daily selling rate was 19,885 or 713 units higher than last year's 19,172.

In the second 10 days of November, Nissan delivered 29.50 percent more U.S.-made cars than it did last year. Honda's transplant sales rose 23.73 percent.

Mazda's sales quadrupled this year — to 675 from 163. It started reporting sales of cars built at its Flat Rock, Mich., plant last November.

Toyota sold 1.26 more transplant cars than it did a year ago.

Although General Motors delivered 5.38 percent fewer cars in the period this year, Oldsmobile's sales were slightly stronger and Pontiac's sales were off only about 200 units from last year's mid-November period.

Ford Motor Co. sales dropped 12.84 percent in mid-November. Mercury sales slumped 21.99 percent.

Chrysler Motors sold 13.41 percent fewer domestic cars. Dodge deliveries rose slightly.

Mid-November light-truck and car sales declined 8.05 percent to 261,075 units compared with 283,928 last year. Nissan was the only car-truck maker to report a gain, and that resulted from its car sales increase; trucks were down.

Domestic light-truck sales in the second 10 days of November were off 8.42 percent from last year. The four U.S. light-truck producers delivered 101,993 units Nov. 11-20 compared with 111,376 a year ago.

Chrysler sold 11.49 percent fewer trucks in the period. Ford's truck sales were down 9.36 percent and GM sold 5.76 percent fewer light trucks. Nissan reported its transplant light-truck sales were off 4.56 percent.

DOMESTIC SALES

	Nov. 11-20, 1988	Nov. 11-20, 1987
Eagle	1,248	671
Chrysler	5,412	8,197
Plymouth	6,346	[illegible]
Dodge	9,927	9,830
Chrysler Motors	22,933	[illegible]
Ford	33,755	[illegible]
Mercury	9,234	11,667
Lincoln	4,461	[illegible]
Ford Motor Co.	47,450	[illegible]
Buick	12,276	[illegible]
Cadillac	5,990	6,480
Chevrolet	25,901	29,422
Oldsmobile	15,080	14,556
Pontiac	17,044	17,246
General Motors	76,291	[illegible]
Volkswagen	—	1,149
Honda	8,260	6,676
Nissan	1,949	1,505
Toyota	1,524	1,506
Mazda	675	163
U.S. Ind. Total	159,082	172,552

Former exec of AMC buys design firm

TROY, Mich. — A group led by John Mowrey, former American Motors vice president of supply and sourcing, has purchased Time Engineering, ranked by Crain's Detroit Business as the 13th largest automotive engineering firm in the Detroit area.

The 31-year-old firm is involved in product design and engineering and robotic application systems. Time Engineering has 400 employees and reported revenues of $18.5 million in 1987, down from $26 million in 1986.

The group purchased Time Engineering from Edac Technologies Corp. Mowrey will initially own 70 percent of the company but has an option to purchase the remaining 30 percent later.

Mowrey, who is president and chief executive officer of Time, said he plans to expand Time's automotive and non-automotive business.

Study to focus on auto women

ANN ARBOR, Mich. — The Office for the Study of Automotive Transportation at the University of Michigan's Transportation Research Institute is undertaking a study of professional women employed by the Big 3 automakers and the U.S. offices of Toyota, Honda, Mazda and Nissan.

The study will identify a profile of the women in managerial positions in the automotive industry. Through questionnaires and interviews, it will attempt to discover what the women's primary issues, concerns and agendas are and their perception of how they are faring in the industry.

In keeping with institute policy, all company and individual names will be confidential.

Women who want to be part of the target group should write: Office for the Study of Automotive Transportation, 2901 Baxter Road, Ann Arbor, MI 48109-2050, or call (313) 764-5592.

Ford gives college $2,500 for field trips

ST. LOUIS — Ford Motor Co. has donated $2,500 to Washington University's field science program.

The money will help provide trips to the university's Tyson Research Center for elementary and high school classes.

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AUCTION DATES

General Motors

Dec. 6 — Southern Auto Auc- ion, East Windsor, Conn.; Dallas to Auction, Grand Prairie, xas; South Seattle Auto Auction, ent, Wash.; and National Auto ealer Exchange, Bordentown, N.J.

Dec. 7 — Atlanta Auto Auction, Atlanta; Baltimore-Washington Auto Exchange, Baltimore; Clan- ton's Auto Auction, Darlington, C.; Southern California Auto uction, Fontana, Calif.; Missis- ippi Auto Auction, Hattiesburg, iss.; and Omaha Auto Auction, maha, Neb.

Dec. 8 — Butler Auto Auction, ibsonia, Pa.; Mid Ark Auto Auc- ion, N. Little Rock, Ark.; Aptco uto Auction, Taylor, Mich.; Big H uto Auction, Houston; and Nash- ville Auto Auction, Nashville, Tenn.

Dec. 13 — A.D.E. of Birmingham, Moody, Ala.; Florida Auto Auction of Orlando, Ocoee, Fla.; and Manheim Auto Auction, Manheim, Calif.

Dec. 14 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Dec. 15 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Utah Auto Auction, West Bountiful, Utah

Chrysler Motors

Dec. 6 — Florida Auto Auction of Orlando, Ocoee, Fla.; American Auto Auction, Walpole, Mass.; Denver Auto Auction, Aurora, Colo.; Nashville Auto Auction, Nashville, Tenn.; South Seattle Auto Auction, Kent, Wash.; Hatfield Auto Auction, Hatfield, Pa.; and Golden Gate Auto Auction, Fremont, Calif.

Dec. 7 — Northway Exchange, Clifton Park, N.Y.; Minneapolis Auto Auction, Plymouth, Minn.; and Butler Auto Auction, Gibsonia, Pa.

Dec. 8 — Clanton's Auto Auction, Darlington, S.C.; The Big Sky Auto Auction Inc., Billings, Mont.; Aptco Auto Auction, Taylor, Mich.; Salt Lake Auto Auction, Salt Lake City; Ark-La-Tex Auto Auction, Shreveport, La.; and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

Dec. 13 — Dallas Auto Auction, Grand Prairie, Texas; Arena Auto Auction, Chicago; Greensboro Auto Auction, Greensboro, N.C.; Southern Auto Auction, Warehouse Point, Conn.; Portland Auto Auction, Portland, Ore.; Riverside Auto Auction, Riverside, Calif.; and Hatfield Auto Auction, Hatfield, Pa.

Dec. 14 — A.D.E. of Birmingham, Birmingham, Ala., and Columbus Fair Auto Auction, Obetz, Ohio

Ford Motor Co.

Dec. 6 — Harrisonburg Auto Auction, Harrisonburg, Va., and Golden Gate Auto Auction, Fremont, Calif.

Used Car Sales

Auction Averages

November 88	**$5,204**
Month ago	**$5,748**
Year ago	**$5,933**

Dec. 7 — Concord Auto Auction, Acton, Mass., and Lakeland Auto Auction, Lakeland, Fla.

Dec. 8 — Wednesday Auto Auction, Obetz, Ohio; Greensboro Auto Auction, Greensboro, N.C.; Texas Hobby Auto Auction, Houston; Interstate Auto Auction, Mercer, Pa.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

Dec. 13 — South Seattle Auto Auction, Kent, Wash.

Dec. 14 — Northway Auto Exchange, Clifton Park, N.Y.; Clanton's Auto Auction, Darlington, S.C.; Aptco Auto Auction, Taylor, Mich.; Mississippi Auto Auction, Hattiesburg, Miss.; Indianapolis Auto Auction, Indianapolis; Southern California Auto Auction, Fontana, Calif.; and Omaha Auto Auction, Omaha, Neb.

Model Breakdown

Auction Averages

	NOV. 1988	OCT. 1988	SEPT. 1988
1988 ...	$9,514	$9,863	$9,772
1987 ...	$7,330	$7,759	$7,554
1986 ...	$5,997	$6,495	$6,816
1985 ...	$5,077	$5,698	$5,593
1984 ...	$3,721	$4,206	$4,177
1983 ...	$2,948	$3,258	$3,556
1982 ...	$2,228	$2,633	$2,535
1981 ...	$1,706	$1,882	$1,743
Overall Average	$5,204	$5,748	$5,757

Dec. 15 — Baltimore-Washington Auto Exchange, Baltimore; Arena Auto Auction, Chicago; Dallas Auto Auction, Grand Prairie, Texas; Denver Auto Auction, Aurora, Colo.; Minneapolis Auto Auction, Plymouth, Minn.; Nashville Auto Auction, Nashville, Tenn.; and Southwest Auto Auction, Chandler, Ariz.

Dec. 20 — Harrisonburg Auto Auction, Harrisonburg, Va., and Golden Gate Auto Auction, Fremont, Calif.

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TEXAS

San Antonio Auto Auction (div. of GECAA), 1500 Ackerman Rd., San Antonio, Texas 78219. Sale every Weds. Contact: Frank Post or Michael Milikien, 512-661-4200.

WASHINGTON

So. Seattle Auto Auction. The lease & Fleet Specialists. Tom Chase, 1-800-872-6800. P.O. Box 5189, Kent, Washington 98064.

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PRODUCTION

Car output hits 163,622 after holiday

By Karen Detkowski
SPECIAL CORRESPONDENT

Last week's targeted domestic auto production totaled 163,622 units, 82.50 percent above the Thanksgiving week's 89,654 and 6.31 percent above the year-ago week's 153,907.

Companies split last week's estimated output as follows: General Motors, 46.61 percent; Ford Motor Co., 25.86 percent; Chrysler Motors, 17.60 percent; Honda of America Manufacturing Inc., 4.47 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 2.96 percent; Nissan Motor Manufacturing Co., U.S.A., 1.26 percent; and New United Motor Manufacturing Inc., 1.24 percent.

Truck output was estimated at 96,823 units last week, 87.29 percent above the holiday week's 51,696 and 13.90 percent above the year-ago week's 85,007.

GM's Doraville, Ga., plant resumed output of the Oldsmobile Cutlass Supreme today. The Fairfax, Kan., plant remains closed and is scheduled to resume production of the Pontiac Grand Prix next week. Both plants were closed because of parts shortages.

GM slated overtime last Saturday at its Lansing, Mich., (Pontiac Grand Am) plant. Friday overtime was scheduled last week at the Janesville, Wis., plant for both car and truck assembly lines, which are on a 10-hour/4-day schedule.

Also slated for Saturday overtime last week were the following GM truck assembly plants: Baltimore; Pontiac, Mich., East and West; Shreveport, La.; and Moraine, Ohio.

GM's Lordstown, Ohio, truck plant closed Nov. 21 to change the paint system. It will return Jan. 3.

Daily overtime is scheduled at all Ford assembly plants this week.

Ford slated Saturday overtime last week at its Wixom, Mich., car plant and five truck plants: Kansas City, Mo.; Norfolk, Va.; Lorain, Ohio; Louisville, Ky.; and Wayne, Mich.

Saturday overtime is scheduled at Ford's Twin Cities, Minn., and Lorain truck plants this week.

Chrysler's Kenosha, Wis., plant resumed output last week after a break for hunting season.

The Kenosha plant will close Dec. 23. It assembles the Plymouth Gran Fury and Horizon, Chrysler Fifth Avenue and Dodge Diplomat and Omni. The Omni and Horizon will be moved to the Detroit Jefferson plant in January. Gran Fury, Diplomat and Fifth Avenue will be dropped.

Canadian cars edge upward

Canadian auto production was scheduled at 17,853 units last week, slightly above the prior week's 17,710 but 11.77 percent below the year-ago week's 20,234.

Estimated truck output of 20,654 units last week was 1.36 percent below the prior week's 20,939.

General Motors' Oshawa (No. 2) plant remains closed for model changeover. The plant is expected to resume production Jan. 3.

Navistar's Chatham, Ontario, plant remains closed until Dec. 12.

U.S. CAR	Week Ended Dec. 3, 1988	Week Ended Dec. 5, 1987	Week Ended Nov. 26, 1988	Nov. Est.	Jan. 1 to Dec. 3, 1988	Jan. 1 to Dec. 5, 1987
Alliance	0	0	0	0	0	15,994
Total Eagle	0	0	0	0	0	15,994
Horizon	1,800	1,076	0	5,966	74,510	41,912
Sundance	2,900	1,784	1,526	9,671	97,406	84,433
Reliant	2,400	3,679	1,301	8,496	85,541	124,700
Acclaim	900	0	531	3,231	4,200	0
Caravelle	0	457	0	0	9,265	40,451
Gran Fury	400	168	0	1,503	19,599	6,628
Total Plymouth	8,400	7,164	3,360	28,870	290,521	298,124
LeBaron K	0	1,015	0	0	7,912	61,041
LeBaron J	2,800	2,813	1,429	10,541	80,977	106,670
LeBaron GTS	200	484	133	695	8,723	35,720
N. Yorker E-Class	0	0	0	0	0	57,102
N. Yorker C-Class	2,200	1,700	1,403	9,049	93,409	15,385
Fifth Avenue	800	1,395	0	2,980	30,510	61,323
Total Chrysler	6,000	7,407	2,965	23,265	226,531	337,241
Omni	1,700	1,101	0	5,867	73,212	36,405
Daytona	2,300	1,942	941	7,295	73,305	58,747
Shadow	2,800	2,224	1,220	8,852	95,498	89,008
Aries	3,000	3,702	1,465	10,244	85,997	117,685
Dodge 600	0	782	0	0	8,549	37,858
Dynasty	2,900	1,410	1,711	11,865	104,204	4,144
Lancer	300	348	132	973	8,765	22,226
Spirit	1,000	0	647	3,407	4,150	0
Diplomat	400	501	0	1,423	17,952	13,958
Total Dodge	14,400	12,010	6,116	49,926	471,632	380,031
CHRYSLER MOTORS	28,800	26,581	12,441	102,062	988,684	1,031,390
Escort	9,272	9,464	5,630	39,590	386,118	366,565
Mustang	4,482	4,634	2,264	15,520	187,005	200,221
Tempo	3,827	4,831	2,164	14,477	171,323	134,322
Taurus	8,640	7,925	4,635	33,518	368,646	382,930
Thunderbird	3,502	3,461	1,424	8,420	103,101	148,182
Total Ford Div.	29,723	30,315	16,117	111,525	1,216,193	1,232,220
Lynx	0	0	0	0	0	21,352
Topaz	1,673	1,496	806	5,689	65,916	43,213
Cougar	2,330	2,309	938	6,720	80,322	129,968
Sable	3,127	2,659	2,203	12,065	126,292	114,827
Total Mercury	7,130	6,464	3,947	24,474	272,530	309,595
Continental	1,815	534	936	6,366	50,395	11,813
Mark VII	911	622	472	3,167	26,271	26,635
Lincoln	2,726	2,897	1,412	9,543	115,717	132,369
Total Lincoln	5,452	4,053	2,820	19,076	192,383	170,817
Total L-M Division	12,582	10,517	6,767	43,550	464,913	480,412
FORD MOTOR CO.	42,305	40,832	22,884	155,076	1,681,106	1,712,632
Skyhawk	1,162	1,047	576	4,147	26,094	31,799
Skylark/Somerset	1,785	1,243	1,157	6,863	50,208	61,862
Century	3,425	4,190	1,868	15,940	132,159	150,275
Regal (rwd)	0	667	0	0	0	39,923
Riviera	162	261	383	2,550	11,462	12,607
Electra	2,504	1,588	1,512	9,808	84,119	89,241
LeSabre (fwd)	2,915	2,426	1,817	10,889	125,787	134,796
LeSabre (rwd)	215	345	134	891	9,278	9,428
Reatta	266	0	0	588	8,988	0
Total Buick	12,934	11,767	7,447	51,675	448,095	529,931
Cimmaron	0	55	0	0	3,693	10,115
Eldorado	777	612	451	3,006	33,009	19,565
Seville	590	804	340	2,285	21,722	18,151
Brougham (rwd)	920	2,056	524	3,626	33,219	71,191
Deville (fwd)	4,998	3,387	2,996	18,443	150,327	132,364
Allante	75	81	45	288	2,014	4,309
Total Cadillac	7,360	6,995	4,356	27,647	243,984	255,695
Cavalier	7,484	6,763	3,894	28,497	332,604	292,447
Camaro	2,595	2,487	1,532	10,947	92,401	114,214
Celebrity	4,618	4,465	2,718	20,332	176,668	279,483
Corsica/Beretta	9,936	8,462	5,296	39,593	406,232	324,866
Monte Carlo	0	1,746	0	0	0	70,343
Caprice	4,145	5,517	2,258	15,982	193,209	183,762
Corvette	555	559	315	2,150	21,496	26,591
Total Chevrolet	29,333	29,999	16,013	117,501	1,222,610	1,291,706
Calais	3,015	2,602	1,930	11,599	109,847	111,214
Firenza	0	326	0	0	5,230	13,190
Cutlass Ciera	1,685	246	999	6,323	33,460	108,275
Cutlass Supreme	0	1,671	0	9,915	130,208	71,538
Toronado	331	442	196	1,279	14,298	15,055
88 (fwd)	3,345	3,391	2,006	13,053	146,795	168,025
88 (rwd)	205	397	81	641	10,360	14,015
Olds 98	1,760	1,743	1,069	6,844	69,376	67,449
Total Oldsmobile	10,341	10,818	6,281	49,653	519,574	572,359
Sunbird	2,887	2,529	1,429	10,988	103,841	82,101
Grand Am	5,976	4,995	3,071	21,167	226,641	233,406
Firebird	1,665	1,496	962	6,998	61,806	73,458
Grand Prix	0	0	2,376	13,576	132,543	0
Pontiac 6000	2,705	1,121	1,437	9,314	87,680	67,442
Bonneville	2,971	1,968	1,749	11,573	113,386	118,860
Safari/Parisienne	95	215	75	406	7,010	8,733
Fiero	0	1,063	0	0	13,297	30,730
Total Pontiac	16,299	13,387	11,099	74,022	746,206	614,730
GENERAL MOTORS	76,267	72,966	45,196	320,498	3,180,469	3,264,421
HONDA	7,320	6,792	4,530	31,023	343,237	303,804
Civic	2,426	1,867	1,551	10,324	102,643	83,683
Accord	4,894	4,925	2,979	20,698	240,594	220,121
MAZDA	4,845	505	2,795	20,945	148,139	3,001
NISSAN	2,060	1,338	1,299	8,316	103,425	109,842
NUMMI	2,025	3,268	509	5,038	120,692	179,819
Corolla	1,825	1,096	424	4,723	49,727	40,862
Geo Prizm/Nova	200	2,172	85	315	70,962	138,957
VOLKSWAGEN	0	1,625	0	0	35,997	60,923
Golf/GTI	0	1,000	0	0	30,444	45,255
Jetta	0	625	0	0	5,553	15,668
Total Cars, U.S.	163.622	153,907	89,654	642,957	6,601,749	6,665,832
Total Cars, Canada	17,853	20,234	17,710	79,062	973,607	746,600
U.S., Canada Cars	181,475	174,141	107,364	722,019	7,575,356	7,412,432
U.S., Canada Cars and Trucks	298,952	277,407	179,999	1,176,894	12,300,179	11,768,214

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended Dec. 3, 1988	Week Ended Dec. 5, 1987	Week Ended Nov. 26, 1988	Nov. Est.	Jan. 1 to Dec. 3, 1988	Jan. 1 to Dec. 5, 1987
Eagle	0	—	0	0	0	—
Premier	1,275	—	1,281	5,673	56,524	—
CHRYSLER MOTORS	1,275	1,179	1,281	5,673	56,524	9,007
Escort	0	—	0	0	0	—
Lynx	0	—	0	0	0	—
Tempo	3,268	—	3,411	13,533	160,310	—
Topaz	1,628	—	1,704	6,748	64,552	—
Crown Victoria	2,895	—	2,799	12,610	121,037	—
Grand Marquis	2,865	—	2,774	12,620	122,779	—
FORD MOTOR CO.	10,656	10,134	10,688	45,512	468,678	404,141
Celebrity	312	—	387	1,732	19,500	—
Cutlass Ciera	3,930	—	3,467	15,901	208,346	—
Cutlass Supreme	0	—	0	0	0	—
Grand Prix	0	—	0	0	0	—
Pontiac 6000	0	—	0	0	29,690	—
Regal	0	—	10	2,737	139,613	—
GENERAL MOTORS	4,242	8,503	3,864	20,370	397,149	310,950
Civic	1,500	—	1,698	6,752	43,407	—
Accord	0	—	0	0	1,828	—
HONDA	1,500	418	1,698	6,752	45,235	14,513
VOLVO	180	0	179	755	6,021	7,989
Total Cars, Canada	17,853	20,234	17,710	79,062	973,607	746,600

U.S. TRUCK☆	Week Ended Dec. 3, 1988	Week Ended Dec. 5, 1987	Week Ended Nov. 26, 1988	Nov. Est.	Jan. 1 to Dec. 3, 1988	Jan. 1 to Dec. 5, 1987
Caravan	2,300	—	1,242	9,025	86,154	—
Dakota	2,700	—	1,381	9,595	101,360	—
Mini-Ram Van	150	—	66	807	11,335	—
Pickups	2,700	—	1,368	9,596	79,865	—
Total Dodge	7,850	8,264	4,057	29,023	278,714	292,410
Cherokee	4,600	—	2,281	17,306	174,209	—
Commanche	800	—	451	3,259	41,139	—
Grand Wagoneer	300	—	210	1,368	13,159	—
Pickups	0	—	0	0	0	—
Wagoneer	200	—	124	835	10,104	—
Total Jeep	5,900	4,647	3,066	22,768	238,611	208,984
Voyager	2,200	—	1,248	8,367	80,203	—
Total Plymouth	2,200	—	1,248	8,367	79,568	—
CHRYSLER MOTORS	15,950	12,911	8,371	60,157	593,982	501,394
Aerostar	4,900	—	2,985	16,435	192,998	—
Bronco	2,074	—	1,020	7,129	53,876	—
Bronco II	3,286	—	1,704	11,359	113,545	—
Econoline	5,590	—	3,130	21,779	226,516	—
Heavy trucks	1,190	—	707	5,085	60,622	—
Light trucks	12,812	—	6,676	44,283	461,406	—
Ranger	8,044	—	4,191	26,823	302,877	—
Total Ford Div.	37,896	32,703	20,413	132,892	1,411,840	1,386,035
FORD MOTOR CO.	37,896	32,703	20,413	132,892	1,411,840	1,386,035
Astro	2,989	—	2,121	14,347	163,865	—
Blazer	527	—	307	2,167	24,538	—
Mediums/Heavies	360	—	227	1,710	18,732	—
P-Model	875	—	0	2,204	37,648	—
Pickups	9,715	—	5,027	35,217	343,637	—
S-10	6,762	—	3,432	25,502	284,450	—
S-10 Blazer	4,191	—	2,144	16,137	160,018	—
Sportsvan/Van	0	—	0	5,410	86,204	—
Suburban	1,409	—	821	5,844	65,663	—
Total Chevrolet	26,828	24,939	14,079	108,539	1,184,755	1,056,688
Jimmy	157	—	89	648	7,173	—
Mediums/Heavies	590	—	358	2,138	33,077	—
P-Model	145	—	0	263	4,824	—
Pickups	3,045	—	1,971	11,398	105,877	—
S-15	1,651	—	782	6,358	65,276	—
S-15 Jimmy	1,210	—	629	4,692	45,182	—
Safari	1,675	—	509	3,986	42,781	—
Suburban	645	—	367	2,599	29,108	—
Vandura/Rally Vans	0	—	0	1,750	30,617	—
Total GMC	9,118	6,661	4,705	33,833	363,915	354,016
GENERAL MOTORS	35,946	31,600	18,784	142,372	1,548,670	1,410,704
NAVISTAR	1,841	1,825	1,080	7,093	80,312	70,233
NISSAN	2,440	3,218	1,398	9,561	87,697	91,528
AM GENERAL*	450	450	270	1,800	21,330	16,200
MISCELLANEOUS*	2,300	2,300	1,380	9,200	109,020	110,560
Total Trucks, U.S.	96,823	85,007	51,696	363,075	3,852,851	3,586,654

CANADIAN TRUCK	Week Ended Dec. 3, 1988	Week Ended Dec. 5, 1987	Week Ended Nov. 26, 1988	Nov. Est.	Jan. 1 to Dec. 3, 1988	Jan. 1 to Dec. 5, 1987
Caravan	3,286	—	3,384	14,289	133,450	—
Mini-Ram Van	201	—	206	862	11,278	—
Ram Wagon	665	—	651	2,721	25,064	—
Ram Van	1,685	—	1,809	7,449	68,433	—
Total Dodge	5,837	7,996	6,050	25,322	238,225	363,417
Voyager	2,545	—	2,620	11,191	118,824	—
Total Plymouth	2,545	—	2,620	11,191	118,824	—
Wrangler	1,248	—	1,282	5,624	48,769	—
Total Jeep	1,248	1,223	1,282	5,624	48,769	33,234
CHRYSLER MOTORS	9,630	9,219	9,952	42,136	405,818	396,651
FORD MTR. (lt. trks.)	3,648	3,508	3,579	15,905	152,473	142,021
Light trucks	3,667	—	3,935	16,551	146,661	—
Vans	1,557	—	1,462	6,839	57,051	—
Total Chevrolet	5,224	—	5,397	23,390	203,712	—
Light trucks	1,564	—	1,390	6,851	71,554	—
Vans	588	—	621	2,755	27,941	—
Total GMC	2,152	—	2,011	9,606	99,495	—
GENERAL MOTORS	7,376	5,304	7,408	32,996	303,207	221,200
NAVISTAR	0	228	0	764	10,474	9,256
Total Trks., Canada	20,654	18,259	20,939	91,800	871,972	769,128
U.S., Canada Trks.	117,477	103,266	72,635	454,875	4,724,823	4,355,782

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Industry predicting softer '89

Global makers eye new markets

Overseas auto industry executives, while seeing a softening in the global auto market in 1989, are generally optimistic on the prospects for their individual companies in the years ahead.

While satisfied with the performance in their home markets, they are also sniffing out new opportunities in emerging markets and are keeping a keen eye on Europe as it heads toward market unification in 1992.

That overview comes from a series of exclusive interviews with top automotive executives around the globe.

Participating in the Overseas Focus section that begins on page 29 are Ford of Europe Chairman Alex Trotman and President Louis Lataif; Toshihiro Tajima, president of Fuji Heavy Industries; Xavier Karcher, chief executive of Automobiles Citroen; Burkhard Welkener, commercial executive director and deputy managing director of Shanghai Volkswagen; Tadashi Kume, president of Honda Motor Co.; John Smith, executive vice president of GM overseas operations; and Toyoo Tate, president of Mitsubishi Motors Corp.

While focused on competition within their home markets, many makers are increasing their dependence on exports and transplant operations.

Honda, for instance, is counting on its U.S. assembly operations in Ohio as a base for exports of some product to non-North American markets.

GM is counting on Europe for more exports and sees opportunities for an increased market presence in Taiwan, Japan and South America.

Mitsubishi is relying on its recent public offering to fund new products, recruit new talent and strengthen its position as a supplier to local automakers in Southeast Asia.

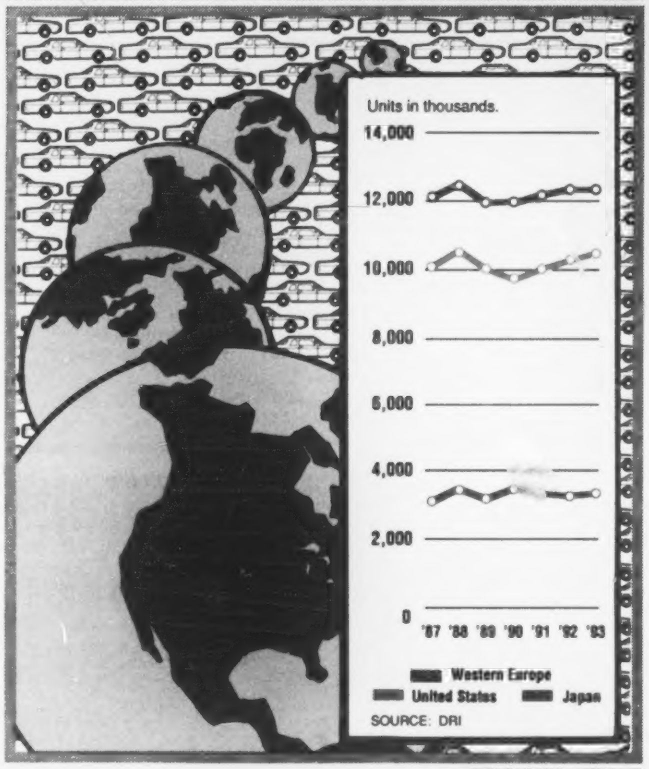
Fuji Heavy Industries is looking to France as a site for vehicle production, and is hopeful that its tie-up with Isuzu for joint production in the United States will lead to future projects between the two.

Meanwhile, China is set to grant one of three automakers there a contract to construct and operate a 300,000-unit assembly plant as the first step in the country's goal to produce a million units annually by the end of the century.

But the big prize remains Europe. Despite predictions of a slight downturn in sales next year, European demand is for more than 12 million cars per year.

see OVERSEAS, page 29

Global sales



SOURCE: DRI

AUTOMOTIVE NEWS / LANCE GRAVES

World sales dip in '89

Study forecasts declines in big markets

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

Worldwide new-car sales will fall in 1989 as Europe and Japan suffer their first declines since 1984 and the United States market slips from this year's level.

In its World Automotive Forecast Report, the London-based DRI-Europe research group projects world car demand at 33.09 million units in 1989, down 3.5 percent from the record 34.28 million projected for 1988.

DRI-Europe forecasts that in 1990, the world market will recover 1.2 percent to 33.49 million car sales, based on renewed growth in Europe and Japan.

Other economists and automotive analysts said last week that they, too, look for a softer year ahead in the United States, although most predicted the market will not bottom until 1990.

World demand this year is expected to rise by 5.0 percent from 1987 levels as auto markets in all major regions of the world grow. But next year's decline in the three main market areas — the United States, Europe and Japan, will offset continued growth in Latin

see WORLD, page 81

Rebate snafu leaves GMC buyers waiting

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

GMC truck buyers are waiting up to five months to get payments from a summer ad campaign that promised them $300 on S-15 pickups and Jimmys and $500 on new Sierras.

GMC is mum on the number of customers who are still waiting for their GMC Truck Cash Back Bonus payments, but a company spokesman conceded the campaign was so popular that it caused the company more than a few headaches.

The bill to GMC could reach into the millions of dollars, however. GMC reported sales of more than 45,000 units for the three vehicles from May 23 to July 31 — the period specified by various ads as the time during which delivery must have been taken to be eligible for the factory-direct rebates. If GMC were forced to pay rebates on all those vehicles, the cost would surpass $17 million.

The ads did not specify a date by which a customer must request the rebates; however, a recorded message now playing when a person calls an 800 telephone number listed on the ads tells customers that the promotion expired Aug. 21. It tells callers to dial a second telephone number if they are having difficulty receiving their bonuses.

The ads also gave an address in Clifton, N.J., to which customers could write for the rebate certificate.

Clifton Postmaster Joseph M. Gondola said the box was rented by LCS Industries in Clifton and terminated Oct. 11 without a forwarding address. Any letters arriving at the post office box after Oct. 11 have been returned to sender or put in the dead letter file, he said.

LCS was the firm hired to administer the program.

Part of the delay in issuing rebate checks involves an investigation into which customers are entitled to bonus checks because some dealers reported the trucks sold on the wrong dates.

"There were questions about trucks and dealer manipulation of data," said Ed Bachman, division president — lead fulfillment at LCS. "Dealers may or may not have entered a sale in a given month or registered information properly."

New York-based McCann-Erickson, GMC's advertising agency, deferred questions on the promotion to its client.

McCann-Erickson also declined to say how many buyers applied for the bonus certificate from LCS or how many buyers have failed to receive their checks.

"There are delays that are no way the fault of GMC dealers," said a GMC spokesman.

The promotion has been troubled for several months due to the huge response by customers, he said.

"An outside firm was administering the program, and the response was triple to quadruple what was anticipated," the GMC spokesman said. "As a consequence, there were unforeseen problems administering it."

Customers called the toll-free number or wrote to the box num-

see GMC, page 78

Soviets sign pact to export to U.S.

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Amid the hoopla surrounding last week's summit meeting between President Reagan and Soviet Premiere Mikhail Gorbachev, a Soviet trade show opened showing two vehicles that may someday be sold in the United States.

And the first vehicle contract between the two countries was signed sending 25 Soviet-built mining trucks to a U.S.-based distributor.

Gorbachev was scheduled to open the Soviet Export Goods Exhibition but cut short his visit due to the disastrous earthquake in Soviet Armenia. The trade show and truck contract signing between New York-based Global Technology Group and the Soviets had been moved up a week to coincide with the summit.

DENIS TANNEY

Okhta-NAMI: seven-seat concept car

Vladimir M. Kamentsev, vice chairman of the Soviet Council of Ministries and chairman of the State Commission for Foreign Economic Relations, opened the

see SOVIET, page 80

Mitsubishi, Dodge plan 'baby Ferrari'

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

Dodge and Mitsubishi Motor Sales will introduce a high-powered four-place sports car built by Mitsubishi and imported from Japan during the 1991 calendar year.

The sport coupe is based on a new platform being developed by Mitsubishi and is fitted with a 380-horsepower, twin-turbo V-6 engine.

see COUPE, page 78

INSIDE:

Poland cancels Fiat project Page 2

Cleveland deals agree not to limit hours Page 6

Tighter emission, CAFE recommended Page 78

NEWSPAPER

U.S. vehicle sales rise 7% in Nov.

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

U.S. car and light-truck manufacturers finished November with a strong sales performance and a 7.21 percent gain over last year.

Combined U.S.- and import-car sales rose 8.02 percent ahead of last November, overshadowing U.S. and import light-truck gains of 5.54 percent above November 1987. The seven U.S. automakers reported a 13.60 percent surge in domestic-car sales, offsetting a 2.99 percent decline in import-car sales for the month.

Stepped-up incentives, restyled 1989-model cars and trucks, and fresh advertising and marketing programs were among factors that led to the November sales upswing.

"I think we will begin to see more new incentives and more trimming of production schedules. Ford just sent out a sheet that showed about 70 percent of its products had incentives. They seem to be matching GM's incentives with cash rebates," said David Healy, analyst, Drexel Burnham Lambert, New York.

Another auto analyst, Ted Sullivan, Wharton Economics, Bala Cynwyd, Pa., said the market will continue to heat up with incentives. But he cautioned: "We have recalculated our forecasts and have sales dropping. Except for the last 10-day rates, we think they will continue to worsen." He predicted, however, that gradually rising incentives will put a floor on how much sales will drop.

Commenting on the need for incentives, Ford Motor Co. analyst Ray Windecker said incentives have "virtually become a way of life."

"My only concern is in regard to the emotional impact of questions like: Are the auto manufacturers being too ambitious? Will there be a slowdown? Technically, there is no bad news yet," Windecker said.

This year, November's combined car and light-truck sales of 1,166,806 surpassed last year's total of 1,088,353 by 78,453 units.

Domestic carmakers delivered 552,049 cars, up from 485,968 in 1987. General Motors was a top performer for the month, although

see SALES, page 24

AUTOMOTIVE NEWS/JOE WILSSENS

Young represents the all-important "voice of the consumer"

GM's image architect

Young molds identity for each car family

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

General Motors' car-making divisions have begun to clarify their brand identities and further differentiation among the divisions is expected to come from new products in the 1990s.

But, the architect of GM's brand equity plan stresses that all GM divisions must concentrate on differentiating core products first, rather than trying to develop exclusive, image-type vehicles to make a statement about the division.

Shirley Young, GM's new vice president of consumer market development, is in charge of the plan to determine and build upon the unique identity of each division.

"There has to be a clarity of vision and an organization of understanding; they (the divisions) have gone to that level of understanding," said Young, an articulate, Shanghai-born New Yorker.

She represents the all-important "voice of the consumer" in GM's four-phase product development program and reports directly to GM's executive committee.

Young should know. She arrived at GM five years ago to help the corporation sort out its branding problems at a time when Cadillacs didn't look like Cadillacs and consumers saw little difference between an Oldsmobile and a Buick.

It was Young who proposed in 1986 a brand equity program by which each division would search its roots for a identity. GM's executive committee listened to her and later Young's plan became the basis on which all future products were based.

In June, GM hired her as their vice president of consumer market development, a new position. Instead of spending one day a week at GM as a consultant, Young is a full-time employee.

Young also works on special marketing projects for the divisions, including brand positioning, and helps the corporation in price marketing, including promoting option packages.

Since her 1986 brand equity presentation, Young has seen her vision pay off. She points to Buick as one example of how the idea has worked. Buick, according to Young, had a difficult time finding a position relative to the other divisions.

"It said 'I'm not going to be the most expensive or the most exciting, I'm not going to be the standard of the world,'" said Young, noting Buick's product lineup at that time ranged from "hot" looking Grand Nationals to conservatively styled Rivieras.

Buick went back to its roots to find its premium American road car image, a position Young calls "a courageous and correct position" for Buick.

"They captured something less

see YOUNG, page 78

Big 3 abandoning ESOP programs

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Nearly 800,000 salaried and hourly U.S. auto workers will lose their Employee Stock Ownership Plans (ESOP) established under the 1975 Tax Reduction Act next year when the Big 3 terminate the programs.

The stock plans are being disolved because the federal government has phased out ESOP tax advantages for corporations.

"The federal government, through changes in the tax laws, has made ESOPs obsolete as an employee benefit," said a General Motors spokesman.

Automakers have notified employees of plans to halt the ESOPs and will ask them to decide among several options, including cash payouts or rolling their shares into other employee stock programs.

In a letter to employees last week, GM cited repeal of several provisions for payroll tax credits in the Tax Reform Act of 1986 as the reason for halting the program.

By terminating the program in 1989, employees who take cash payouts will be exempt from a 10 percent additional tax on distributions. The companies said the number of shares due each employee differs due to length of employment and other factors, so it is difficult to compute an average.

"We recognized that it had to happen due to the tax law changes and asked the companies to do it at the most advantageous time for employees, and it appears that they have," said a UAW spokesman.

A GM spokesman said 544,000 workers will be affected by termination of the ESOP. The automaker announced Friday that employees will receive roughly $51 million in cash dividends based on current holdings of $877 million in GM common stock purchased for them by the company. There is just under 12 million shares of GM stocks in the ESOP.

Following the distribution of ESOP assets next year, GM officials say that payouts and cash dividends to hourly and salaried workers will probably exceed $1 billion.

Ford Motor Co.'s ESOP has current holdings of $800 million on 16 million shares, with a distribution to employees set for the second quarter of 1989. A company spokesman said 171,000 employees will be affected. Ford will distribute $36 million in dividends to employees this month.

Chrysler Corp. said 96,000 employees will be affected. A spokesman said the ESOP has holdings of roughly $100 million on 3.8 million shares in its ESOP. Chrysler will distribute $3.8 million in dividends to employees this month.

ESOPs were originally encouraged under tax laws to foster employee stock ownership. Companies received tax benefits for establishing them.

Established in 1975 for salaried employees and in 1979 for hourly employees, company contributions were funded through tax credits, which most recently amounted to one-half percent of each employee's earnings. These payroll tax credits were repealed in 1986.

More recently, ESOPs have been established by many companies to place huge blocks of stock into friendly hands to avoid takeover efforts by raiders.

All three automakers have other employee stock programs into which employees can roll over their ESOP stock.

Corrections

A headline in the Dec. 5 edition of Automotive News incorrectly said that the confidentiality pact signed by Ford Motor Co. and the Soviet Union was believed to call for Scorpio production in the Soviet Union. Although the parties are working toward that goal, the pact actually covered only the exchange of technical information between the parties.

A story in the Nov. 21 edition incorrectly stated that the Tucker automobile featured a hydraulic torque converter that transmitted power directly to the wheels. While the original plans for the car called for such a device, the finished Tucker featured a transmission based on a Cord.

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Reuss: Enough capacity for Oldsmobile truck

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors will allow Oldsmobile to sell a version of an upcoming four-door sport-utility vehicle or an all-purpose van only if it represents plus business for the automaker.

Reuss

Lloyd Reuss, GM executive vice president in charge of North American Automotive Operations, said no decision has been made concerning Oldsmobile selling a truck-type vehicle.

GM is considering a variety of truck-type vehicles to be sold through Oldsmobile, but those receiving the most serious consideration are a version of the four-door Chevrolet S-10 Blazer/GMC S-15 Jimmy and a version of the Chevrolet Lumina/Pontiac Trans Sport APV, a plastic-bodied passenger van based on the A-car platform. A four-door Blazer/Jimmy is due in the 1991 model year; the APV goes into production as a 1990 model in the spring of 1989.

Under the Oldsmobile proposal, the vehicles wouldn't change substantially. They would be renamed and badged as Oldsmobiles and interiors would be upgraded to fit Oldsmobile's upscale image.

When Chevrolet and GMC dealers discovered that GM executives were considering the proposal, they launched a massive letter-writing campaign in opposition. They do not want Oldsmobile dealers to compete against their own truck lineups.

Speaking to the Detroit Auto Writers Group last week, Reuss said GM received so many letters he quit counting just how many.

He said that some of the letters contained erroneous assumptions by dealers. For one, many of the letters assumed that a product was being taken away from GMC and Chevrolet dealers, he said. Instead, a four-door sport utility — an addition to the current line — for example, would go to GMC and Chevrolet dealers as well as Oldsmobile dealers.

Some dealers were concerned that GM does not have the capacity to meet the needs of Chevrolet and GMC dealers and that including Oldsmobile would cause further availability problems. Reuss said GM has capacity plans not known to dealers, although he did not detail those plans. GMC and Chevrolet dealers will receive all of the vehicles they can sell, he said.

Regarding other truck plans, Reuss said GM is considering a plan to build its next-generation full-size van, now built on the G-body platform, on the C/K full-size pickup truck platform.

GM already has said it will build the next-generation full-size Blazer and Suburban based on the C/K platform. Reuss said a decision as to where those models will be built will be made in the first quarter of 1989. The competition is between GM plants in Flint, Mich., and Janesville, Wis.

Reuss said GM cannot, however, build its smaller sport-utility vehicles and trucks from the C/K platform. Those models, the S-10/S-15 Chevy Blazer and GMC Jimmy, will stay on the S-body platform. Ford Motor Co. is currently studying whether it can build both compact and full-size trucks from a single base, which would be stretched or widened to fit the various products.

Reuss also said that GM will introduce a commercial version of its APV. The Chevrolet and Pontiac APVs will be unveiled at the North American International Auto Show in Detroit next month.

Mack's new CH600 part of 5-year development program

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

ALLENTOWN, Pa. — Mack Trucks' $500 million capital expenditure program has yielded a new series, the CH600.

John B. Curcio, Mack's chairman of the board and chief executive officer, said the line would be followed next year with a new, 12-liter engine, then with a new version of the "Baby 8" CM400 series and, finally, by a new low-entry-cab model.

Mack will complete its model updating program in 1992.

Meanwhile, the company also has invested more than $100 million in modernizing its powertrain plant in Hagerstown, Md.

Curcio said the Dec. 1 introduction of the CH600 capped a five-year, $60 million design and development effort. The CH600 replaces the R model and is built at Winnsboro, S.C.

The plant, the subject of an organizing dispute between Mack and the UAW, uses the latest in technological innovations such as bar coding, laser scanning and automated storage and delivery.

Mack closed its Allentown plant last year after deciding it couldn't be updated cost-effectively.

T.L. Warmkessel, director of marketing product planning, said the CH600 represented the first time any truck manufacturer has developed a plant and a product for each other.

Company officials said the Winnsboro plant is building a total of 72 R, CH and DM model trucks per day.

The first 1,000 CH600s will primarily be used as demonstrators, said Joseph P. Rosetti, executive vice president, marketing.

The new model will be introduced to Mack's sales force in mid-January when pricing will be announced, he said.

The R model, which the CH600 replaces, had served a dual capacity. It was sold as both a highway tractor and also for light-duty dump, refuse and municipal applications. It gained weight and cost as a construction-oriented vehicle. The new CH600 is purely a highway tractor, according to Warmkessel. It was not designed to have the flexibility to serve other vocational markets, he added.

The new model will be introduced with Mack's E-6 engine, with horsepower ratings up to 350 hp. Late next year, Mack will offer in excess of 400 hp with its new E-7 engine.

Paul C. Ritter, senior vice president of sales, said the CH600 is targeted at four vocational areas: for-hire carriers, including smaller fleets and owner-operators; distribution; leasing; and manufacturing.

The areas represent more than 75 percent of U.S. heavy-duty truck sales, and Mack is aiming to increase its penetration in some of these key areas with the new series.

For example, there are seven segments that account for about 22 percent of industry sales. They include agriculture/forestry, manufacturing, distribution, services, construction, leasing/rental and for-hire.

Ritter said Mack is strongest in construction, with a 32 percent segment share; services, with a 20 percent share; and agriculture/forestry, with a 17 percent share.

However, its penetration in the biggest segments of the market, including leasing and for-hire, is considerably lower.

Ritter said leasing and rental trucks accounted for 21.4 percent of the market in 1982, which has grown to 28 percent by 1988. But, during that same period, Mack's share of this segment declined from 12.8 to 6.1 percent.

Similarly, the for-hire segment grew from 33 percent to 35 percent during that same period, while Mack's share of it fell from 18 percent to 13.5 percent.

Mack's market share grew slightly in the manufacturing sector, but fell in the distribution segment, which has been off industrywide, he said.

Mack launches first new truck line in 2 decades

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

ALLENTOWN, Pa. — The new CH600 is the first all-new line from Mack Trucks since its predecessor, the R model, was introduced more than 20 years ago.

Mack touts its new flagship as "the first all-new, heavy-duty truck of the 1990s."

Company officials said the new model is designed from the ground up as a "driver's truck," with features to make it more comfortable, safer and easier to drive and maintain.

The new truck has 30 percent more interior room than the R, as the cab is a foot wider and offers four inches of additional headroom.

Luxurious interiors in the new model are designed to lure owner-operators, a segment in which Mack's market penetration has been low.

There are four levels of interior trim available, with the Elite Series having the most extras. The optional interiors include items usually found in luxury cars, like a cherry wood-grain panel, leather steering wheel cover, leather door panels and a cellular telephone.

"If we can't attract the owner-operators with these interiors, then we don't deserve the business," said T.L. Warmkessel, director, marketing product planning.

Initially, the CH600 will be fitted with Mack's E-6 engine, a six-cylinder diesel with chassis-mounted air cooling, free-

see MACK, page 18

U.S. trucks maintain hot pace in Nov.

Domestic truck sales maintained their record-setting pace in November. U.S.-based manufacturers continued to increase their share of the burgeoning market.

Overall, the industry retailed 376,035 light-duty vehicles in November, 5.54 percent more than the 356,300 of like 1987.

Eleven-month sales totaling 4,474,519 similarly maintained a strong 4.47 percent gain over last year's record-setting pace of 4,282,944 units.

U.S.-based manufacturers captured 87.02 percent of the market in November, up from the 84.01 percent share they held a year earlier.

For 11 months, their market share of 85.51 percent was also up sharply from 81.21 percent a year ago.

Chevrolet, GMC and Jeep were responsible for all the gains on the domestic side, while Isuzu was the lone importer with a sales gain.

Chevrolet, buoyed by the continuing rise in popularity of its full-sized C/K pickup series, had a strong 23.00 percent overall gain in November on sales of 107,104 light-duty models.

Similarly, GMC, with 29,218 monthly sales, had a 26.96 percent increase in its total.

Jeep's sales of 22,428 trucks in the month were up 15.31 percent over a year earlier.

Ford sales were off marginally, 114,112 versus 115,013 in 1987.

The company's deficit would have been greater if sales of its Class 4 Super Duty models were excluded. No breakout of Super Duty sales was available. They have been accounting for about 2,000 sales monthly.

Chrysler's 54,362-unit performance was also slightly off from last year.

LIGHT-DUTY TRUCK SALES

	Nov. 1988	Nov. 1987	11 Mos. 1988	11 Mos. 1987
Vans	14,716	14,846	174,883	171,080
Aerostar	14,199	10,407	169,819	146,996
Club Wagon	2,473	2,546	25,601	24,867
Ranger	20,841	22,917	280,936	283,775
Bronco	5,296	5,167	49,661	46,720
Bronco II	9,036	10,156	114,684	111,063
Pickups	47,550	49,170	522,729	502,339
Ford	114,112	115,013	1,338,338	[illegible]
Vans	7,321	9,135	113,604	104,318
Sportvan	758	868	11,573	10,938
Geo Tracker	759	0	1,299	0
Astro	9,922	11,280	145,749	137,444
S-10	18,764	14,615	230,251	206,493
S-10 Blazer	17,824	9,865	166,875	141,797
El Camino	0	610	420	13,369
Blazer	2,476	2,794	24,734	28,273
Suburban	5,847	5,090	60,675	52,895
Pickups	43,433	32,630	472,251	380,375
Chevrolet	107,104	87,075	1,227,381	1,076,982
Vans	4,885	3,790	54,895	60,067
Ram Wagon	1,907	2,178	23,791	27,834
Voyager	13,998	12,021	176,993	127,430
Caravan	14,952	14,331	192,502	136,263
Mini Ram Van	1,212	1,243	17,906	12,561
Ram 50	3,041	3,601	80,443	61,778
Raider	919	1,454	7,106	18,384
Ramcharger	1,440	1,784	17,396	21,609
Dakota	6,482	6,198	66,264	92,214
Pickups	5,526	8,172	75,155	88,853
Chrysler	54,362	54,772	702,466	648,123
Vans	3,045	2,950	42,584	34,852
Safari	2,128	2,398	31,016	29,269
S-15	4,144	2,729	48,648	44,525
S-15 Jimmy	4,393	2,851	40,549	34,291
Jimmy	765	740	6,976	7,621
Caballero	0	95	60	1,647
Suburban	1,960	1,617	20,738	17,189
Pickups	12,407	8,911	130,815	103,670
P Model	228	602	3,846	5,165
W-4	146	120	1,424	1,374
GMC	29,218	23,013	[illegible]	[illegible]
Wrangler/CJ	3,791	2,793	38,561	27,212
Wagoneer	850	995	6,243	11,367
Cherokee	13,975	11,172	135,581	99,582
Grand Wagoneer	1,317	1,566	13,098	12,640
Comanche	2,495	2,864	36,808	34,713
J-10/J-20	0	60	221	1,257
Jeep	22,428	19,450	231,842	186,771
Toyota	17,604	18,546	227,647	278,778
Nissan	12,302	16,008	156,282	201,121
Mazda	5,770	6,969	86,906	115,261
Isuzu	6,169	5,553	81,649	82,134
Mitsubishi	3,353	4,478	40,214	47,683
Suzuki	1,444	5,062	53,454	76,257
Subaru	0	14	10	1,266
Range Rover	169	327	2,983	2,205
Imports	48,811	56,877	648,145	804,761
Industry Total	376,035	356,300	4,474,519	4,282,944

Compiled by Karen Dotkowski

From RVs to buses

Deere chassis aim at commercial market

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

LOUISVILLE, Ky. — John Deere's vehicle assembly division, having tasted success with its RV chassis, is planning a push into the commercial side of the chassis market early next year.

Deere sold about 9,000 RV chassis to motor home manufacturers in 1988, according to Connie L. Nichols, Deere chassis sales manager. It introduced two new RV chassis at the 26th annual RV Trade Show here including a front-mounted diesel-driven motor home chassis. All its RV chassis are now called "On/Voy."

But, because of heavier competition from Ford and GM, officials expect to sell only about 8,000 RV chassis in 1989 — even while making a strong bid for new business on the commercial side.

Deere displayed two new commercial chassis at the show, outfitted as Champion buses.

One of its chassis is a 6BT, 5.9-liter Cummins turbodiesel-powered model with an Allison AT 542 four-speed automatic transmission. The chassis is a derivative of one of the new RV chassis, according to Mark Andreae, vice president and general manager of Clarke Power Products, Deere's distribution and servicing arm. It has the same engine/powertrain combination as the RV model.

The other new commercial chassis is a 4BT Cummins turbodiesel model with a Borg-Warner five-speed transmission, designed for small step vans. It is aimed specifically at the bakery industry, Andreae said.

Continental Baking is in the process of receiving 51 prototypes of the new chassis vehicles, and Deere has orders for prototypes from most other major manufacturers in the bakery market, he added.

Manufacturers who will offer step-van bodies on the new chassis include Grumman, Utilimaster, Union City and others.

Deere is generally targeting the bakery, small-bus and, with the larger step vans, the transit/airport shuttle bus market.

It plans to officially introduce its new commercial chassis in the first quarter of 1989, and anticipates selling about 8,000 a year. That will put it into direct competition with Ford and GM.

Ford dominates the commercial cutaway chassis market, worth about 25,000 sales annually, and Chevrolet is the leader of the commercial stripped chassis market. Together the two markets are worth about 40,000 to 45,000 sales annually.

Andreae said company officials believe the market will "turn away from chopped vans (primarily supplied by Ford) and go to integrated body and chassis (such as its own units) because of the recent rise in chopped van prices and Ford's exit from the gasoline portion of it."

Ford expects to stop offering gas engines for all bus chassis applications when its new commercial/transit bus package becomes available, late in the 1989 model year or early in the 1990 model year. It will then offer only diesel-powered chassis for the bus market.

It has already started offering only diesels on its school bus chassis, according to Jerome Mittman, Ford Division RV sales manager.

Andreae believes Deere will have some product advantages with its new commercial chassis. For example, it has larger 14-inch, four-wheel disc brakes that last much longer than the typical 20,000-mile life of the chopped van's brakes in stop-and-go driving.

Deere has already been selling commercial chassis to Wheeled Coach, Kansas City Coach, Champion and Eldorado.

Its new chassis, however, are more specifically tailored to commercial bus manufacturers' needs, according to Andreae.

SALES

DOMESTIC CAR SALES

	Nov. 21 to Nov. 30 1988	Same Period 1987	Nov. 1988	Same Month 1987	Jan. 1 to Nov. 30 1988	Same Period 1987
Alliance	0	891	0	1,985	4,418	23,649
Eagle	0	155	0	472	1,382	4,030
Premier	1,218	0	3,862	0	37,796	0
Total Eagle	1,218	1,046	3,862	2,167	43,596	27,679
Horizon	1,386	987	3,687	2,916	67,900	44,493
Sundance	2,373	1,697	7,570	5,127	81,841	70,089
Turismo	0	132	0	336	1,115	16,761
Reliant	2,177	2,858	7,137	8,740	103,741	98,161
Acclaim	1,173	0	1,587	0	1,587	0
Caravelle	73	799	258	2,061	12,730	38,169
Gran Fury	257	285	888	641	12,434	7,312
Total Plymouth	7,419	6,756	21,282	20,889	271,357	288,884
Laser	0	0	0	0	0	4,308
LeBaron K	96	889	313	3,239	19,882	51,914
LeBaron J	2,431	3,138	7,185	8,798	92,170	78,798
LeBaron GTS	192	819	547	1,784	14,592	28,748
Fifth Avenue	612	1,541	1,879	5,119	34,425	82,636
New Yorker C	2,948	1,888	7,819	2,721	72,283	4,239
New Yorker E	0	741	48	2,182	14,516	48,107
Total Chrysler	6,391	8,235	17,649	23,828	[illegible]	298,748
Omni	1,368	714	3,812	2,213	[illegible]	85,197
Shadow	2,232	1,888	6,075	6,147	84,048	71,108
Charger	0	85	0	243	1,022	17,813
Daytona	1,383	1,372	4,407	3,578	67,974	38,957
Aries	2,908	2,732	8,087	8,945	95,479	89,318
Lancer	170	515	498	1,977	9,887	21,012
Spirit	589	0	792	0	792	0
Diplomat	429	314	1,064	1,146	18,977	11,776
Dynasty	2,895	308	8,481	812	71,537	1,313
Dodge 600	91	709	287	2,021	11,798	33,198
Total Dodge	11,885	8,328	33,951	25,881	417,412	317,884
CHRYSLER MOTORS	26,883	24,372	76,008	72,677	980,253	880,614
Escort	8,622	10,040	27,592	28,737	356,076	384,343
Mustang	3,706	4,219	11,001	12,144	157,333	161,234
Tempo	6,739	8,519	19,794	18,172	261,531	199,392
Taurus	9,178	10,717	28,021	26,196	343,083	322,328
Thunderbird	1,307	3,413	4,197	9,312	107,881	122,863
Probe	3,486	0	10,720	0	67,980	0
Crown Victoria	2,418	2,851	7,382	8,703	105,588	109,891
Total Ford Div.	35,417	37,850	109,327	103,323	1,399,205	1,300,041
Lynx/Tracer	1,329	1,769	4,117	4,989	95,088	84,178
Topaz	2,939	1,513	7,937	4,635	84,294	59,282
Sable	2,895	3,489	8,281	8,348	109,941	95,318
Cougar	785	2,821	2,438	7,228	88,840	103,474
Marquis	0	0	0	0	0	2,518
Grand Marquis	2,868	3,087	8,535	8,889	106,591	105,728
Total Mercury	10,581	12,840	30,978	34,072	440,754	429,482
Continental	2,074	45	5,809	161	41,110	10,882
Lincoln	2,605	4,889	8,198	10,694	111,298	115,128
Mark VII	747	810	2,057	2,443	20,586	28,282
Total Lincoln	5,426	4,875	15,864	13,298	172,988	151,083
Total L-M Division	16,007	17,524	46,842	47,370	622,747	580,545
FORD MOTOR CO.	51,424	55,374	156,169	150,693	2,021,952	1,880,586
Skyhawk	616	1,016	1,643	2,894	24,325	35,908
Somerset/Skylark	1,392	1,232	3,538	3,277	54,382	63,168
Century	5,144	2,898	12,155	3,434	119,107	138,778
Regal	3,492	2,571	9,044	6,965	114,098	53,882
LeSabre	4,076	2,818	10,185	7,947	129,598	130,347
Reatta	224	0	595	5,789	3,949	0
Electra	2,435	2,495	6,240	0	78,137	71,987
Riviera	895	165	1,576	677	9,915	15,382
Total Buick	17,880	13,895	44,908	36,013	533,490	509,451
Cimarron	94	280	343	898	5,892	11,788
Allante	51	128	146	348	2,942	2,341
Seville	1,112	897	2,351	1,900	20,258	19,458
DeVille	7,461	3,321	15,307	8,494	141,408	136,258
Brougham	1,736	1,898	3,523	4,507	43,070	52,748
Eldorado	1,288	795	2,708	2,146	28,470	19,007
Total Cadillac	11,850	8,720	24,287	19,031	241,821	241,480
Chevette	0	30	0	97	226	16,858
Nova	945	1,290	2,716	4,088	92,486	131,277
Cavalier	9,444	8,053	22,398	20,876	277,201	276,338
Camaro	3,595	1,829	9,642	5,810	91,889	110,410
Celebrity	7,876	6,404	29,742	19,123	231,371	263,947
Corsica/Beretta	6,199	4,789	22,709	13,988	283,016	195,418
Monte Carlo	181	1,418	927	4,611	28,098	59,238
Caprice	4,769	2,572	14,147	11,189	157,889	182,892
Corvette	490	961	1,595	2,101	21,754	23,208
Total Chevrolet	35,271	26,746	94,425	80,985	1,285,099	1,259,351
Firenza	91	370	175	1,008	8,309	16,057
Calais	3,491	2,039	8,371	5,814	97,083	85,481
Cutlass Ciera	6,124	4,727	15,716	14,038	221,528	228,582
Cutlass Supreme	4,777	1,896	10,204	5,026	105,737	86,492
Olds 88	4,428	3,510	11,599	9,859	148,110	158,033
Olds 98	2,303	1,596	5,823	4,706	67,802	64,455
Toronado	250	382	767	1,228	14,019	15,585
Total Oldsmobile	21,335	14,200	52,425	41,726	663,264	666,663
Fiero	180	689	636	1,937	23,323	39,857
Pontiac 1000	0	16	0	61	154	4,781
Sunbird	2,179	1,632	6,523	4,264	78,290	74,161
Firebird	1,243	1,409	3,788	4,023	54,381	69,083
Grand Am	4,872	6,071	16,236	15,119	208,958	197,880
Pontiac 6000	2,675	3,464	7,701	10,315	90,365	112,466
Grand Prix	3,136	578	8,778	1,478	92,792	13,907
Bonneville H	2,504	3,271	7,686	8,564	99,561	92,936
Paris./Safari	138	220	382	686	6,264	9,487
Total Pontiac	16,933	16,359	51,619	47,447	654,106	614,567
GENERAL MOTORS	103,137	77,118	267,886	225,110	3,346,560	3,291,541
HONDA	14,642	11,812	33,601	24,913	344,198	287,426
Civic	6,454	2,356	14,873	4,252	113,565	77,416
Accord	8,188	9,456	18,728	20,661	230,633	210,010
MAZDA	1,265	267	2,561	526	28,754	686
NISSAN	3,243	1,676	6,667	4,906	104,243	114,213
TOYOTA	5,852	1,466	8,797	3,627	60,005	37,773
VOLKSWAGEN	0	1,729	0	3,514	24,939	57,547
DOMESTIC TOTAL	206,446	173,846	552,049	485,968	6,910,904	6,530,586
IMPORT TOTAL			238,722	246,085	2,803,655	2,856,256
INDUSTRY TOTAL			790,771	732,053	9,714,559	9,386,842

*—U.S.-built Volkswagen models sold after June 30, 1988, are included in import totals.

FROM PAGE 3

all seven U.S. carmakers reported gains.

Import-car sales slipped 2.99 percent to 238,722, from 246,085 in November 1987. Imports accounted for less than a third of the November car market this year. Big losers were Audi, Porsche, Chevrolet captives, Isuzu and Sterling.

The average daily selling rate for the month was 31,631, or 3.70 percent ahead of the 30,502 rate last November. There was one less selling day in November this year.

Car market shares were rearranged slightly in November. GM's share rose 2.61 percentage points, to 35.31 percent, while Ford's share slipped more than half a point to 20.50 percent. Chrysler Motors' dipped a fraction of a point to 10.89 percent. Honda's share dropped a quarter of a point to 8.08 percent. Toyota's edged up almost half a point to 7.93 percent. Nissan's inched up a fraction of a point to 5.11 percent, and Mazda's car share slipped a third of a point to 2.36 percent.

The biggest gain in unit sales was reported by GM. The giant car- maker's domestic and import car sales climbed 16.63 percent ahead of last November.

Ford's combined car sales rose 4.74 percent, and Chrysler delivered 5.86 percent more cars this year than it did last November.

Japanese-based automakers delivered 6.55 percent more import and transplant cars than in November 1987. The European carmakers sold 11.69 percent fewer cars than they did a year ago, and Korean car sales dipped 1.89 percent.

An infusion of incentives helped domestic car makers finish the month with a flourish.

The seven automakers producing cars in the United States began November with a 33.63 percent sales upswing compared with a year earlier. Sales fell 7.81 percent in the mid-November sales period. In the final 10 days, car makers delivered 18.75 percent more U.S.-built cars.

GM's domestic sales bounded up 18.90 percent and each of its divisions reported gains.

Ford Motor's sales rose 3.62 percent. Ford Division's Probe sales continued to pace Mustang deliveries. Continental sales saved the month for Lincoln-Mercury.

Chrysler Motors sold 5.41 percent more U.S.-built cars this November, although its Chrysler Division deliveries were off 26.38 percent from last November.

The two newest transplant car operations, Mazda and Toyota, reported exponential gains. Mazda increased its sales fivefold, and Toyota's deliveries of U.S.-built cars rose nearly one and a half times. Both were just beginning to sell U.S.-built cars one year ago. Nissan sold 35.90 percent more U.S.-built cars in November, and Honda delivered 34.87 percent more cars.

MARKET SHARES, NOV. 1988

	Total Sales	Pct. of Total
SUBCOMPACT	72,245	9.14
COMPACT	153,006	19.36
INTERMEDIATE	220,911	27.94
STANDARD	103,084	13.04
SPECIALITY	2,803	0.36
IMPORT	238,722	30.18
TOTAL	790,771	100.00

IMPORTED CAR SALES

	Nov. 1988	Nov. 1987	11 Mos. 1988	11 Mos. 1987
Acura	10,075	9,740	118,408	99,031
Alfa Romeo	232	372	4,117	5,888
Audi	1,365	2,383	21,637	38,486
BMW	6,642	6,291	66,190	81,095
Chevrolet	6,107	11,631	107,423	125,595
Chrysler	518	616	9,361	10,618
Daihatsu	1,054	0	10,637	0
Dodge	3,471	3,459	49,111	53,936
Ford	5,164	3,224	63,429	23,036
Eagle	2,313	1,391	17,029	12,144
Honda	30,221	27,341	232,114	271,722
Hyundai	17,732	18,074	242,930	244,265
Isuzu	1,590	2,722	22,998	35,797
Jaguar	1,925	1,761	18,687	20,071
Maserati	26	73	716	842
Mazda	18,123	18,572	207,051	187,706
Mercedes-Benz	6,504	6,746	77,080	82,156
Mercury	770	846	14,479	13,680
Mitsubishi	4,492	4,683	64,492	62,789
Nissan	33,744	31,329	329,562	379,812
Peugeot	544	873	6,212	8,468
Plymouth	3,179	3,184	44,009	43,737
Pontiac	5,442	2,864	57,536	32,654
Porsche	1,016	1,557	14,510	22,350
Saab	3,088	2,985	35,790	42,002
Sterling	425	1,045	8,517	13,260
Subaru	11,583	13,443	143,197	160,540
Suzuki	228	0	244	0
Toyota	56,842	51,254	559,522	511,130
Volkswagen*	9,108	9,229	133,748	118,979
Volvo	8,134	6,493	92,893	102,529
Yugo	2,002	3,204	30,014	45,972
TOTAL	238,722	246,085	2,803,655	2,856,256

*—Volkswagen totals include U.S.-built models sold after June 30, 1988.

Sales charts compiled by [illegible]

U.S. CAR SALES BY MARKETING UNITS

	Nov. 1988	Percent Share	Nov. 1987	Percent Share	11 Mos. 1988	Percent Share	11 Mos. 1987	Percent Share
Alfa Romeo	232	0.03	372	0.05	4,117	0.04	5,888	0.06
American Honda	63,887	8.08	60,984	8.33	694,720	7.15	658,179	7.01
BMW	6,642	0.84	6,291	0.86	66,190	0.68	81,095	0.86
Buick	44,908	5.68	36,013	4.92	533,490	5.49	509,451	5.43
Cadillac	24,287	3.07	19,031	2.60	241,821	2.49	241,480	2.57
Chevrolet	100,533	12.71	92,524	12.64	1,361,312	14.01	1,384,966	14.75
Chrysler	18,061	2.28	24,446	3.34	257,289	2.65	279,366	2.98
Daihatsu	1,054	0.13	0	0.00	10,637	0.11	0	0.00
Dodge	37,452	4.74	29,339	4.01	466,523	4.80	371,820	3.96
Eagle	6,175	0.78	3,558	0.49	60,625	0.62	39,832	0.42
Ford	114,471	14.48	106,547	14.55	1,462,634	15.06	1,303,079	13.88
Hyundai	17,732	2.24	18,074	2.47	242,930	2.50	244,265	2.60
Isuzu	1,590	0.20	2,722	0.37	22,998	0.24	35,797	0.38
Jaguar	1,925	0.24	1,761	0.24	18,687	0.19	20,071	0.21
Lincoln	15,864	2.01	13,298	1.82	172,988	1.78	151,083	1.61
Maserati	26	0.00	73	0.01	716	0.01	842	0.01
Mazda	18,684	2.36	19,100	2.61	236,805	2.43	188,391	2.01
Mercedes	6,504	0.82	6,746	0.92	77,080	0.79	82,156	0.88
Mercury	31,757	4.02	34,917	4.77	464,233	4.78	443,147	4.72
Mitsubishi	4,492	0.57	4,683	0.64	64,492	0.66	62,789	0.67
Nissan	40,411	5.11	36,235	4.95	433,805	4.47	494,025	5.26
Oldsmobile	52,425	6.63	41,726	5.70	663,264	6.83	666,663	7.10
Peugeot	544	0.07	873	0.12	6,212	0.06	8,468	0.09
Plymouth	24,401	3.09	23,984	3.28	315,366	3.25	315,431	3.36
Pontiac	57,061	7.22	50,111	6.85	711,642	7.33	647,221	6.89
Porsche	1,016	0.13	1,557	0.21	14,510	0.15	22,350	0.24
Saab	3,088	0.39	2,985	0.41	35,790	0.37	42,002	0.45
Sterling	425	0.05	1,045	0.14	8,517	0.09	13,260	0.14
Subaru	11,583	1.46	13,443	1.84	143,197	1.47	160,540	1.71
Suzuki	228	0.03	0	0.00	244	0.00	0	0.00
Toyota	62,694	7.93	54,881	7.50	619,527	6.38	548,903	5.85
Volvo	8,134	1.03	6,493	0.89	92,893	0.96	102,529	1.09
VWoA	10,464	1.32	15,046	2.06	180,322	1.86	216,012	2.30
Yugo	2,002	0.25	3,204	0.44	30,014	0.31	45,972	0.49
TOTAL	790,771	100.00	732,053	100.00	9,714,559	100.00	9,386,842	100.00
TOTAL GM	279,215	35.31	239,405	32.70	3,511,519	36.14	3,449,790	36.76
TOTAL FORD	162,092	20.50	154,762	21.14	2,099,860	21.62	1,897,289	20.21
TOTAL CHRYSLER	86,089	10.89	81,326	11.11	1,099,777	11.32	1,006,249	10.72
TOTAL JAPANESE	204,642	25.88	192,068	26.24	2,225,425	22.91	2,148,604	22.89
TOTAL EUROPEAN	41,001	5.18	46,428	6.34	535,048	5.51	640,645	6.82
TOTAL KOREAN	17,732	2.24	18,074	2.47	242,930	2.50	244,265	2.60

Big 3 totals include their captive imports.
Percent share may contain error of one or two points due to rounding.

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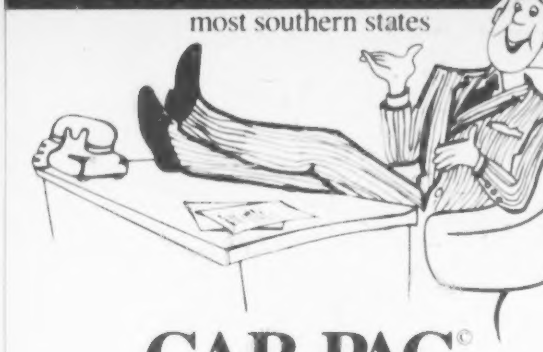

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Circle ReaderService #24

Porsche top auto brand name

Honda, Toyota, BMW follow in U.S., Japan, Europe survey

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Porsche, Honda, Toyota and BMW are among the 10 most powerful brand names in the world, according to a recent survey of consumers in Japan, Europe and the United States.

Landor Associates, a New York-based consulting firm that conducted the survey, recently asked 3,000 consumers in those three geographic areas about their awareness of and their attitudes toward 2,140 corporate and consumer brand names.

Coca-Cola ranked No. 1 in brand power, followed by IBM and Sony.

Porsche was the fourth most powerful consumer brand name, according to the survey, followed by McDonald's, Disney, Honda, Toyota, Seiko and BMW, in that order.

Each brand name was given an overall brand power rating by formulating both awareness and esteem scores. Ford, which suffered from a low awareness score in Japan, was ranked the 17th most powerful brand name in the study. General Motors ranked as the 37th most powerful brand name.

Many of the same automotive nameplates appeared on lists for the most powerful brand names in each of the three markets. Although consumers in each market tended to rank their own domestic automotive brands higher, some foreign nameplates had strong brand power, pointing to the rising globalization of the auto industry.

European consumers were more impressed by home makes than consumers in Japan or America. Europeans gave all of the first 11 brand power ratings to European cars. Honda placed 12th.

Automotive nameplates made up seven of the 10 most powerful consumer and corporate brands in Europe. Landor attributed the high awareness of car brands to the fact that automakers, unlike makers of other consumer products, market their cars throughout Europe.

"Automotive transcends national barriers," said Stewart Owen, Landor director of research.

"Mercedes, for instance, is ranked in the 10 most powerful brands in Spain, Netherlands, France, Sweden, Belgium, Italy and Germany. But there are brands that are sold in France that are not on any other country's list."

European consumers gave Japanese cars low marks in esteem but they generally had high awareness of those names. For instance, European consumers ranked Toyota 47th among all products in awareness but 329th in esteem. Suzuki was ranked 40th in awareness and 251st in esteem.

"It's less of a case of bad experience than no experience," said Owen, noting that Japanese cars have not been plentiful in Europe until the last several years. Some European countries, such as France and Italy, severely restrict Japanese auto imports.

Japanese consumers were less nationalistic than the Europeans when it came to automotive brand names. Six Japanese car names and four European makes were among the 10 most powerful automotive brands in Japan.

JAPANESE MARKET IMAGE RANKINGS

	Image power rank	Share of mind rank	Esteem rank
Toyota	6	19	16
Porsche	22	105	4
Honda	38	56	44
Nissan	51	46	107
Volkswagen	73	148	35
BMW	97	225	11
Mitsubishi	129	76	261
Jaguar	144	244	29
Suzuki	147	85	298
Cadillac	150	211	79
Mercedes-Benz	151	316	1
Mazda	159	113	288
Ford	164	231	71
Isuzu	175	116	373
Daihatsu	180	118	306
Volvo	188	280	24
Audi	201	276	57
Ferrari	253	351	41
Subaru	263	222	453
Chevrolet	271	306	178
Lamborghini	277	376	38
Alfa Romeo	334	399	63
Chrysler	339	361	242
Renault	374	381	274
General Motors	404	441	171
Fiat	431	466	196
Peugeot	442	483	118
Hyundai	460	422	590
Rover	555	565	421
Dodge	586	577	565

SOURCE: Landor Associates

EUROPEAN MARKET IMAGE RANKINGS

	Image power rank	Share of mind rank	Esteem rank
Mercedes-Benz	1	4	2
Volkswagen	3	3	12
Rolls-Royce	4	15	1
Porsche	5	10	3
Ferrari	7	13	6
BMW	8	20	4
Volvo	10	14	28
Jaguar	12	31	11
Ford	13	8	108
Alfa Romeo	21	22	57
Opel	23	13	167
Honda	29	28	108
Fiat	31	7	441
Renault	33	17	277
Audi	34	43	44
Peugeot	38	26	226
Citroen	43	32	297
General Motors	50	51	109
Suzuki	51	40	251
Saab	63	76	84
Toyota	64	47	329
Maserati	66	119	27
Lamborghini	81	148	28
Rover	95	110	154
Mitsubishi	105	88	331
Mazda	111	68	603
Lotus	115	150	96
Bentley	139	165	126
Chrysler	145	100	600
Seat	317	200	617
Vauxhall	418	234	834
Morgan	551	529	456
Daihatsu	564	300	848
Subaru	643	359	844
Isuzu	862	693	869
Hyundai	867	563	876

SOURCE: Landor Associates

Alan Taylor, Landor senior vice president and general director of the firm's New York office, attributed the high esteem marks for European makes to Japanese consumers' preoccupation with rare luxury items. Since Japanese restrictions and taxes make large European cars more expensive than domestic makes, acquiring a European car is a status symbol in Japan.

Four European nameplates received higher esteem scores than Japanese car brands in Japan. Mercedes-Benz received the highest esteem ranking for any product followed by Porsche.

In the study of American consumers released in June (Automotive News, June 27), half of the top 10 automotive names in terms of brand power were American. Cadillac received the highest brand power score, followed by GM.

Some of the best known automotive nameplates to U.S. consumers were not always the brands that received the highest esteem scores. Nameplates such as Dodge, Pontiac and Volkswagen received high awareness scores but relatively low esteem scores. By contrast, VW ranked 12th among all products in esteem in Europe, 35th in Japan and 401st in the United States.

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Circle ReaderService #25

Anglo American plans mainland auction for Hawaii cars

AUCTION BRIEFS

CHARLES THOMAS

Anglo American Auto Auctions will transport used cars from the Hawaiian islands to the mainland to sell at its 21 auctions.

Potential Hawaiian clients include daily rental companies, leasing firms, automobile dealerships, manufacturers and distributors, corporations with fleet vehicles and institutions that finance car loans.

Dennis Thee, vice president of sales and marketing for Anglo American, said there is a huge number of business vehicles owned by daily rental companies operating in Hawaii.

He said the size and population of the Hawaiian islands necessitate shipping the vehicles to the mainland to sell. The dealer body in Hawaii is too small to absorb the number of used cars generated there; neither does it make sense to build an auction in Hawaii, he said.

"The bottom line for these Hawaiian businesses is that by doing business with Anglo American, they conveniently accomplish used-car remarketing with one telephone call," said Thee.

He estimated that roughly 60,000 rental vehicles go into the used-car market annually in Hawaii.

"Several leasing firms and corporate fleet departments have also expressed interest," said Thee.

The company has opened an office in Honolulu and said it may establish a vehicle marshalling center where vehicles would be stored and inspected prior to shipping.

Lionel Freitas has been named director of Pacific operations.

Some companies already ship used cars to the mainland to sell them. It takes roughly four to six days to transport them at a cost of $300 to $400 per vehicle.

Plus 10 adds dealers

Greater Chicago Auto Auction said it signed up nearly 50 dealers for its Plus 10 pilot financing program, which allows dealers to delay payment on their purchase of vehicles for 10 days.

"It has gotten very good reception," said Joseph Lyng, manager of Greater Chicago Auto Auction.

To use Plus 10, dealers show their auction buyer's card with the Plus 10 designation. Their payment for the cars must arrive 10 days later.

Dealers can use their credit line to buy any vehicle not exceeding $20,000. There is a limit to the number of vehicles dealers can buy under the program, but the limit can be increased depending on use.

Dealers receive titles when the payment is made.

Fees are $35 for vehicles costing up to $5,000; $50, $5,001 to $10,000; $75, $10,001 to $15,000; and $100, $15,001 to $20,000.

AUCTION DATES

Chrysler Motors

Dec. 13 — Dallas Auto Auction, Grand Prairie, Texas; Arena Auto Auction, Chicago; Greensboro Auto Auction, Greensboro, N.C.; Southern Auto Auction, Warehouse Point, Conn.; Portland Auto Auction, Portland, Ore.; Riverside Auto Auction, Riverside, Calif.; and Hatfield Auto Auction, Hatfield, Pa.

Dec. 14 — A.D.E. of Birmingham, Birmingham, Ala., and Columbus Fair Auto Auction, Obetz, Ohio.

Dec. 15 — Fredericksburg Auto Auction, Fredericksburg, Va.; Indianapolis Auto Auction, Indianapolis; Omaha Auto Auction, Omaha, Neb.; and Southwest Auto Auction, Phoenix, Ariz.

Dec. 16 — St. Louis Auto Auction, St. Louis, and Manheim Auto Auction, Manheim, Pa.

Ford Motor Co.

Dec. 13 — South Seattle Auto Auction, Kent, Wash.

Dec. 14 — Northway Auto Exchange, Clifton Park, N.Y.; Clanton's Auto Auction, Darlington, S.C.; Aptco Auto Auction, Taylor, Mich.; Mississippi Auto Auction, Hattiesburg, Miss.; Indianapolis Auto Auction, Indianapolis; Southern California Auto Auction, Fontana, Calif.; and Omaha Auto Auction, Omaha, Neb.

Dec. 15 — Baltimore-Washington Auto Exchange, Baltimore; Arena Auto Auction, Chicago; Dallas Auto Auction, Grand Prairie, Texas; Denver Auto Auction, Aurora, Colo.; Minneapolis Auto Auction, Plymouth, Minn.; Nashville Auto Auction, Nashville, Tenn.; and Southwest Auto Auction, Chandler, Ariz.

Dec. 20 — Harrisonburg Auto Auction, Harrisonburg, Va., and Golden Gate Auto Auction, Fremont, Calif.

Dec. 21 — Albuquerque Auto Auction, Albuquerque, N.M.; Concord Auto Auction, Acton, Mass., Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Lakeland Auto Auction, Lakeland, Fla.; Newburgh Auto Auction Inc., Newburgh, N.Y.; and Salt Lake Auto Auction, Salt Lake City.

Dec. 22 — Wednesday Auto Auction, Obetz, Ohio; Skyline Auto Exchange, Fairfield, N.J.; and St. Louis Auto Auction, St. Louis.

General Motors

Dec. 13 — A.D.E. of Birmingham, Moody, Ala.; Florida Auto Auction of Orlando, Ocoee, Fla.; and Manheim Auto Auction Manheim, Calif.

Dec. 14 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

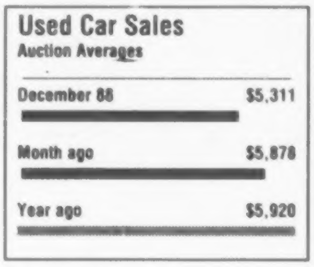
Dec. 15 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Utah Auto Auction, West Bountiful, Utah.

Dec. 20 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and Harrisonburg Auto Auction, Harrisonburg, Va.

Dec. 21 — Atlanta Auto Auction, Atlanta; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Southern California Auto Auction, Fontana, Calif.; Puget Auto Auction, Auburn, Wash.; and Omaha Auto Auction, Omaha, Neb.

Dec. 22 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; Nashville Auto Auction, Nashville; and Denver Auto Auction, Englewood, Colo.

Used Car Sales
Auction Averages



Model Breakdown
Auction Averages

	DEC 1988	NOV 1988	OCT 1988
1988 ...	$9,238	$9,514	$9,863
1987 ...	$7,570	$7,330	$7,759
1986 ...	$5,875	$5,997	$6,495
1985 ...	$5,250	$5,077	$5,698
1984 ...	$3,643	$3,721	$4,206
1983 ...	$2,627	$2,948	$3,258
1982 ...	$2,406	$2,228	$2,633
1981 ...	$1,334	$1,706	$1,882
Overall Average	5,311	$5,204	$5,748

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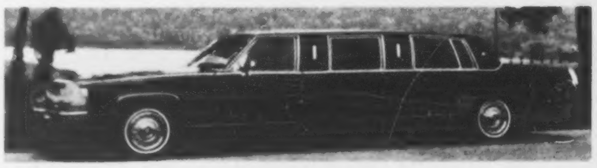
★ *Also '88 & '89 Lincoln Limos*



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Circle ReaderService #20

WORLD

FROM PAGE 1

America and Asia-Pacific.

DRI-Europe forecasts that worldwide new-car registrations will rise each year from 1989 through 1993, when demand will reach 35.53 million cars. Despite that projected record performance, the United States, Europe and Japan will not reach 1988 sales levels in 1993, according to the research group. World growth over the next five years will be due to increased demand in Asia-Pacific, Latin America, Africa and the Middle East.

WORLD CAR PRODUCTION FORECAST

	1987	1988	1989	1990	1991	1992	1993
W. Germany	4,374	4,339	4,122	4,173	4,205	4,272	4,316
France	3,052	3,178	2,955	3,049	3,140	3,209	3,153
United Kingdom	1,143	1,196	1,185	1,250	1,321	1,343	1,362
Italy	1,713	1,908	1,811	1,816	1,812	1,793	1,813
Spain	1,403	1,469	1,379	1,375	1,463	1,392	1,422
Netherlands	125	127	131	137	142	146	143
Belgium	277	290	250	217	217	252	268
Total 7 EEC	12,087	12,506	11,833	12,017	12,300	12,406	12,477
Percent change	6.1	3.5	−5.4	1.6	2.4	0.9	0.6
Sweden	432	410	413	427	442	451	462
TOTAL WESTERN EUROPE	12,518	12,917	12,245	12,444	12,742	12,858	12,939
Percent change	5.9	3.2	−5.2	1.6	2.4	0.9	0.6
United States	7,146	7,163	6,853	7,158	7,346	7,444	7,541
Canada	811	977	1,078	1,058	1,163	1,175	1,196
TOTAL NORTH AMERICAN	7,957	8,140	7,931	8,216	8,509	8,619	8,737
Percent change	−9.5	2.3	−2.6	3.6	3.6	1.3	1.4
Japan	7,891	8,040	7,508	7,752	7,575	7,613	7,685
Percent change	1.0	1.9	−6.6	3.3	−2.3	0.5	1.0
Australia	310	340	374	377	372	373	386
Taiwan	175	185	198	205	215	222	227
South Korea	790	886	1,152	1,282	1,433	1,554	1,675
Malaysia	25	43	66	75	82	84	86
India	148	170	182	191	202	207	214
South Africa	190	220	222	226	228	234	240
Mexico	277	342	431	495	504	491	487
Brazil	683	789	841	829	923	943	970
Argentina	166	152	159	165	182	197	198
Eastern Bloc	2,495	2,537	2,599	2,656	2,736	2,822	2,876
Percent change	4.3	1.7	2.4	2.2	3.0	3.1	1.9
WORLD TOTAL*	33,906	34,312	33,440	34,400	35,178	35,665	36,174
Percent change	1.1	3.7	−2.5	2.9	2.3	1.4	1.4
*Exlcudes Double Counting							
Within Europe	435	439	421	425	424	447	442
Europe/U.S.	25	0	0	0	0	0	0
Europe/Canada	9	11	12	11	10	11	11
Japan/South Korea	60	0	0	0	0	0	0
South Korea/Canada	0	0	36	78	92	94	95

Units: 000's

SOURCE: DRI World Automotive Forecast Report, November 1988

WORLD NEW-CAR REGISTRATIONS/SALES FORECAST

	1987	1988	1989	1990	1991	1992	1993
W. Germany	2,916	2,730	2,632	2,099	2,603	2,623	2,660
France	2,105	2,217	1,976	2,035	2,190	2,279	2,146
United Kingdom	2,014	2,195	1,963	1,947	1,968	1,963	1,939
Italy	1,977	2,131	1,957	1,899	1,921	1,964	2,002
Spain	925	1,039	983	997	1,137	1,044	1,069
Netherlands	556	485	525	537	567	580	550
Belgium	406	435	444	449	420	410	426
Denmark	124	91	96	105	124	139	145
Eire	54	60	65	73	68	74	80
Greece	51	53	52	49	56	61	64
Portugal	124	184	196	212	221	234	242
Total EEC	11,251	11,620	10,889	11,002	11,275	11,360	11,343
Sweden	316	331	309	317	329	336	352
Norway	115	83	86	106	122	136	156
Finland	151	156	153	160	155	162	167
Switzerland	303	322	328	339	331	319	327
Austria	243	268	273	281	256	259	276
WESTERN EUROPE TOTAL	12,380	12,779	12,037	12,207	12,468	12,570	12,622
Percent change	6.4	3.2	−5.8	1.4	2.1	0.8	0.4
United States	10,227	10,699	10,190	9,882	10,030	10,379	10,623
Canada	1,057	1,013	981	1,001	1,083	1,162	1,196
NORTH AMERICAN TOTAL	11,284	11,711	11,170	10,882	11,113	11,541	11,819
Percent change	−10.0	3.8	−4.6	−2.6	2.1	3.9	2.4
Japan	3,275	3,609	3,359	3,674	3,522	3,432	3,497
Taiwan	200	272	292	299	304	315	321
South Korea	247	313	384	403	439	484	526
Malaysia	33	41	46	53	63	66	69
India	150	170	182	191	202	207	214
Australia	369	415	453	463	473	483	509
New Zealand	77	66	76	80	84	90	94
ASIA PACIFIC TOTAL	1,325	1,487	1,642	1,700	1,775	1,854	1,943
Percent change	18.4	12.3	10.4	3.5	4.4	4.4	4.8
South Africa	201	227	215	221	220	224	220
AFRICA MIDDLE EAST TOTAL	1,168	1,252	1,289	1,373	1,491	1,574	1,614
Percent change	−1.5	7.2	3.0	6.6	8.6	5.6	2.5
Mexico	164	180	205	245	266	250	247
Brazil	410	530	578	537	631	641	658
Argentina	164	152	158	163	179	194	195
LATIN AMERICAN TOTAL	970	1,104	1,184	1,188	1,319	1,328	1,343
Percent change	−22.4	13.8	7.2	0.3	11.1	0.6	1.2
EASTERN BLOC TOTAL	2,257	2,334	2,407	2,466	2,542	2,630	2,690
Percent change	3.9	3.5	3.1	2.5	3.3	3.2	2.3
WORLD TOTAL	32,657	34,277	33,089	33,491	34,236	34,928	35,528
Percent change	−1.2	5.0	−3.5	1.2	2.2	2.0	1.7

Units: 000's

SOURCE: DRI World Automotive Forecast Report, November 1988

New-car sales in the United States are exceeding all expectations in 1988, according to DRI-Europe, and will probably finish at 10.70 million, a 4.6-percent increase over last year. But DRI says the trend will not continue into 1989. Instead, demand will dip 4.8 percent to 10.19 million.

"With limited growth in consumer spending, rising interest rates and an upward trend in consumer prices projected for 1989, DRI expects to see a decline in 1989, with the market returning to 1987 levels," the report said.

Ted Sullivan, director of automotive analysis, Wharton Economics, agrees that U.S. interest rates will continue to rise.

"The prime rate is at 10.2. We think it will go up to 11 by mid next year," he said.

He suggested that auto loans will follow suit, stealing a lot of affordability and adversely affecting consumer buying attitudes. Sullivan figures that for every 100 basis-point increase, 280,000 vehicle sales are lost.

Sullivan also predicted that imports will get hit the hardest and noted, "The South Koreans will get hit worse because they are in the low end of the market. Those buyers are more sensitive."

Another view on the U.S. front was offered by David Healy, auto analyst, Drexel Burnham Lambert, New York. "I think we're looking at slightly lower sales ahead. They should be reasonably strong until 1990. In 1989, we're looking at market saturation and moderately higher loan interest rates."

Healy believes the U.S. economy will run out of capacity and he predicts there will be "labor shortages, higher prices and the Fed will continue to tighten money."

The National Automobile Dealers Association, which last week released its forecast, shared a similar outlook for 1989. It predicted 10.2 million car sales, citing increases in personal debt, higher vehicle prices and increasingly reliable late models as factors in the pending decline.

The NADA forecasters also noted that for the first time in many years, the average monthly payment necessary to finance a new vehicle will increase faster than family income. It, too, forecasts a difficult time for entry-level vehicles, saying sales of subcompacts will drop more than 11 percent.

DRI expects Western Europe, Japan and the Pacific region to conclude 1988 at record sales levels.

Four of the five biggest European markets — the United Kingdom, France, Italy and Spain — will all surpass 1987 sales. The United Kingdom and France will each eclipse 2 million units for the second straight year, and Italy will go over the 2 million mark for the first time. Spain will break the 1 million barrier in 1988, DRI predicts.

West Germany achieved record volume of 2.92 million cars in 1987 but will decline to 2.73 million this year.

Next year, France, the United Kingdom and Italy will each fall below 2 million units, the research group said. DRI-Europe also expects Spain will drop back below 1 million cars, countering most industry forecasts that the fast-growing Spanish market will continue to expand.

DRI projects that Italy's Fiat will finish the year as the No. 1 seller in Europe, ending Volkswagen's three-year reign. It also predicts that Fiat's hold on first place will continue as availability of its new Tipo mid-range model increases in European export markets.

DRI says new registrations in Japan will rise more than 10 percent in 1988 to 3.61 million cars. But though the Japanese economy will keep growing next year, a more liberal tax structure expected to be introduced in 1990 will cause new-car registrations to decline 6.9 percent to 3.36 million in 1989 as buyers defer purchases. However, sales will achieve a record 3.67 million in 1990 as a result of pent-up demand and lower tax rates.

Registrations will also rise this year year in peripheral markets, including the Pacific region, Africa, the Middle East and Latin America, said DRI-Europe.

The research group said Brazilian demand will increase 30 percent this year to 530,000 units and rise another 9 percent in 1989, through sales will remain well below the record levels of the early 1980s.

Registrations in South Korea will go from 313,000 this year to 384,000 in 1989 and climb to 526,000 in 1993, the report predicts.

DRI-Europe is forecasting less dramatic sales growth in Taiwan, which will rise from 272,000 units in 1988 to 292,000 next year and 321,000 by 1993.

Demand will also rise next year in the Malaysian Peninsula, Australia, New Zealand and India and continue to grow in the early 1990s.

The Latin American markets, including Brazil, Mexico and Argentina, are likewise generally expected to expand over the five-year period.

DRI-Europe said world production will grow 3.7 percent to a record 34.31 million in 1988. But the expected decline in demand next year will cause output to fall by 2.5 percent to 33.44 million. However, further growth is forecast for the early 1990s.

European production will grow by about 400,000 units this year to 12.9 million. Only West Germany and Sweden, with their heavy dependence on the slumping U.S. import market, will produce fewer cars in 1988 than in 1987. But next year, production is expected to fall in almost every European producing nation as total output declines to about 12.2 million units, the report said.

West German car production will continue to fall next year due to further depression of the local car market caused by to higher fuel taxes and an end to tax incentives for catalytic converter-equipped cars, DRI-Europe predicts.

West German producers are also hurt by expected declines in their major European export markets and the overall aging of German-built high-volume mid-range models, the VW Golf, Ford Escort and Opel Kadett. Another factor, according to DRI, is the expected shift of some sourcing from West Germany to lower-cost United Kingdom plants.

DRI-Europe projects that 1993 world car production will be 36.17 million cars, a 5.4-percent increase over 1988. Production in the United States will rise 5.3 percent to 7.54 million from 7.16 million over the five-year period, and western European output will grow less than one percent, to 12.94 million from a projected 12.92 million this year.

Japanese production, however, will fall 4.4 percent to 7.69 million over the next five years, which DRI-Europe attributes to local manufacturers moving more production offshore.

The report projects a 30-percent jump in South Korean production from 886,000 in 1988 to 1.15 million next year and 1.68 million by 1993.

Automotive News Staff Reporter Philly Murtha in Detroit contributed to this report.

PRODUCTION

Truck, auto output hit Nov. record

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

United States truck makers set a production record for November of 358,746, surpassing the previous record of 339,721 set in 1978.

Last month's output was slightly higher than October's 355,438 and 13.96 percent more than the year-ago month's 314,792.

Last week's targeted truck output of 95,003 dipped 3.06 percent from the prior week's 98,005 but rose 12.54 percent from the year-ago week's 84,417.

Year-to-date, 3,949,036 trucks have been assembled, 7.50 percent more than the 3,673,498 built last year at this point.

Carmakers' build of 645,987 for November was the highest for that month since 1985 when 668,083 cars were assembled.

Last week's scheduled production totaled 166,892 cars, 1.77 percent more than the previous week's 163,995 and 11.22 percent above the year-ago week's 150,058.

So far this year, 6,769,014 cars have been assembled, slightly below (0.71 percent) the 6,817,705 built last year at this time.

Companies split last week's scheduled production as follows: General Motors, 46.98 percent; Ford Motor Co., 25.09 percent; Chrysler Motors, 17.44 percent; Honda of America Manufacturing Inc., 4.49 percent; Mazda Motor Manufacturing Co. (U.S.A.) Corp., 3.42 percent; Nissan Motor Manufacturing Co. U.S.A., 1.37 percent; and New United Motor Manufacturing Inc., 1.21 percent.

GM's Lordstown, Ohio, plant remains idle until Jan. 3 to change the paint system. Overtime was slated last Saturday at Janesville, Wis.; Lansing, Mich.; Lordstown, Ohio; Flint, Mich., Fort Wayne, Ind.; Shreveport, La.; and Moraine, Ohio.

Volvo GM Heavy Truck Corp. increased output at its plant in Dublin, Va., by five units per day to 60 trucks per day. The move adds 50 workers.

Saturday overtime was slated for Ford's Twin Cities, Mo., and Lorain, Ohio, plants. Daily overtime is slated at all Ford car and truck plants this week.

Production rate slips in Canada

Production of cars in Canada for November totaled 79,071, 8.65 percent below October's 86,563 and 19.16 percent below the year-ago month's 97,817.

Last week, automakers scheduled 17,527 cars to be built, 4.47 percent below the prior week's 18,347 and 19.30 percent below the year-ago week's 21,720.

So far this year, 991,628 cars have been built, 29.28 percent above the 767,014 completed last year at this time.

Truck output for November totaled 91,224 units, 7.80 percent above the October output of 84,627 and 32.98 percent above the year-ago month's 68,602.

Truck makers targeted 21,314 units to be built last week, 2.58 percent more the previous week's 20,777 and 11.83 percent above the year-ago week's 19,060.

U.S. CAR	Week Ended Dec. 10, 1988	Week Ended Dec. 12, 1987	Week Ended Dec. 3, 1988	Nov. Total	Jan. 1 to Dec. 10, 1988	Jan. 1 to Dec. 12, 1987
Alliance	0	0	0	0	0	15,994
Total Eagle	0	0	0	0	0	15,994
Horizon	1,500	1,256	2,149	5,999	76,359	43,238
Sundance	3,000	1,977	3,189	9,542	100,695	86,367
Reliant	2,300	3,436	2,700	8,332	88,141	128,579
Acclaim	900	0	954	3,308	5,154	0
Caravelle	0	618	0	56	9,265	40,958
Gran Fury	200	242	233	1,471	19,632	6,896
Total Plymouth	7,900	7,529	9,225	28,708	299,246	306,038
LeBaron K	0	1,034	0	0	7,912	62,056
LeBaron J	3,500	2,812	3,525	10,577	85,202	109,533
LeBaron GTS	200	520	283	707	9,006	36,254
N. Yorker E-Class	0	0	0	0	0	57,102
N. Yorker C-Class	2,700	1,468	2,388	9,153	101,297	17,035
Fifth Avenue	900	1,223	1,053	2,976	31,663	62,468
Total Chrysler	7,300	7,057	7,249	23,413	235,080	344,448
Omni	1,500	1,215	1,985	5,779	74,997	37,806
Daytona	2,300	1,846	2,361	7,070	75,666	60,739
Shadow	2,700	2,512	2,642	8,392	98,040	91,582
Aries	2,200	3,747	2,886	9,896	88,083	121,487
Dodge 600	0	796	0	0	8,549	36,640
Dynasty	3,500	1,642	3,050	12,024	107,854	6,354
Lancer	200	307	256	934	8,921	22,574
Spirit	1,200	0	1,174	3,444	5,524	0
Diplomat	300	394	572	1,428	18,424	14,409
Total Dodge	13,900	12,459	14,926	48,967	486,058	393,591
CHRYSLER MOTORS	29,100	27,045	31,400	101,088	1,020,384	1,060,071
Escort	9,655	9,299	9,285	39,815	395,786	375,989
Mustang	4,599	4,633	4,223	15,372	191,345	204,856
Tempo	3,853	4,095	3,870	14,512	175,219	138,376
Taurus	8,874	7,924	8,714	33,622	377,594	390,843
Thunderbird	3,321	3,012	3,041	7,819	105,961	151,174
Total Ford Div.	30,302	28,963	29,133	111,140	1,245,905	1,261,238
Lynx	0	0	0	0	0	21,352
Topaz	1,647	1,334	1,630	5,653	67,520	44,641
Cougar	2,204	2,758	2,037	6,334	82,233	132,746
Sable	3,020	2,684	3,160	12,083	129,345	117,515
Total Mercury	6,871	6,776	6,827	24,070	279,098	316,489
Continental	1,566	590	1,817	6,213	51,963	12,413
Mark VII	783	564	909	3,088	27,052	27,246
Lincoln	2,351	2,917	2,726	9,312	118,068	135,321
Total Lincoln	4,700	4,071	5,452	18,613	197,083	174,980
Total L-M Division	11,571	10,847	12,279	42,683	476,181	491,469
FORD MOTOR CO.	41,873	39,810	41,412	153,823	1,722,086	1,752,707
Skyhawk	1,180	822	1,147	4,233	27,259	32,846
Skylark/Somerset	1,617	1,359	1,835	7,173	51,875	62,994
Century	3,400	1,777	3,461	16,013	135,595	152,105
Regal (rwd)	0	350	0	0	0	40,175
Riviera	661	263	642	2,690	12,103	12,836
Electra	2,495	1,691	2,515	10,291	86,625	90,956
LeSabre (fwd)	2,901	2,451	2,911	11,356	128,684	137,222
LeSabre (rwd)	180	185	211	890	9,454	9,614
Reatta	270	0	259	620	9,251	0
Total Buick	12,704	8,898	12,981	53,266	460,846	538,748
Cimmaron	0	111	0	0	3,693	10,170
Eldorado	778	619	751	3,183	33,761	20,164
Seville	590	833	562	2,416	22,284	18,995
Brougham (rwd)	1,225	1,991	897	3,623	34,421	73,247
Deville (fwd)	4,760	3,380	5,192	19,400	155,281	135,751
Allante	75	120	75	300	2,089	4,390
Total Cadillac	7,428	7,054	7,477	28,922	251,529	262,717
Cavalier	7,531	7,124	7,242	29,043	339,893	299,244
Camaro	2,625	2,658	2,548	10,903	94,979	116,699
Celebrity	4,350	3,648	4,545	20,674	180,945	283,338
Corsica/Beretta	8,565	8,980	10,157	39,419	415,018	333,229
Monte Carlo	0	1,686	0	0	0	72,100
Caprice	3,865	5,991	3,697	15,905	196,626	189,404
Corvette	450	646	492	2,134	21,883	27,150
Total Chevrolet	27,386	30,733	28,681	118,078	1,249,344	1,321,164
Calais	3,183	3,108	3,023	12,073	113,038	113,927
Firenza	0	431	0	0	5,230	13,516
Cutlass Ciera	1,630	0	1,664	6,323	35,069	108,395
Cutlass Supreme	3,440	1,482	0	9,919	133,648	73,145
Toronado	331	460	312	1,341	14,610	15,502
88 (fwd)	3,359	3,437	3,344	13,728	150,153	171,439
88 (rwd)	225	409	176	649	10,556	14,392
Olds 98	2,007	1,772	1,757	7,160	71,380	69,218
Total Oldsmobile	14,175	11,099	10,276	51,193	533,684	583,132
Sunbird	3,291	2,206	2,426	10,820	106,671	84,596
Grand Am	6,240	4,747	6,010	20,869	232,915	238,281
Firebird	1,655	1,435	1,646	6,950	63,444	74,948
Grand Prix	0	0	0	13,564	132,543	0
Pontiac 6000	2,445	29	2,569	9,364	89,989	67,496
Bonneville	2,971	1,900	2,973	12,215	116,359	120,828
Safari/Parisienne	110	144	97	386	7,122	8,912
Fiero	0	1,096	0	0	13,297	31,778
Total Pontiac	16,712	11,557	15,721	74,168	762,340	626,839
GENERAL MOTORS	78,405	69,341	75,136	325,627	3,257,743	3,332,600
HONDA	7,500	6,811	7,338	31,391	350,755	311,846
Civic	2,460	2,049	2,463	10,473	105,140	85,612
Accord	5,040	4,762	4,875	20,918	245,615	226,234
MAZDA†	5,705	491	4,978	20,929	153,977	3,506
NISSAN	2,284	1,328	2,055	8,341	105,704	111,190
NUMMI	2,025	3,203	1,676	4,788	122,365	182,837
Corolla	1,825	1,107	1,497	4,490	51,224	41,958
Geo Prizm/Nova	200	2,096	179	298	71,141	140,879
VOLKSWAGEN	0	2,029	0	0	35,997	62,948
Golf/GTI	0	1,329	0	0	30,444	46,655
Jetta	0	700	0	0	5,553	16,293
Total Cars, U.S.	166,892	150,058	163,995	645,987	6,769,014	6,817,705
Total Cars, Canada	17,527	21,720	18,347	79,071	991,628	767,014
U.S., Canada Cars	184,419	171,778	182,342	725,058	7,760,642	7,584,719
U.S., Canada Cars and Trucks	300,736	275,255	301,124	1,175,028	12,603,087	12,045,658

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended Dec. 10, 1988	Week Ended Dec. 12, 1987	Week Ended Dec. 3, 1988	Nov. Total	Jan. 1 to Dec. 10, 1988	Jan. 1 to Dec. 12, 1987
Eagle	0	—	0	0	0	—
Premier	1,275	—	1,290	5,629	57,814	—
CHRYSLER MOTORS	1,275	1,364	1,290	5,629	57,814	10,322
Escort	0	—	0	0	0	—
Lynx	0	—	0	0	0	—
Tempo	3,268	—	3,391	13,614	163,701	—
Topaz	1,628	—	1,729	6,848	66,281	—
Crown Victoria	2,895	—	2,985	12,664	124,022	—
Grand Marquis	2,865	—	2,879	12,664	125,658	—
FORD MOTOR CO.	10,656	10,767	10,984	45,790	479,662	414,275
Celebrity	194	—	351	1,748	19,733	—
Cutlass Ciera	3,722	—	4,032	15,781	212,170	—
Cutlass Supreme	0	—	0	0	0	—
Grand Prix	0	—	0	0	0	—
Pontiac 6000	0	—	0	0	29,690	—
Regal	0	—	0	2,626	139,613	—
GENERAL MOTORS	3,916	9,135	4,383	20,155	401,206	319,613
Civic	1,500	—	1,510	6,742	44,917	—
Accord	0	—	0	0	1,828	—
HONDA	1,500	454	1,510	6,742	46,745	14,815
VOLVO	180	0	180	755	6,201	7,989
Total Cars, Canada	17,527	21,720	18,347	79,071	991,628	767,014

U.S. TRUCK☆	Week Ended Dec. 10, 1988	Week Ended Dec. 12, 1987	Week Ended Dec. 3, 1988	Nov. Total	Jan. 1 to Dec. 10, 1988	Jan. 1 to Dec. 12, 1987
Caravan	2,500	—	2,689	9,025	89,043	—
Dakota	2,700	—	2,861	9,595	104,221	—
Mini-Ram Van	200	—	188	807	11,573	—
Pickups	2,700	—	2,861	9,336	82,726	—
Total Dodge	8,100	8,968	8,599	28,763	287,563	301,724
Cherokee	3,800	—	4,582	16,866	177,991	—
Commanche	700	—	858	3,259	41,897	—
Grand Wagoneer	300	—	350	1,368	13,509	—
Pickups	0	—	0	0	0	—
Wagoneer	200	—	232	835	10,336	—
Total Jeep	5,000	4,687	6,022	22,328	243,733	213,631
Voyager	2,100	—	2,307	8,278	82,410	—
Total Plymouth	2,100	—	2,307	8,278	81,775	—
CHRYSLER MOTORS	15,200	13,655	16,928	59,369	610,160	515,355
Aerostar	4,940	—	4,900	16,571	197,938	—
Bronco	1,809	—	2,031	6,906	55,642	—
Bronco II	2,829	—	3,250	11,117	116,338	—
Econoline	5,552	—	5,627	21,554	232,105	—
Heavy trucks	1,374	—	1,229	5,039	62,035	—
Light trucks	11,662	—	12,788	43,299	473,044	—
Ranger	7,672	—	8,126	26,385	310,631	—
Total Ford Div.	35,838	31,490	37,951	130,871	1,447,733	1,417,312
FORD MOTOR CO.	35,838	31,490	37,951	130,871	1,447,733	1,417,312
Astro	3,377	—	3,520	14,483	167,773	—
Blazer	628	—	523	2,192	25,162	—
Mediums/Heavies	356	—	356	1,728	19,084	—
P-Model	959	—	922	2,221	38,654	—
Pickups	10,563	—	9,822	34,899	354,307	—
S-10	6,805	—	6,609	24,776	291,102	—
S-10 Blazer	3,835	—	4,418	15,738	164,080	—
Sportsvan/Van	0	—	0	5,477	86,204	—
Suburban	1,689	—	1,191	5,769	67,134	—
Total Chevrolet	28,212	25,214	27,361	107,283	1,213,500	1,083,654
Jimmy	188	—	162	653	7,366	—
Mediums/Heavies	594	—	519	2,094	33,600	—
P-Model	61	—	98	237	4,838	—
Pickups	3,077	—	3,065	11,508	108,974	—
S-15	1,596	—	1,791	6,437	67,012	—
S-15 Jimmy	1,145	—	982	4,541	46,099	—
Safari	1,009	—	1,024	3,524	43,139	—
Suburban	759	—	859	2,757	30,081	—
Vandura/Rally Vans	0	—	0	1,603	30,617	—
Total GMC	8,429	6,258	8,500	33,354	371,726	360,850
GENERAL MOTORS	36,641	31,472	35,861	140,637	1,585,226	1,444,504
NAVISTAR	1,870	1,822	1,871	7,114	82,212	72,051
NISSAN	2,704	3,228	2,644	9,755	90,605	94,768
AM GENERAL*	450	450	450	1,800	21,780	16,650
MISCELLANEOUS*	2,300	2,300	2,300	9,200	111,320	112,860
Total Trucks, U.S.	95,003	84,417	98,005	358,746	3,949,036	3,673,498

CANADIAN TRUCK	Week Ended Dec. 10, 1988	Week Ended Dec. 12, 1987	Week Ended Dec. 3, 1988	Nov. Total	Jan. 1 to Dec. 10, 1988	Jan. 1 to Dec. 12, 1987
Caravan	3,414	—	3,425	14,164	137,003	—
Mini-Ram Van	204	—	206	862	11,489	—
Ram Wagon	620	—	635	2,721	25,654	—
Ram Van	1,730	—	1,799	7,449	70,277	—
Total Dodge	5,968	8,067	6,067	25,197	244,423	371,413
Voyager	2,526	—	2,622	10,996	121,427	—
Total Plymouth	2,526	—	2,622	10,996	121,427	—
Wrangler	1,248	—	1,318	5,690	50,087	—
Total Jeep	1,248	1,039	1,318	5,690	50,087	34,607
CHRYSLER MOTORS	9,742	9,106	10,007	41,883	415,937	406,020
FORD MTR. (lt. trks.)	3,648	3,628	3,563	15,952	156,036	145,414
Light trucks	3,670	—	3,900	16,765	150,564	—
Vans	1,594	—	1,562	6,840	58,650	—
Total Chevrolet	5,264	—	5,462	23,605	209,214	—
Light trucks	1,839	—	1,167	6,286	72,996	—
Vans	551	—	578	2,739	28,482	—
Total GMC	2,390	—	1,745	9,025	101,478	—
GENERAL MOTORS	7,654	6,101	7,207	32,830	310,692	226,524
NAVISTAR	270	225	0	759	10,744	9,483
Total Trks., Canada	21,314	19,060	20,777	91,224	893,409	787,441
U.S., Canada Trks.	116,317	103,477	118,782	449,970	4,842,445	4,460,939

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Gas-tax hike could peril auto sales

Chrysler, Ford support increase

By Diana T. Kuryiko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — As support grows for a gas-tax boost to help solve federal budget problems, new studies reveal that the effects on the automobile industry and the highway system could be devastating.

Vehicle production would decline by 460,000 units — half cars, half trucks — annually and the industry would lose more than 120,000 jobs if the gasoline tax is increased 15 cents per gallon, warns an economic study by General Motors.

The effects of a 45-cent hike would be far more dramatic and could slash car sales by as many as 1.5 million units, the GM study said. The sales loss would be felt most severely by the three domestic car companies because foreign-car sales would go up as gas prices rise, GM said.

Similar conclusions were drawn by the Wall Street firm Smith Barney, which found that a gas tax would shift the mix of cars back to smaller, imported models.

Smith Barney economists agreed with GM's finding that a tax increase would hurt sales, but its estimates are lower than GM's worst-case scenario. Smith Barney found that each 10-cent rise in the price of gasoline reduces new-vehicle demand by at least 150,000 to 200,000 vehicles, or about 1 percent in today's market of 15.5 million cars and trucks.

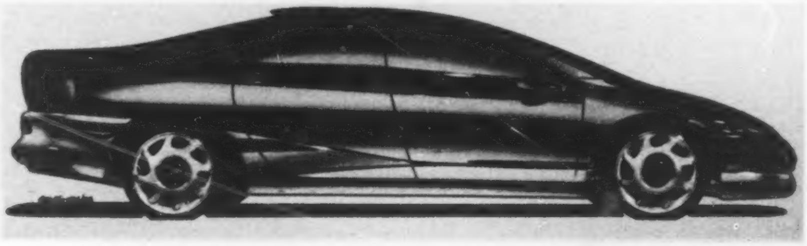
Chrysler Chairman Lee Iacocca has called for a gas tax increase to ease budget problems and Ford Vice Chairman Harold Poling reiterated last week that he would support such a move. But GM has been against a tax hike.

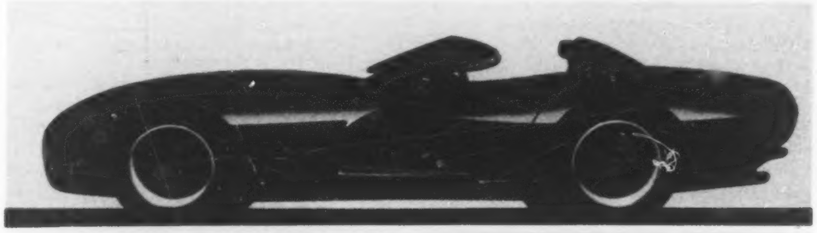
Ironically, Smith Barney said Chrysler would be hardest hit of the domestic manufacturers by a tax hike. The firm said higher fuel prices would depress truck sales faster than auto sales and Chrysler is more dependent on trucks than GM or Ford.

GM estimated that with a 15-cent tax hike, its car sales would drop by 240,000, Ford's would decrease 160,000 and Chrysler's 90,000, with a 10,000-unit loss split among other domestics. But foreign-car companies would gain sales of 40,000 because of the increased demand for fuel-efficient cars, GM said.

The Smith Barney study found the relationship between a decline in vehicle sales and an increase in gas taxes would be linear up to 25 cents per gallon, but beyond that point, sales would drop at faster rate than the increase in the price of fuel.

see GAS TAX, page 44





Chrysler Millennium, top, demonstrates the company's technology and design direction for the 1990s, while Dodge Viper appears to blend the classic lines of a 1960s Cobra with V-10 punch

SHOWTIME: *Chrysler's 1990s concepts to be exhibited in Detroit*

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — Chrysler Motors will unveil five concept vehicles and a 1990 production model at next month's North American International Auto Show in Detroit.

The concept vehicles seek to emphasize the image the company is cultivating for each of its car and truck brands.

The six vehicles are:

- The Chrysler Millennium — a four-place sedan that emphasizes safety and control-related features.
- The Plymouth Speedster — a youth-oriented two-place coupe designed as a mating between high-performance motorcycles and open sports cars.
- The Dodge Viper — a rear-wheel-drive convertible conceived as a classic American drop-top with styling cues borrowed from late 1950s and early 1960s wind-in-the-face roadsters. The car is mounted with a V-10 engine.
- The Dodge Dakota Sport V-8 — a truck package based on the Dakota mid-sized pickup packed with a V-8 engine.
- Jeep concept sport-utility vehicle — a more aero-looking Jeep Cherokee, achieved with flush side glass and a windshield rake seven degrees beyond that of a production Cherokee.
- The Eagle Talon — the 1990 version of the sport coupe marketed by Plymouth as the Laser and Mitsubishi as the Eclipse.

Plymouth Speedster depicts the mating of high-performance motorcycles and open sports cars

Thomas Gale, Chrysler Motors vice president of product design, said the company will monitor reaction to the vehicles on the 1989 auto show circuit.

"I don't think we've reached far enough if the show car ends up in production," Gale said. "But elements of them will end up in production."

Of the concept vehicles, the Dodge Viper

see CHRYSLER, page 43

Lease value off; lending firms suffer

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Leading banks and financial institutions are smarting from hefty losses on the residual values of hundreds of thousands of retail lease vehicles that are now coming to term.

Banks that have been heavily involved in automotive retail leases like California-based Security Pacific are scurrying to lower residual values set on retail lease vehicles as the actual resale prices of the vehicles coming off lease fall short of the residuals. This could make the leases less attractive to consumers because monthly payments will rise.

Even Ford Motor Credit concedes that its losses have been substantial on residual values of vehicles coming off lease — particularly for low-end vehicles like Escort, Lynx, Tempo and Topaz.

"We have had some heavy residual losses," said Cliff Damaska, retail lease manager — Ford Motor Credit. "We screwed up on selected car lines and set the residual values too high."

A spokesman from Chrysler Financial Corp. acknowledged the company has experienced residual losses on retail leases but declined to detail them.

Bill Nerenberg, executive director of the National Vehicle Leasing Association, said residual losses exist mainly at banks that are new to retail leasing, but the problem does spread across the entire industry.

"A lot of the banks have been looking at residual losses," he said. "They offered bargain-basement payments on unrealistically high residuals."

That pretty much characterizes what many financial institutions, particularly on the East and West Coasts, did as they hurried to write competitive retail leases beginning in the mid-1980s. To keep consumers' monthly payments low, they set high residual values.

Those leases began terminating in 1987. The vehicles are being returned to dealers rather than bought by lessees, and they are bringing far lower prices than the residual values set in the original agreements.

Best estimates by industry officials peg averages of vehicles coming off lease at 7 to 10 percent less than predicted. And some vehicles could be as much as 20 percent beneath original predictions.

The residual value problems could affect as many as

see LEASE, page 44

From cash to people

Another big job for 'GM's other Smith'

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — For seven years, during one of the most crucial periods in the history of General Motors, F. Alan Smith held one of the corporation's most important posts, that of chief financial officer.

Today, he has a different job — executive vice president, in charge of the operating and public affairs staffs groups — one that could prove to be equally as important during another crucial period for GM.

As head of the operating staffs, Smith ultimately is responsible for every GM employee, and it is the employees of GM, Smith believes, who will be the key element in GM's turnaround or lack thereof.

The operating staffs include the industrial relations department, which is responsible for hourly workers, and the personnel administration and development department, which covers salaried workers.

Smith said in an interview that

see SMITH, page 43

DWIGHT CENDROWSKI

Smith: responsible for everyone at GM

Ford develops catalyst with no platinum

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co.'s announcement last week that it has developed a catalytic converter that does not require platinum sent prices of platinum and other precious metals plummeting worldwide.

Although Ford would not disclose what it would use as a replacement, a source familiar with the project said that palladium, rhodium and cerium — all less expensive than platinum — are used.

The new catalytic converter will be used in 40,000 to 50,000 1989-

see CATALYST, page 44

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Prechter's ASC seeks
specialty-car pact
Page 4

Ford rushes to purchase ailing thrifts

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. confirmed last week that it has stepped up its pursuit of some of the nation's troubled savings and loan associations in an effort to beat a year-end change in tax laws.

Ford, which is sitting on $9.3 billion in cash, has made no secret of its intent to expand its financial services business through acquisitions. But the company is now scurrying to take advantage of tax breaks that are scheduled to lose half their value by Jan. 1.

"To be frank, we are interested in acquiring the savings and loans because of the tax credits we could earn and because we think we could turn them around and make them profitable," Vice Chairman Harold Poling told reporters in Washington last week.

Ford has been an "active bidder" for troubled thrifts throughout the year, said a spokesman for the Federal Home Loan Bank Board.

So far, about 150 struggling institutions have been dealt. Ford, through its First Nationwide Bank subsidiary, has been able to pick up just one — the $1.2 billion Lincoln Federal Savings and Loan Association, Westfield, N.J.

The bank board has said that it expects another 50 to change hands by the end of the year, so there should be a flurry of activity in coming weeks.

Some of the deals could be completed in unique ways, the board has said. The troubled financial institutions have been sold as single units as well as in packages.

A year ago, Ford was pursuing one of the nation's largest thrifts, the $33.5 billion American Savings and Loan Association. The bank board broke off those negotiations, however, and the unit is now in the process of being acquired by the Robert M. Bass Group of Texas.

Any major purchases could place First Nationwide Bank closer to the top of the S&L industry. As of Sept. 30 it ranked sixth. It currently has more than $24 billion in assets.

Automotive News Staff Reporter Geoff Sundstrom in Washington contributed to this story.

New GMC Rustler model will be part of spring drive

GM's upscale pickups

Tony Lama, Stetson models spice lineup

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

LOUISVILLE, Ky. — General Motors is using designer trucks, created by some of the RV industry's best-known upfitters, to bolster its competitiveness in the pickup market.

Keith Ball, GMC Truck manager of special vehicles, calls it third-party marketing. Jeff Nihart, Bivouac Industries truck and special project manager, calls it horizontal marketing.

Regardless of the label, the difference between those customized pickups and traditional van conversions is that they don't bear the converter's name but rather that of a third, high-status company.

"We're not promoting Bivouac. We're promoting Chevys and GMCs" through special license agreements with companies like Rustler, Stetson and USA-1, Nihart said.

The specially packaged models provide upper-level trim series to GM vehicles, and give dealers and the companies multiple promotional opportunities, Nihart added.

Aviator Conversions, Wakarusa, Ind., first offered a Winchester series for GMC last year and followed up with a Tony Lama line for Chevrolet this year.

This spring, Bivouac, in Vandalia, Mich., together with Chevrolet, GMC, their dealers and the brand-name companies involved, plans a variety of promotional efforts on the new Rustler, Stetson and USA-1 models it has been producing.

Dealers, along with the truck divisions, are expected to pitch in on funding for the promotions.

The Rustler is a package for both Chevrolet and GMC full-sized pickups. The Stetson and USA-1 are variations for GMC and Chevrolet, respectively, for larger dealers who want additional variety in their orders.

The packages all have a dealer base price of $1,999.

Nihart, who designed the program, said one advantage is that it will give dealers exposure where they normally aren't represented, such as at state fairs and on the sports cable television station ESPN.

Chevrolet, for example, has been running a "Truck 'n Boot" sweepstakes for the Tony Lama trucks.

Nihart anticipates selling 5,000 of the Bivouac-created models in the 1989 model year.

Bivouac has a five-year contract with Stetson and the other signature companies. It is authorized to offer additional models next year.

GMC's Ball said other specially designed vehicles and promotional efforts, involving other converters like Choo-Choo Customs in Chattanooga, Tenn., are running in other areas of the country.

The pickup conversion market is not nearly as sophisticated as the van conversion market.

Still, it is emerging as the best new opportunity for converters, particularly those interested in joining GMC's bailment system.

At the Recreation Vehicle Industry Association's 26th annual Trade Show in Louisville, Ball said he was unlikely to approve any new van converters for GMC's consignment system. He said he already had enough to handle all the van chassis allocated to the division.

"If we add anybody to our bailment, it would be for upfitting Suburbans, S-15s or Sierras. The last five companies I added were all strictly in pickups and Suburbans," Ball said.

Dodge prepares pickup campaign

By Joseph Bohn
AUTOMOTIVE NEW STAFF REPORTER

HIGHLAND PARK, Mich. — Within three weeks, Dodge will launch a major marketing program to restore its flagging pickup sales.

Jerome York, Chrysler Motors vice president of Dodge car and truck division, also said the division:

- Will introduce a new Shadow convertible in the 1990 model year. Sourcing hasn't been determined.
- Will price the new Dakota convertible pickup truck near $14,000.
- Will introduce a new full-sized pickup line before 1994 if circumstances are propitious.
- Already has dealer orders for its full 1989-model allotment of turbodiesel engine models;
- Is interested in fielding a commercial chassis for the Class 4 market segment. York sees Class 4 trucks "growing tremendously" over the next five years.

Dodge dealers, frustrated by their declining sales of full-sized pickups in an otherwise booming market, have blamed the company's lack of aggressiveness.

Dodge's full-sized pickup sales were off 15.42 percent for the first 11 months of calendar 1988. Dodge lost 2.00 percentage points of market share in that 1.3-million-unit segment.

York said Dodge wasn't able to fully compete in the segment because of inventory shortages created by a 1988 production schedule made in the wake of the October 1987 stock market crash.

Its dealers only now have enough pickups to participate in a major new marketing drive being planned for Dodge Ram and Dakota pickups within three weeks, he added.

Chrysler will produce 52,000 full- and mid-sized pickups during the fourth quarter of this year and plans to build 54,000 in the first quarter of 1989, up sharply from 37,000 units in the first quarter of 1988.

Although York mentioned only pickups, the rumor among dealers is that Ramchargers, with rebates of up to $1,500, will also be included in the sales drive.

Meanwhile, York said pickups fit with the new Cummins turbodiesel are "sold to the walls." Chrysler built 6,000 this fall and will build another 12,000 from January through June, when production will halt for the model year.

York said that because 50 percent of the diesel models' sales are incremental, they represented at least a 9-percent increase in Chrysler's normal 100,000-unit annual big-pickup volume.

Chrysler invested about $40 million in this engine/truck project.

It is seeking an increase in the 1990 model year over the 18,000 slated for this model year.

Meanwhile, members of Dodge's dealer council, meeting with division officials recently, were highly irate at learning that they may not get a new line of full-sized pickups until 1994.

York said that Chrysler policy is to not discuss the exact timing of forward model programs. It also did not give dealers "hard information about our new-model plans beyond 2½ years" out because economic conditions could alter their timing.

He described dealer reports that the new pickups wouldn't bow until 1994 as a "worse-case scenario. The reality is sooner than that."

He added, however, that "our experience has been that you can't control all the variables. For example, we don't plan a recession, but the probabilities are that, over the next couple of years, we will likely see one."

York added that "on balance, the dealers were pretty happy with our product plans through 1992. Our objective is to keep them in the No. 3 divisional position and keep them selling a minimum of one million units a year."

He said there were "firm plans" for a 1990-model Shadow convertible, and "we think Dodge will do about 25,000 units a year."

The Dakota convertible, going into production next month, should "easily do 5,000 the first year," he said.

Although available only on the Dakota Sport model, which has "a lot of standard equipment," it will "definitely be at the low end of convertible pricing — pushing up toward $14,000," York said.

Ford Motor Co.'s success with its Class 4 Super Duty models has caught the attention of Chrysler, which would like to enter this segment within a few years.

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Mercedes and GM go to court; seek retroactive CAFE rollback

By Helen Kahn
SENIOR CORRESPONDENT

WASHINGTON — General Motors and Mercedes-Benz of North America have gone to court to find out if NHTSA is correct in saying the law does not allow it to roll back corporate average fuel economy standards retroactively.

Both companies have petitioned the U.S. Court of Appeals for the District of Columbia circuit for review.

The two automakers have petitioned the agency to roll back the CAFE standard retroactively so they can avoid penalties for not meeting it.

While the arguments from all parties will be similar to those made in NHTSA proceedings more than a year old, the government is expected to use a recent Supreme Court ruling on retroactive rulemaking that may apply in the CAFE case.

That decision, Bowen vs. Georgetown University Hospital, says in part that "retroactivity is not favored in the law. Thus, congressional enactments and administrative rules will not be construed to have retroactive effect unless their language requires this result. By the same principle, a statutory grant of legislative rulemaking will not, as a general matter, be understood to encompass the power to promulgate retroactive rules unless that power is conveyed by Congress in express terms."

Last year, GM asked NHTSA to roll back retroactively the 1985 CAFE standard, which Congress had set at 27.5 mpg. Mercedes-Benz asked for the retroactive rollback of both the 1985 and 1984

see CAFE, page 42

$500 rebate SHO-prises Ford execs

No, the beancounters at Ford Motor Co. haven't gone mad. You might simply chalk up their recent largess to a case of unintended incentivization.

After all, it's not every day that any automaker gives away $500 on a brand-new model. Yet some of the first owners of the Taurus SHO have been handed an unexpected rebate along with their keys to Ford's new high-performance sedan.

The SHO hardly needed a sales push. Orders have already exceeded the 10,000 mark — more than half of what Ford can build this model year. And the car has been on sale only two months.

The rebate can be traced to a program Ford intended for more sedate Taurus models beginning Nov. 9. Then the SHOs began trickling into dealerships. Its arrival apparently triggered a question: Since the SHO is a Taurus, shouldn't it qualify for the rebate too? Ford decided that because it never said the SHO wasn't covered, it had a legal obligation to include the new model in the program.

Dealers said their customers were eager to grab the $19,739 SHO without a rebate. But they haven't thumbed their noses at the checks, either.

"I think they figure it's a little bonus," said Dave Sinclair Jr., general manager at Dave Sinclair Ford in St. Louis.

Ford doesn't have to worry about losing its shirt on the deal. Sinclair and a sales manager at another large Ford dealer said they had received only a handful of SHOs so far. Ford recently cut off the SHO incentive, limiting it to cars delivered by Dec. 15.

As of last week, Ford's Atlanta assembly plant had built about 4,300 SHOs. Many of those are in the pipeline to showrooms.

— David Versical

LEGAL BRIEFS

Pa. Pontiac dealership to honor vacation trips

HARRISBURG, Pa. — An Allegheny County new-car dealership will make good on its promise of vacation packages to more than 350 consumers under a court agreement with the Pennsylvania attorney general's office of consumer protection.

The attorney general's office said the agreement requires Cochran Pontiac Inc., Monroeville, Pa., to pay $500 in costs pertaining to the investigation and to refund fees and deposits paid by consumers.

The agreement, an assurance of voluntary compliance, alleges Cochran placed advertisements promising vacations in Las Vegas, including airfare and hotel accommodations for two, for consumers who bought certain vehicles from the dealership. But when the travel promotion firm arranging the trips went out of business, consumers were unable to arrange for the vacations, said Attorney General LeRoy S. Zimmerman.

The assurance alleges Cochran's ads led consumers to believe the vacations were offered at no charge, when in fact, consumers were required to pay $130 in fees and deposits to the travel agency, Zimmerman's office said.

Although not admitting wrongdoing, Cochran will offer 353 consumers a choice of a substitute vacation package greater in retail value and character to the Las Vegas trip or $100 cash.

Cochran will refund any fees or deposits paid by consumers.

The assurance was signed for the dealership by its vice president, R.E. Cochran.

Solar heater buyers sue Chrysler First Financial

WHITTIER, Calif. — A consumer group has filed a federal class-action suit against Chrysler First Financial, a division of Chrysler Corp., alleging criminal violations of federal racketeering laws.

The suit, filed by a group called Public Interest Inc., also names several California-based solar heating companies.

The suit claims that "Chrysler jointly devised a sophisticated scheme designed to systematically defraud homeowners through a process of selling and financing domestic solar heating systems."

This case, Mercado vs. Chrysler First Financial, was filed in U.S. District Court in Los Angeles and asks damages and relief under provisions of the Racketeering Influence and Corrupt Organizations section of the Organized Crime Control Act of 1970.

"If successful, this nationwide lawsuit will benefit more than 200,000 victimized homeowners in about 30 states," said Joe Morgan, Public Interest director.

"Using a systematic scheme of high-pressure sales, phony gifts, quick installations, exaggerated utility savings, bogus rebates, defective equipment, hidden finance charges, and undisclosed liens on homes, Chrysler Financial, and a host of solar companies, bilked an estimated $2 billion from American homeowners from 1983 to 1986," said Morgan.

"Many homeowners who lost more than $10,000 each to Chrysler have written Lee Iacocca asking him to make this right as he did with the old Chryslers sold as new cars. All we got was a legal response. Now we have given Chrysler our legal response," said homeowner Cesario Mercado of Oxnard, Calif.

A Chrysler Financial spokesman said he could not comment on matters of pending litigation.

Court says dealer beef can't cross state line

CINCINNATI — A federal court has ruled that a Kentucky law allowing a dealer to protest placement of a competing franchise within 10 miles of his operation does not apply when the complaining dealer is in another state.

The U.S. Court of Appeals for the Sixth Circuit agreed with a lower court's position that Kentucky did not intend to protect an out-of-state dealership even though it was within 10 miles of a new Kentucky dealership.

In 1985, Peugeot Motors of America granted a franchise to The BMW Store in Ci[illegible]. Later, Riverside Ford [illegible]ort, Ky., applied to Eas[illegible] Distributors Inc., an inc[illegible]stributor of Peugeots, f[illegible]e that was within 10 mile[illegible] BMW Store, but on the Kentu[illegible] side of the Ohio River.

The BMW Store then sued Peugeot Motors, Eastern Auto Distributors and Riverside Ford, seeking a preliminary injunction restraining Eastern and Riverside under a Kentucky law that allows the dealer affected by the 10-mile rule to file a protest and stay his potential competitor's operation until the Motor Vehicle Commission holds a hearing.

The district court denied the Ohio dealership's request for a stay and the federal appeals court affirmed the decision.

Dealer loses appeal over competitor's site

PITTSBURGH — Bianchi Subaru has found what a difference a day can make when appealing the placement of a competing Subaru point within its relevant marketing area.

A Pennsylvania court upheld a decision by the state's Board of Vehicle Manufacturers and Dealers that dealer Raymond Bianchi's protest was invalid since it arrived 21 days after he learned that Penn Jersey Subaru intended to open a point within his market area. State law says the protest must be filed within 20 days.

Bianci was notified of the new point by his distributor Dec. 10, 1986, and was told that no internal appeals procedure exists within the organization. Bianchi mailed his letter of protest to the state board Dec. 30 and it was not received until Dec. 31.

After the state board dismissed his protest as being untimely, Bianchi appealed, saying the 20-day provision applies only after a dealer has gone through an internal appeals process and, as a result, the law is ambiguous when such a system is not available. In that case, Bianchi argued, a reasonable period — such as 21 days — should be allowed.

Judge Alexander Barbieri said he found no ambiguity in the application of the 20-day limit and agreed with the state board that the protest was not officially filed until it was received by the board.

Bianchi said he is still conferring with his lawyers about possible further litigation.

"It would be risky suing my distributor, because, as you know, they're like God. They decide how many cars you get (to sell) and when you get them."

Penn Jersey is one of three remaining independently owned Subaru distributorships.

Ohio charges dealer deceived customers

HAMILTON, Ohio — The state attorney general has charged that Motzer Dodge-Jeep-Eagle allegedly deceived new- and used-car buyers by adding delivery and handling charges to sales contracts.

Motzer is alleged to have charged buyers a $95 fee, claiming the fee covered the cost of inspecting and preparing new cars for delivery and overhead expenses.

"This fee seems erroneous because preparation costs for new cars are reimbursed to the dealer by the manufacturer, and preparation services are not performed on used cars," said a spokesman for the attorney general's office.

The suit seeks refunds plus interest for customers overcharged by Motzer during the past two years. The dealership also could be liable for up to $100,000 in civil penalties for violations of state law.

A spokesman for the dealership declined to comment.

IMPORT SALES BY MODEL

	Nov. 1988	Nov. 1987	11 Mos., 1988	11 Mos., 1987
ACURA	10,075	8,740	118,408	99,031
Integra	3,928	3,496	53,664	50,160
Legend	6,147	5,244	64,744	48,871
ALFA ROMEO	232	372	4,117	5,888
Milano	126	227	2,076	2,661
Spider	106	145	2,041	3,227
AUDI	1,355	2,305	21,637	39,486
4000S	6	96	216	8,985
4000CS Quattro	1	99	77	2,891
5000S	59	620	5,279	18,139
5000CS Turbo	10	179	895	3,473
5000CS Turbo Quattro	8	594	1,010	3,413
80	286	236	5,383	294
90	356	339	5,709	402
100/200	452	0	2,063	0
100/200 Quattro	175	0	733	0
Coupe GT	2	140	272	1,889
BMW	6,642	6,291	66,190	81,095
3 Series	2,800	3,808	33,291	53,362
5 Series	2,288	1,213	16,364	15,026
635CSi	132	158	1,744	1,895
7-Series	1,176	861	12,189	8,966
M3	112	173	1,565	918
M5	75	50	479	370
M6	59	28	558	558
CHEVROLET	6,107	11,631	107,423	125,595
Spectrum	2,733	6,105	63,092	71,314
Sprint	3,374	5,526	44,331	54,281
CHRYSLER MOTORS	9,481	9,684	119,524	125,435
Colt	5,261	5,137	74,966	74,275
Conquest	518	616	9,381	10,991
Medallion	1,214	1,391	13,945	12,144
Summit	1,099	0	3,078	0
Vista	1,389	1,505	18,154	28,025
DAIHATSU	1,054	0	10,637	0
FORD Festiva	5,164	3,224	63,429	23,038
HONDA	20,221	27,341	232,114	271,722
Civic/CRX	5,173	11,947	90,029	117,240
Accord	10,916	9,646	94,973	92,823
Prelude	4,132	5,748	47,112	61,659
HYUNDAI	17,732	18,074	242,930	244,265
ISUZU	1,599	2,722	22,998	35,797
I-Mark	1,360	2,044	16,015	29,061
Impulse	239	678	6,983	6,736
JAGUAR	1,925	1,761	18,687	20,071
XJ6	1,599	1,439	14,315	15,186
XJS	326	322	4,372	4,885
MASERATI	25	73	716	842
MAZDA	16,123	18,572	207,051	187,705
323	5,848	6,551	84,212	69,251
626	4,573	4,849	61,871	69,395
MX-6	273	2,392	7,800	8,475
929	1,784	2,227	24,257	4,681
RX-7	1,643	2,553	25,798	35,903
MPV	2,002	0	3,113	0
MERCEDES BENZ	5,504	6,748	77,080	82,156
190	1,049	1,077	15,579	16,271
260E	[illegible]71	523	5,943	5,604
300	1,686	1,689	19,635	21,424
300 SE	683	0	4,597	0
300SDL Turbo	0	[illegible]36	90	5,918
300SEL	280	304	4,497	327
420SEL	686	1,1[illegible]	7,822	13,807
560SEL	599	[illegible]	5,193	5,648
560SL	851	1,0[illegible]4	11,016	10,686
560SEC	172	182	1,486	1,583
Tourist	127	23	1,222	888
MERKUR	779	845	14,479	13,665
XR4Ti	498	556	5,412	8,723
Scorpio	281	289	9,067	4,942
MITSUBISHI	4,492	4,683	64,492	62,769
Starion	96	244	2,862	4,827
Cordia	160	421	5,509	3,993
Tredia	5	226	475	4,792
Mirage	734	1,102	11,275	13,592
Galant	1,599	797	18,877	10,093
Precis	1,578	1,390	19,416	19,204
Van/Wagon	320	503	6,078	6,268
NISSAN	33,744	31,329	329,562	379,812
Sentra	11,318	11,123	126,578	105,923
Pulsar	3,023	3,385	43,106	58,773
Stanza	3,820	5,100	44,328	62,384
Maxima	9,030	6,509	65,679	87,312
200SX	5,531	1,384	27,283	28,851
300ZX	1,022	2,128	18,362	31,534
Hawaii	0	1,700	4,226	5,035
PEUGEOT	544	873	6,212	8,468
PONTIAC LeMans	5,442	2,664	57,536	32,654
PORSCHE	1,016	1,557	14,510	22,350
924S	85	118	2,193	2,870
944	228	389	3,385	6,017
944S	35	48	457	1,837
944 Turbo	127	211	1,667	2,483
911 Coupe	184	319	2,810	3,852
911 Turbo	109	128	1,027	1,438
911 Cabriolet	134	153	1,690	2,042
928S	114	191	1,281	1,811
SAAB	3,088	2,965	35,790	42,002
900	508	640	6,140	9,202
900S	667	798	9,378	13,499
900 Turbo	740	681	8,678	8,372
9000S	314	303	3,345	3,441
9000 Turbo	856	528	7,538	6,768
Tourist	3	15	711	718
STERLING	425	1,045	8,517	13,260
SUBARU	11,583	13,443	143,197	160,540
Hatchback	330	836	5,001	7,568
3-Door	589	1,236	8,469	13,382
4-Door Sedan	2,658	2,143	30,631	36,833
XT	860	978	13,268	16,741
Station Wagon	4,519	6,601	61,032	74,778
Justy	2,627	1,649	24,796	11,238
SUZUKI Swift	228	0	244	0
TOYOTA	53,897	51,524	559,522	511,130
Corolla	14,618	13,811	143,615	100,640
Tercel	10,667	8,928	92,788	89,448
Celica	5,362	5,199	61,396	72,177
Supra	1,597	1,916	18,165	27,288
Camry	17,318	16,534	194,008	163,186
Cressida	1,833	1,243	11,995	20,024
Land Cruiser	293	605	5,577	4,198
Van	400	594	4,925	11,974
4Runner SR 5	1,427	630	19,387	2,177
MR2	382	869	7,666	14,632
Hawaii	0	925	0	5,386
***VOLKSWAGEN**	9,109	9,229	133,746	118,979
Cabriolet	423	504	12,222	13,018
Jetta	3,092	3,289	47,528	47,689
Golf/GTI	1,600	0	9,317	0
Vanagon	390	564	4,992	9,938
Quantum	191	234	2,829	8,418
Scirocco	249	253	3,490	6,645
Fox	3,164	4,385	53,368	35,271
VOLVO	8,134	6,493	92,893	102,529
240 Series	3,532	2,486	39,411	47,49[illegible]
740 Series	3,913	2,513	40,013	39,632
760 Series	584	1,376	11,203	13,549
780	80	72	1,630	46[illegible]
Tourist	25	46	636	1,386
YUGO	2,002	3,204	30,014	45,972
IMPORT TOTAL	238,722	246,085	2,803,655	2,856,256

*Volkswagen has reported sales of U.S.-built Golf and GTI models as imports after June 30, 1988.

Compiled by Karen [illegible]

Car inventories rise; 71-day supply tallied

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Stocks of new U.S.-built cars and imported cars crept up in November in spite of improved sales and introduction of bolder incentives by the Big 3.

Inventories, however, were about average for the beginning of December. Some dealers told Automotive News that their stockpiles were just right considering the Big 3 plant closings in December for the holidays.

Import-car stocks, however, were the highest for any Dec. 1 since Automotive News began compiling such figures.

Lagging November sales were responsible for bulging import stocks. Makes with stocks representing 100-200 days' supplies included all the Big 3 captives, Isuzu, Suzuki, Audi, Volskwagen, Alfa Romeo, Sterling, and Yugo.

On Dec. 1, combined import and U.S.-built car stocks were 2,238,205, equal to a 71-day supply. That was 7.08 percent higher than on Nov. 1, when there were 2,090,681 cars, representing a 65-day supply.

However, combined car stocks were shaved 1.36 percent below last Dec. 1, when there were 2,269,629 unsold domestic and import cars, equal to a 74-day supply.

This year, domestic carmakers' share of the combined car stockpile on Dec. 1 was reduced by 2.32 percentage points. Domestic cars represented 71.99 percent, and the import share was 28.01 percent.

December opened with 627,074 imported cars in stock, equal to a 66-day supply, compared with 603,043 unsold imported cars on Nov. 1, for a 65-day supply. A year ago, there were 583,128 imported cars, representing a 57-day supply.

The Dec. 1 stockpile of U.S.-built cars totaled 1,611,631 units, a 73-day supply. That was 8.33 percent higher than last month's 1,487,638, a 66-day supply.

Domestic-car stocks were 4.44 percent below a year ago on Dec. 1 when there were 1,686,501 cars, representing a much fatter 83-day day supply because of slower November deliveries.

The average Dec. 1 days' supply of U.S.-built cars for 1983-1987 was 69 days. The Big 3's average days' supply of domestic cars on Dec. 1 for those five years was 72. For imports, the average was 37.

Many dealers queried by Automotive News said they were "very comfortable" with their inventories. A Connecticut Ford dealer said he had a six-week supply of cars, and a New Jersey multi-store owner said he had about 65 days' worth of all his cars.

Dealers claim that incentives have been necessary because the customer has come to count on enticements. "Everytime they knock a program off, we get a lull," said Peter Griffin, owner of Griffin Ford and Griffin Putnam Buick in Greenwich, Conn.

Six of the seven U.S. carmakers reported heftier inventories than on Nov. 1.

GM's domestic stocks were equal to an 81-day day supply on Dec. 1, up slightly from 76 days on Nov. 1.

However, GM reduced its domestic stockpile significantly from last year's total which was equal to a worrisome 101-day supply of cars. November sales gains and a new round of inducements helped curtail GM's inventory numbers.

Ford's domestic stocks were 11.40 percent above last month's levels. Ford began December with a 77-day supply, up from a 62-day supply a month ago.

Several Ford dealers and Ray L. Windecker, Ford's director of research and analysis, were quite content with the Dec. 1 numbers. "We'd be happier with 75 days' worth of domestic cars, but it's not a point of concern until it reaches 80 days — 100 scares you," Windecker said.

Chrysler Motors' U.S.-built car stocks rose nearly 10 percent from Nov. 1, and it began December with a 72-day supply vs. 63 days' worth on Nov. 1.

Among the transplants, Toyota reported a slim 13-day supply, although its car stocks were nearly 40 percent higher than it month-earlier total of 17 days.

Honda began the month with a lean 15-day supply, even though its transplant stocks were slightly higher than on Nov. 1, when it had 16 days' worth of U.S.-built cars.

Mazda's supply of U.S.-built cars were slightly higher on Dec. 1. It had the equivalent of 58-days' worth of cars compared with a 46-day supply a month earlier.

Although Nissan's U.S.-built car inventories continued to climb, the Japanese carmaker began December with a 66-day supply of cars vs. 73 days' worth on Nov. 1. Nissan's sales strengthened in November.

The import car and truck stockpile on Dec. 1 grew to 783,528, a 67-day supply, up from 746,664, a 66-day supply a month ago. The import vehicle stockpile was up slightly from 778,720 a year ago.

Import-truck stocks rose to 156,454, equal to a 74-day supply up from 143,621 on Nov. 1, a 70-day supply.

DOMESTIC DAYS' SUPPLIES

	Dec. 1, 1988	Nov. 1, 1988	Dec. 1, 1987
Alliance	—	—	73
Eagle	—	—	96
Premier	129	111	—
Total Eagle	129	111	77
Horizon	105	73	[illegible]
Sundance	61	58	71
Turismo	—	—	[illegible]
Reliant	47	37	[illegible]
Acclaim	32	—	[illegible]
Caravelle	100	[illegible]	[illegible]
Gran Fury	[illegible]	43	[illegible]
Total Plymouth	62	52	[illegible]
LeBaron K	81	61	[illegible]
LeBaron	73	75	[illegible]
LeBaron GTS	[illegible]	[illegible]	[illegible]
Fifth Avenue	[illegible]	[illegible]	[illegible]
New Yorker C	[illegible]	[illegible]	[illegible]
New Yorker E	[illegible]	[illegible]	[illegible]
Total Chrysler	[illegible]	[illegible]	[illegible]
Omni	[illegible]	[illegible]	[illegible]
Shadow	[illegible]	[illegible]	[illegible]
Charger	—	—	[illegible]
Daytona	82	77	[illegible]
Aries	44	36	[illegible]
Lancer	211	119	211
Spirit	79	—	—
Diplomat	75	[illegible]	[illegible]
Dynasty	40	50	[illegible]
Dodge 600	94	68	[illegible]
Total Dodge	67	57	[illegible]
CHRYSLER MTRS.	72	63	[illegible]
Escort	83	71	[illegible]
Mustang	76	71	[illegible]
Tempo	54	50	[illegible]
Taurus	[illegible]	[illegible]	77
Thunderbird	[illegible]	83	[illegible]
Probe	65	45	—
Crown Victoria	75	[illegible]	[illegible]
Total Ford Div.	77	[illegible]	[illegible]
Lynx/Tracer	[illegible]	[illegible]	77
Topaz	[illegible]	[illegible]	[illegible]
Sable	81	[illegible]	[illegible]
Cougar	[illegible]	[illegible]	[illegible]
Grand Marquis	50	[illegible]	[illegible]
Total Mercury	84	[illegible]	[illegible]
Continental	36	41	[illegible]
Lincoln	62	[illegible]	[illegible]
Mark VII	[illegible]	64	[illegible]
Total Lincoln	58	52	[illegible]
Total L-M Division	75	61	[illegible]
FORD MOTOR CO.	77	62	[illegible]
Skyhawk	144	[illegible]	[illegible]
Somerset/Skylark	114	[illegible]	177
Century	76	72	[illegible]
Regal	110	124	[illegible]
LeSabre	77	73	[illegible]
Reatta	158	140	—
Electra	92	74	[illegible]
Riviera	[illegible]	[illegible]	118
Total Buick	92	[illegible]	113
Cimarron	46	[illegible]	110
Allante	194	158	[illegible]
Seville	82	67	54
DeVille	43	43	[illegible]
Brougham	80	71	[illegible]
Eldorado	77	84	51
Total Cadillac	81	[illegible]	74
Chevette	—	—	112
Geo Prizm/Nova	172	[illegible]	222
Cavalier	70	64	[illegible]
Camaro	78	100	[illegible]
Celebrity	87	78	[illegible]
Corsica/Beretta	114	[illegible]	[illegible]
Monte Carlo	91	[illegible]	[illegible]
Caprice	76	74	[illegible]
Corvette	104	[illegible]	[illegible]
Total Chevrolet	[illegible]	84	121
Firenza	110	[illegible]	131
Calais	95	100	114
Cutlass Ciera	[illegible]	48	[illegible]
Cutlass Supreme	92	97	[illegible]
Olds 88	78	72	[illegible]
Olds 98	81	92	[illegible]
Toronado	110	[illegible]	[illegible]
Total Oldsmobile	[illegible]	72	[illegible]
Fiero	129	72	144
Pontiac 1000	—	—	78
Sunbird	92	[illegible]	[illegible]
Firebird	115	[illegible]	[illegible]
Grand Am	82	80	[illegible]
Pontiac 6000	[illegible]	74	[illegible]
Grand Prix	111	94	[illegible]
Bonneville	97	[illegible]	[illegible]
Paris./Safari	105	87	[illegible]
Total Pontiac	80	87	74
GENERAL MTRS.	81	76	101
HONDA	15	16	[illegible]
MAZDA	58	46	47
NISSAN	66	73	24
TOYOTA	13	17	[illegible]
VOLKSWAGEN	—	—	117
DOM. TOTAL	73	66	[illegible]
Subcompact	82	[illegible]	[illegible]
Compact	[illegible]	49	67
Intermediate	82	78	[illegible]
Standard	73	63	[illegible]
Specialty	124	[illegible]	[illegible]

IMPORT DAYS' SUPPLIES

	Dec. 1, 1988	Nov. 1, 1988	Dec. 1, 1987
Chevrolet	[illegible]	165	131
Chrysler/Mitsubishi	131	146	78
Acura	40	34	[illegible]
Daihatsu	[illegible]	79	—
Honda	18	16	13
Isuzu	174	[illegible]	113
Mazda	34	[illegible]	[illegible]
Mitsubishi	[illegible]	123	94
Nissan	72	[illegible]	[illegible]
Subaru	[illegible]	61	[illegible]
Toyota	[illegible]	19	[illegible]
JAPAN	[illegible]	57	[illegible]
Audi	153	115	115
BMW	73	[illegible]	58
Mercedes-Benz	45	[illegible]	[illegible]
Merkur	170	[illegible]	[illegible]
Porsche	[illegible]	[illegible]	102
VW*	139	[illegible]	[illegible]
GERMANY	[illegible]	77	78
Alfa Romeo	144	[illegible]	62
Festiva	136	144	112
Hyundai	75	67	[illegible]
Jaguar	34	[illegible]	[illegible]
Peugeot	90	[illegible]	73
Pontiac	[illegible]	[illegible]	[illegible]
Eagle/Renault	210	224	[illegible]
Saab	[illegible]	[illegible]	71
Sterling	105	[illegible]	[illegible]
Volvo	61	53	[illegible]
Yugo	133	140	[illegible]
Other Countries	[illegible]	[illegible]	[illegible]
Total Import Cars	66	65	57
Isuzu	111	[illegible]	[illegible]
Mazda	[illegible]	72	[illegible]
Mitsubishi	[illegible]	[illegible]	61
Nissan*	[illegible]	[illegible]	107
Range Rover	34	[illegible]	42
Suzuki	[illegible]	[illegible]	[illegible]
Toyota	30	24	44
Chrysler	140	135	121
Total Imp. Trucks	74	70	[illegible]
Total Imp. Vehicles	67	66	61

*Includes domestic vehicles.

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Canada T6B 2T1
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PERSONNEL

FROM PAGE 29

George S. Bak, vice president, group supervisor on the Buick account. He joins the firm from Young & Rubicam where he was vice president, management supervisor on the Goodyear account.

Robert F. Lyons, vice president, associate creative director, assigned to the Buick and GMC Truck accounts. He joins the firm from Young & Rubicam, where he was vice president, creative director.

Dan A. Nearhood, senior art director. He joins the firm from Ross Roy, where he held the same position. He will work on Buick, GMC Truck and other accounts.

Gil Franceschi, senior art director, assigned to the Buick and GMC Truck accounts. He formerly had his own consulting firm, Ads Infinitum.

Susan L. Salatka, keyliner, assigned to the firm's McGraphic unit.

Dennis Romanoski, traffic coordinator, assigned to the GMC Truck and Champion Spark Plug accounts.

Morton Thiokol

George D. Lutz has been named vice president, industrial coatings, for Morton Thiokol Inc.

In his new post, Lutz will add the responsibility for the powder coatings group to his present position as president of Bee Chemical Co.

Plastigage/Gordon

Mira Miller has been appointed marketing manager for Plastigage/Gordon Plastics, and **Larry McLeskey** has been named division manager.

Miller has been with the company 10 years and most recently was sales coordinator.

McLeskey formerly was corporate quality assurance manager.

Rockwell International

Richard C. Quaid has been named vice president of South American operations for the on-highway products organization of Rockwell International's automotive operations.

He joined Rockwell in 19[illegible] most recently was general managing director of Braseixos S.A., Sao Paulo, Brazil.

Sherwin-Williams

George A. Higgins has been named director of sales and marketing for the automotive group of Sherwin-Williams Co.'s Chemical Coatings Division.

He formerly was vice president of sales for Seibert Oxidermo.

Pannier Corp.

Pannier Corp. has announced a reorganization plan and has named three executive vice presidents. They are:

Allan D. Schilling, sales and marketing. He formerly was vice president of sales for the Pittsburgh division.

John E. Visconti, manufacturing. He formerly was vice president of manufacturing of the Pittsburgh division.

David E. Gibbs Jr., finance and chief financial officer. He formerly was controller and vice president of finance.

SKF Bearing Industries

George Maddox has been named manager, applications engineering for the automotive business unit of SKF Bearing Industries, Detroit.

He has been with the company 31 years and most recently held the same position at SKF, United Kingdom.

Toyoda Machinery

Albert F. Kinzer has been named vice president — automotive sales for Toyoda Machinery U.S.A. Inc., Arlington Heights, Ill.

Kinzer joins the company from ITT Automotive where he was director of sales and marketing for Thomson Division's wheel, body trim and structural components.

Traffic Safety Now

Traffic Safety Now has reelected **Helen O. Petrauskas** chairperson. She is vice president of environmental and safety engineering for Ford Motor Co.

Charles L. Spilman has been reelected to the full-time position of president.

James D. Johnston has been renamed treasurer. He is vice president of industry and government relations at General Motors.

Marvin W. Stucky has been named secretary. He is executive director of regional affairs for Chrysler Motors.

TRW

James C. Leslie has been appointed vice president — engineering for the TRW transportation electronics division, and **Melvin J. Rachal** has been named vice president — operations for the TRW valve division.

Leslie joins the company from Chrysler Corp., where he was manager, wiring systems, engineering office.

Rachal formerly was director of manufacturing services for the valve division.

In TRW's steering and suspension division, **Ann R. O'Neill** has been named general superintendent for the plant in Sterling Heights, Mich., and **Mark G. Angolia** has been named named quality manager for that facility.

O'Neill joined the company in 1981 and most recently was a plant quality manager. She replaces **James Handysides**, who is now plant manager at the division's Greenville, N.C., plant.

Angolia joined the company in 1983 and most recently was quality engineering manager for the steering and suspension division.

Varta Batteries

Varta Batteries has announced several appointments. They are:

Craig E. Spafford, vice president — automotive sales. He joins the company from Midas Canada Inc., where he was director of wholesale operations.

Rod Wilkes, national sales manager. He formerly was Eastern Canada sales manager.

Bob Huta, sales manager — original equipment. He formerly was sales supervisor original-equipment/export.

Tom McGinn, national accounts manager. He formerly was sales supervisor national accounts.

VG Systems

Jack Delpit has been named vice president of sales for VG Systems Inc.

He joins the company from General Parametrics Corp., where he was director of sales.

Other suppliers

Roger G. Andrzejewski has been appointed director of human resources and **Jim Miller** has been named director of corporate communications for Lacks Industries, Grand Rapids, Mich. . . .

Ann Berry has been appointed manager of marketing communications for Samsung Semiconductor Inc. . . .

Louise Corsini-Green has been appointed research planner at Beurmann-Marshall Corp., Southfield, Mich. . . .

James B. Davis has been appointed chief financial officer of Ransburg Corp., Indianapolis. . . .

Gary Dickinson, vice president and group executive in charge of the technical staffs group at General Motors, and **Gino J. Giocondi**, vice president for quality and productivity at Chrysler Motors, have been named to the Metropolitan Center for High Technology in Detroit. . . .

Chuck Eckert has joined Carico Systems, Fort Wayne, Ind., as sales engineer. He will be responsible for the firm's automotive accounts in Indiana and Michigan. . . .

John G. Freihaut, vice president of sales operations at Siemens Energy & Automation Inc., Atlanta, plans to retire Jan. 1, 1989, after 32 years with the company. He will continue as a consultant. . . .

Allen R. Frydenlund has joined Charles River Associates, Boston, as a senior associate in the technology assessment program. . . .

Daniel G. Hackett has been named account manager, Western region, for Nuturn Corp.'s automotive products division, Smithville, Tenn. **Stephen K. Hammil** has been named automotive products division controller. . . .

Jorgen Hedenhag has been named general sales manager for Tymac Controls Corp. He formerly was national sales manager for Aquanetics Inc. . . .

Peter M. Holleran has been named chief chemist in the materials development laboratory of Kingston-Warren Corp., Newfields, N.H. . . .

John Paul Hoyer has been named corporate controller for Morgan Drive Away Inc. . . .

James G. Hutzel has been named manager — materials at Polymer Corp., Reading, Pa. . . .

Joan Jackson, senior public relations account manager at Keller-Crescent Co., has been elected to the Motor & Equipment Manufacturers Association's board of governors. . . .

Jerry Jaques has been named manager of marketing support for Sheffield Measurement, Dayton, Ohio, and **Jack Quinlan** has been named Sheffield's sales manager for North America. . . .

Mark McAleer has been named assistant sales manager for Sparkomatic Corp.'s Southern region. . . .

Peter Raider has been appointed floorplan manager of Lease Mart, Trumbull, Conn., a Bank Mart subsidiary. . . .

Andrew Salvatore has been named manager of production and inventory planning for Fedco Automotive Components Co., Buffalo, N.Y. . . .

Earl I. Seekins has been named vice president and general manager of the Flow Services Division of Flow Systems. The company makes ultrahigh-pressure waterjets and abrasivejets applications for industrial cutting and milling. . . .

K. Grahame Walker, president and chief operating officer of Dexter Corp., has been elected a director of Barnes Group Inc., Bristol, Conn. Barnes Group is the parent of Associated Spring.

AUCTION DATES

Chrysler Motors

Dec. 20 — Florida Auto Auction of Orlando, Ocoee, Fla.; American Auto Auction, Walpole, Mass.; Denver Auto Auction, Aurora, Colo.; Nashville Auto Auction, Nashville, Tenn.; South Seattle Auto Auction, Kent, Wash.; Ark-La-Tex Auto Auction, Shreveport, La.; Hatfield Auto Auction, Hatfield, Pa.; and Golden Gate Auto Auction, Fremont, Calif.

Dec. 21 — Northway Exchange, Clifton Park, N.Y.; Minneapolis Auto Auction, Plymouth, Minn.; and Butler Auto Auction, Gibsonia, Pa.

Dec. 22 — Clanton's Auto Auction, Darlington, S.C.; Big Sky Auto Auction Inc., Billings, Mont.; Aptco Auto Auction, Taylor, Mich.; Salt Lake Auto Auction, Salt Lake City; and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

Used Car Sales

Auction Averages

December 88	$5,381
Month ago	$5,810
Year ago	$5,914

Ford Motor Co.

Dec. 20 — Harrisonburg Auto Auction, Harrisonburg, Va., and Golden Gate Auto Auction, Fremont, Calif.

Dec. 21 — Albuquerque Auto Auction, Albuquerque, N.M.; Concord Auto Auction, Acton, Mass.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Lakeland Auto Auction, Lakeland, Fla.; Newburgh Auto Auction Inc., Newburgh, N.Y.; and Salt Lake Auto Auction, Salt Lake City

Dec. 22 — Wednesday Auto Auction, Obetz, Ohio; Skyline Auto Exchange, Fairfield, N.J., and St. Louis Auto Auction, St. Louis

Model Breakdown

Auction Averages

	DEC 1988	NOV 1988	OCT 1988
1988 ...	$9,723	$9,514	$9,863
1987 ...	$7,300	$7,330	$7,759
1986 ...	$5,365	$5,997	$6,495
1985 ...	$4,664	$5,077	$5,698
1984 ...	$3,769	$3,721	$4,206
1983 ...	$2,782	$2,948	$3,258
1982 ...	$2,189	$2,228	$2,633
1981 ...	$1,585	$1,706	$1,882
Overall Average	$5,381	$5,204	$5,748

General Motors

Dec. 20 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and Harrisonburg Auto Auction, Harrisonburg, Va.

Dec. 21 — Atlanta Auto Auction, Atlanta; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Southern California Auto Auction, Fontana; Puget Auto Auction, Auburn, Wash.; and Omaha Auto Auction, Omaha, Neb.

Dec. 22 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; Nashville Auto Auction, Nashville; and Denver Auto Auction, Englewood, Colo.

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WHERE: Imperial Auto Auction of Lakeland, Fla., a Manheim Auction.

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Early-December sales drop 10%

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Early-December domestic-car deliveries dropped 10.52 percent from the corresponding period of 1987.

Suggesting that the lower 10-day numbers might be misleading, auto analyst Michael Luckey of Michael Luckey Consulting Group Inc., Creskill, N.J., said, "Companies started to adopt major incentives at this time last year. Today's incentives are still pretty modest. The annual selling rate of 7.1 million is consistent with what we have seen since Oct. 1. Pricing was pretty steep on '89 models. The level of incentives will continue to grow."

This year, 167,438 U.S.-built cars were sold during the period, down from 187,126 in early December last year.

The latest period also was off 10.33 percent from last month's first 10 days, when 186,521 U.S.-built cars were sold.

The surge in last month's first-period sales was mainly due to a new batch of incentives.

In spite of early-December's downturn, calendar year-to-date sales of U.S.-built cars were 9,881,997, up 3.22 percent from 9,573,968 sold through Dec. 10 last year.

In early December, the daily selling rate was 18,604, 10.52 percent lower than last year's 20,792 rate. Both periods had nine selling days.

Only Honda, Nissan and Mazda reported gains over the year-ago 10-day period in sales of U.S.-made cars.

General Motors sold 10.29 percent fewer domestic cars in the first 10 days, with each of its car divisions reporting downturns.

Ford Motor Co. delivered 11.62 percent fewer cars than in the year-earlier period.

Although Chrysler Motors sold 10.29 percent fewer U.S.-built cars in the period, Dodge reported a 20.98 percent increase over early-December 1987.

Honda's transplant sales climbed 33.74 percent from last year and Nissan delivered 28.50 percent more U.S.-built cars in the period, while Toyota's transplant car sales fell 41.68 percent below last year's.

Mazda reported a threefold gain in sales of cars built at its Flat Rock, Mich., plant.

U.S. light-truck sales totaled 99,353 in early December, down 11.40 percent from 112,136 last year.

DOMESTIC SALES

	Dec. 1-10, 1988	Dec. 1-10, 1987
Eagle	933	453
Chrysler	5,764	9,103
Plymouth	5,751	7,663
Dodge	11,608	9,596
Chrysler Motors	24,056	26,814
Ford	34,934	40,401
Mercury	11,122	11,917
Lincoln	4,181	4,523
Ford Motor Co.	50,237	56,841
Buick	11,782	14,629
Cadillac	5,953	8,060
Chevrolet	33,290	37,958
Oldsmobile	14,084	15,557
Pontiac	15,043	15,832
General Motors	80,152	92,036
Volkswagen	—	873
Honda	9,358	6,997
Nissan	1,966	1,530
Toyota	1,086	1,862
Mazda	583	173
U.S. Ind. Total	167,438	187,126

Nissan was the only U.S. truck maker to report an increase: 24.13 percent more than in the year-earlier period.

Ford's light-truck sales slid 21.65 percent. Chrysler sold 6.79 percent fewer light trucks, and GM reported a 5.21-percent drop.

Combined sales of U.S.-built cars and light trucks for the first 10 days were 266,791, down 10.85 percent from last year's 299,262.

In the first 10 days, the Big 3's combined domestic-car and light-truck totals declined 8 to 16 percent. Nissan was the only U.S. vehicle maker to report an overall increase; its combined sales rose 25.99 percent.

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CAFE

FROM PAGE 3

standards. Both companies have said they would like the level rolled back to 26.0.

NHTSA has denied both requests on grounds it does not have statutory authority to do so. Both companies have challenged that position in an enforcement case brought by NHTSA against Mercedes before a Transportation Department administrative law judge.

Daniel Head, the judge hearing the case at the Transportation Department, will not only decide on the authority question, but also whether Mercedes must pay $5.5 million in civil penalties for failing to meet the 1985 standard.

NHTSA wants Head to allow it to collect the fine since the 1985 CAFE standard was and is expected to be 27.5 mpg. The agency says its denial of the Mercedes and GM petitions was within its discretion and "administratively final."

It also maintains that changing any CAFE standard retroactively would be an "abuse of its discretion" and make NHTSA itself subject to court action. Moreover, retroactively changing a CAFE standard is not consistent with earning and applying credits both forward and backward.

Mercedes has taken the position that the administrative enforcement procedure should be stayed because NHTSA might still amend the CAFE standards if ordered to do so by the court of appeals. And any change resulting from CAFE adjustment litigation would also change the company's liability for civil penalties, Mercedes said.

According to Mercedes, only if the Court of Appeals agrees with NHTSA that it cannot retroactively roll back standards will the law judge need to consider the legal issues raised by it.

GM, also differing with NHTSA over its interpretation of the law, says the CAFE law does not explicitly ban the agency from retroactively changing the standard, adding that if Congress had intended to prevent NHTSA from doing so, it would have said so in the law.

GM cites a 1975 House report that says the mechanism for reviewing the standard prior to enforcement was "not intended to exclude review."

GM feels that was the law's intent "since Congress recognized that CAFE standards set long in advance of their effective date might eventually prove unattainable."

OBITUARIES

Edward L. Williams

ROYAL OAK, Mich. — Edward L. Williams, 62, retired director of community relations at Chrysler Corp., died Dec. 8. He was with Chrysler from 1955 to 1981.

R.O. Evans

DALLAS — R.O. Evans, 71, owner of R.O. Evans Pontiac-GMC Truck, died Nov. 30. He opened his dealership in 1961 after 12 years as a Buick dealer in Kauffman, Texas.

Wade Sherrard

SACRAMENTO, Calif. — Wade Sherrard, 83, retired managing director of the California Trucking Association, died Nov. 20.

Wallace J. Brinkmann

ST. LOUIS — Wallace J. Brinkmann, 60, president of King Dodge and president of the St. Louis Automotive Association, died Nov. 16.

Harriet R. Abramson

NEWTON, Mass. — Harriet R. Abramson, 57, co-founder of Silver Lake Dodge, died Sept. 13. Her husband, Herbert R., continues to operate the dealership, which they opened in 1960.

Trucks top four million for 1st time

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

U.S. truckmakers built their four-millionth vehicle of the year last Wednesday, marking the first time annual truck output has reached that figure.

The previous record was 3,880,342 in 1987.

Year-to-date, 4,044,537 units have been assembled, 7.65 percent more than the 3,757,241 completed last year at this time.

Truck output was slated at 93,779 units last week, 3.05 percent below the previous week's 96,725 but 12.41 percent more than the year-ago week's 83,429.

Last week's targeted auto production of 167,998 was slightly above (0.31 percent) the prior week's 167,477 and 29.81 percent more than the year-ago week's 129,420.

The year-ago week's output was affected by downtime at four plants for inventory adjustment and equipment changes.

So far this year, 6,937,597 cars have been assembled, slightly below (0.19 percent) the 6,950,630 completed last year at this point.

Companies split last week's scheduled car output as follows: General Motors, 47.96 percent; Ford Motor Co., 26.00 percent; Chrysler Motors, 16.13 percent; Honda of America Manufacturing Inc., 4.46 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 2.88 percent; Nissan Motor Manufacturing Co. U.S.A., 1.36 percent; and New United Motor Manufacturing Inc., 1.21 percent.

GM scheduled overtime last Saturday at its Lordstown, Ohio, car plant and its Flint, Mich., and Pontiac, Mich., truck plants.

Overtime was slated last Saturday for the following Ford plants: Wixom, Mich.; Lorain, Ohio; Wayne, Mich.; Kansas City, Mo.; Norfolk, Va.; Louisville, Ky.; and St. Louis.

All car and truck plants will close Dec. 23 for the Christmas holiday. Plants are scheduled to resume operations Jan. 4.

Millionth car built in Canada

Canadian automakers built their one-millionth car of the year last Wednesday. Auto production did not reach one million last year. The last time it topped that figure was 1986, when the full-year total was 1,073,312.

So far this year, 1,009,850 cars have been built, 27.98 percent more than the 789,052 completed last year at this point.

Scheduled production of 17,883 cars last week was a few units above the previous week's 17,866 but 19.74 percent below the year-ago week's 22,280.

Truck output was estimated at 20,965 units last week, 1.73 percent below the previous 21,334 but 11.11 percent more than the year-ago week's 18,868.

Year-to-date, 914,394 trucks have been built, 13.37 percent more than the 806,553 completed last year at this time.

All car and truck plants will be closed from Dec. 23 until Jan. 4 for the Christmas holiday.

U.S. CAR	Week Ended Dec. 17, 1988	Week Ended Dec. 19, 1987	Week Ended Dec. 10, 1988	Dec. to Date	Jan. 1 to Dec. 17, 1988	Jan. 1 to Dec. 19, 1987
Alliance	0	0	0	0	0	15,994
Total Eagle	0	0	0	0	0	15,994
Horizon	1,500	1,119	1,620	3,980	77,979	44,344
Sundance	2,400	1,713	2,884	6,560	102,979	88,244
Reliant	2,400	4,021	2,537	6,017	90,778	131,815
Acclaim	1,000	0	978	2,300	6,232	0
Caravelle	0	1,085	0	0	9,265	41,676
Gran Fury	200	117	285	578	19,917	7,088
Total Plymouth	7,500	8,055	8,304	19,494	307,150	313,167
LeBaron K	0	1,063	0	0	7,912	63,090
LeBaron J	2,900	2,251	3,499	7,809	88,101	112,245
LeBaron GTS	200	444	309	622	9,315	36,774
N. Yorker E-Class	0	0	0	0	0	57,102
N. Yorker C-Class	2,800	989	2,860	6,615	104,257	18,053
Fifth Avenue	900	982	943	2,264	32,606	63,491
Total Chrysler	6,800	5,729	7,611	17,311	242,191	360,755
Omni	1,500	1,114	1,540	3,834	76,537	38,871
Daytona	1,900	1,529	2,357	5,201	77,623	62,485
Shadow	2,400	2,449	2,925	6,382	100,665	93,894
Aries	2,200	2,933	2,163	5,517	90,246	125,234
Dodge 600	0	600	0	0	8,549	39,436
Dynasty	3,000	1,123	3,540	7,780	110,894	7,396
Lancer	200	234	225	527	9,146	22,731
Spirit	1,300	0	1,329	3,099	6,353	0
Diplomat	300	292	309	838	18,733	14,753
Total Dodge	12,800	10,274	14,388	33,158	499,346	404,800
CHRYSLER MOTORS	27,100	24,058	30,303	69,963	1,048,687	1,084,716
Escort	9,344	9,496	9,610	22,668	405,085	385,351
Mustang	4,528	4,635	4,556	10,773	195,830	209,490
Tempo	3,915	3,616	3,895	9,348	179,166	142,672
Taurus	8,812	6,101	8,935	21,233	386,467	398,974
Thunderbird	3,618	2,878	2,939	7,773	109,197	154,066
Total Ford Div.	30,217	26,726	29,925	71,795	1,275,745	1,290,553
Lynx	0	0	0	0	0	21,352
Topaz	1,590	1,130	1,615	3,857	69,078	45,959
Cougar	3,403	2,892	1,966	6,184	85,398	135,624
Sable	3,049	2,388	3,042	7,355	132,416	119,916
Total Mercury	8,042	6,410	6,623	17,396	286,892	323,066
Continental	1,804	707	1,567	4,098	53,768	13,093
Mark VII	904	651	783	2,051	27,956	27,881
Lincoln	2,710	3,399	2,350	6,150	120,777	138,702
Total Lincoln	5,418	4,757	4,700	12,299	202,501	179,676
Total L-M Division	13,460	11,167	11,323	29,695	489,393	502,762
FORD MOTOR CO.	43,677	37,893	41,248	101,490	1,765,138	1,793,315
Skyhawk	1,180	825	1,198	2,837	28,457	33,670
Skylark/Somerset	1,647	0	1,612	3,993	53,517	62,909
Century	3,280	0	3,442	8,106	138,917	152,152
Regal (rwd)	0	0	0	0	0	40,235
Riviera	661	240	617	1,535	12,720	13,098
Electra	2,495	1,691	2,478	5,979	89,103	92,663
LeSabre (fwd)	2,901	2,380	2,896	6,951	131,570	139,673
LeSabre (rwd)	180	168	177	441	9,631	9,787
Reatta	272	0	264	640	9,517	0
Total Buick	12,616	5,284	12,674	30,482	473,432	544,187
Cimmaron	0	22	0	0	3,693	10,261
Eldorado	778	600	724	1,802	34,455	20,783
Seville	590	752	536	1,351	22,820	19,829
Brougham (rwd)	1,225	1,883	1,081	2,665	35,502	75,220
Deville (fwd)	4,520	3,345	4,722	11,319	159,763	139,136
Allante	75	110	75	180	2,164	4,510
Total Cadillac	7,188	6,712	7,138	17,317	258,427	209,759
Cavalier	7,531	7,249	7,407	17,835	347,300	302,278
Camaro	2,305	2,209	2,548	5,872	97,207	119,357
Celebrity	4,260	0	4,313	10,391	185,168	283,320
Corsica/Beretta	9,005	9,156	9,117	22,185	424,575	342,209
Monte Carlo	0	10	0	0	0	72,031
Caprice	3,815	5,915	3,585	8,859	200,141	195,459
Corvette	450	642	450	1,097	22,333	27,796
Total Chevrolet	27,366	25,181	27,400	66,238	1,276,724	1,342,450
Calais	3,153	0	3,241	7,603	116,249	113,679
Firenza	0	417	0	0	5,230	13,945
Cutlass Ciera	1,680	0	1,689	4,015	36,798	108,395
Cutlass Supreme	3,660	6	3,563	7,223	137,431	73,120
Toronado	331	428	316	772	14,926	15,982
88 (fwd)	3,359	3,433	3,340	8,037	153,493	174,883
88 (rwd)	285	359	234	589	10,850	14,753
Olds 98	2,247	1,754	2,012	4,962	73,632	70,988
Total Oldsmobile	14,715	6,397	14,375	33,206	548,599	589,323
Sunbird	3,291	2,230	3,478	7,739	110,149	86,802
Grand Am	4,980	4,847	6,058	13,442	237,713	243,028
Firebird	1,488	1,231	1,609	3,755	64,886	76,383
Grand Prix	3,503	0	0	3,503	136,046	0
Pontiac 6000	2,335	0	2,414	5,777	92,293	67,496
Bonneville	2,971	1,872	2,983	7,143	119,342	125,126
Safari/Parisienne	115	115	105	259	7,232	9,052
Fiero	0	1,046	0	0	13,297	32,874
Total Pontiac	18,683	11,341	16,647	41,618	780,958	640,761
GENERAL MOTORS	80,568	54,915	78,234	188,856	3,338,140	3,386,480
HONDA	7,500	6,715	7,551	17,986	358,306	318,587
Civic	2,400	2,044	2,515	5,900	107,595	87,731
Accord	5,100	4,671	5,036	12,086	250,711	230,856
MAZDA†	4,844	533	5,779	12,614	158,895	3,997
NISSAN	2,284	1,290	2,263	5,369	107,967	112,518
NUMMI	2,025	0	2,099	4,794	124,467	186,040
Corolla	1,825	0	1,804	4,228	53,028	43,065
Geo Prizm/Nova	200	0	295	567	71,436	142,975
VOLKSWAGEN	0	2,016	0	0	35,997	64,977
Golf/GTI	0	1,316	0	0	30,444	47,984
Jetta	0	700	0	0	5,553	16,993
Total Cars, U.S.	167,998	129,420	167,477	401,073	6,937,597	6,950,630
Total Cars, Canada	17,883	22,280	17,866	43,088	1,009,850	789,052
U.S., Canada Cars	185,881	151,700	185,343	444,161	7,947,447	7,739,682
U.S., Canada Cars and Trucks	300,736	275,255	301,124	1,175,028	12,603,087	12,045,656

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended Dec. 17, 1988	Week Ended Dec. 19, 1987	Week Ended Dec. 10, 1988	Dec. to Date	Jan. 1 to Dec. 17, 1988	Jan. 1 to Dec. 19, 1987
Eagle	0	—	0	0	0	—
Premier	1,275	—	1,279	3,070	59,093	—
CHRYSLER MOTORS	1,275	1,345	1,279	3,070	59,093	11,792
Escort	0	—	0	0	0	—
Lynx	0	—	0	0	0	—
Tempo	3,268	—	3,349	7,973	167,050	—
Topaz	1,628	—	1,784	4,104	68,065	—
Crown Victoria	2,895	—	2,930	7,019	126,952	—
Grand Marquis	2,865	—	2,931	6,948	128,589	—
FORD MOTOR CO.	10,656	11,103	10,994	26,044	490,656	425,042
Celebrity	212	—	196	548	19,947	—
Cutlass Ciera	4,060	—	3,711	9,384	216,219	—
Cutlass Supreme	0	—	0	0	0	—
Grand Prix	0	—	0	0	0	—
Pontiac 6000	0	—	0	0	29,690	—
Regal	0	—	0	0	139,613	—
GENERAL MOTORS	4,272	9,075	3,907	9,932	405,469	328,908
Civic	1,500	—	1,506	3,610	46,423	—
Accord	0	—	0	0	1,828	—
HONDA	1,500	498	1,506	3,610	48,251	15,321
VOLVO	180	259	180	432	6,361	7,989
Total Cars, Canada	17,883	22,280	17,866	43,088	1,009,850	789,052

U.S. TRUCK☆	Week Ended Dec. 17, 1988	Week Ended Dec. 19, 1987	Week Ended Dec. 10, 1988	Dec. to Date	Jan. 1 to Dec. 17, 1988	Jan. 1 to Dec. 19, 1987
Caravan	2,100	—	2,699	5,875	91,342	—
Dakota	2,300	—	2,881	6,325	106,702	—
Mini-Ram Van	100	—	203	378	11,676	—
Pickups	2,300	—	2,872	6,316	85,198	—
Total Dodge	6,800	7,670	8,655	18,895	294,918	310,442
Cherokee	3,800	—	4,527	10,160	182,518	—
Commanche	700	—	920	1,963	42,817	—
Grand Wagoneer	300	—	350	790	13,859	—
Pickups	0	—	0	0	0	—
Wagoneer	200	—	240	533	10,576	—
Total Jeep	5,000	4,692	6,037	13,446	249,770	216,318
Voyager	1,800	—	2,210	4,933	84,320	—
Total Plymouth	1,800	—	2,210	4,933	83,685	—
CHRYSLER MOTORS	13,600	12,362	16,902	37,273	625,462	526,760
Aerostar	5,807	—	4,955	12,722	203,760	—
Bronco	2,128	—	1,775	4,715	57,736	—
Bronco II	3,347	—	2,839	7,486	119,695	—
Econoline	5,006	—	5,586	12,843	237,145	—
Heavy trucks	1,358	—	1,397	3,247	63,416	—
Light trucks	12,940	—	11,691	29,746	486,013	—
Ranger	7,989	—	7,644	18,883	318,592	—
Total Ford Div.	38,575	32,079	35,887	89,642	1,486,357	1,449,248
FORD MOTOR CO.	38,575	32,079	35,887	89,642	1,486,357	1,449,248
Astro	3,465	—	3,296	8,169	171,157	—
Blazer	636	—	639	1,484	25,809	—
Mediums/Heavies	457	—	842	1,441	20,027	—
P-Model	948	—	990	2,307	39,633	—
Pickups	9,203	—	10,378	23,510	363,325	—
S-10	5,632	—	6,671	14,947	296,600	—
S-10 Blazer	4,029	—	3,862	9,678	168,156	—
Sportsvan/Van	0	—	0	0	66,204	—
Suburban	1,933	—	1,944	4,363	69,322	—
Total Chevrolet	26,303	25,080	26,642	65,889	1,240,233	1,108,586
Jimmy	180	—	178	423	7,536	—
Mediums/Heavies	1,563	—	617	2,388	35,186	—
P-Model	72	—	70	181	4,919	—
Pickups	2,517	—	3,136	6,879	111,550	—
S-15	1,153	—	1,396	3,265	67,965	—
S-15 Jimmy	1,071	—	1,073	2,537	47,098	—
Safari	921	—	856	2,187	43,907	—
Suburban	515	—	507	1,366	30,344	—
Vandura/Rally Vans	0	—	0	0	30,617	—
Total GMC	7,992	6,140	7,833	19,225	379,122	[illegible]6,552
GENERAL MOTORS	34,295	31,220	36,475	85,114	1,619,355	[illegible],475,138
NAVISTAR	1,855	1,790	2,034	4,637	84,231	73,841
NISSAN	2,704	3,228	2,677	6,439	93,282	97,994
AM GENERAL*	450	450	450	1,080	22,230	17,100
MISCELLANEOUS*	2,300	2,300	2,300	5,520	113,620	115,160
Total Trucks, U.S.	93,779	83,429	96,725	229,706	4,044,537	3,757,241

CANADIAN TRUCK	Week Ended Dec. 17, 1988	Week Ended Dec. 19, 1987	Week Ended Dec. 10, 1988	Dec. to Date	Jan. 1 to Dec. 17, 1988	Jan. 1 to Dec. 19, 1987
Caravan	3,414	—	3,403	8,187	140,406	—
Mini-Ram Van	204	—	212	499	11,701	—
Ram Wagon	620	—	659	1,533	26,313	—
Ram Van	1,730	—	1,769	4,219	72,046	—
Total Dodge	5,968	8,110	6,043	14,438	250,466	379,480
Voyager	2,526	—	2,589	6,164	124,016	—
Total Plymouth	2,526	—	2,589	6,164	124,016	—
Wrangler	1,248	—	1,280	3,055	51,367	—
Total Jeep	1,248	880	1,280	3,055	51,367	35,516
CHRYSLER MOTORS	9,742	8,990	9,912	23,657	425,849	414,996
FORD MTR. (lt. trks.)	3,648	3,678	3,618	6,591	159,654	149,157
Light trucks	3,816	—	3,953	9,329	154,663	—
Vans	1,594	—	1,629	3,848	60,279	—
Total Chevrolet	5,410	—	5,582	13,177	214,942	—
Light trucks	1,344	—	1,491	3,302	73,992	—
Vans	551	—	459	1,241	28,941	—
Total GMC	1,895	—	1,950	4,543	102,933	—
GENERAL MOTORS	7,305	5,975	7,532	17,720	317,875	232,692
NAVISTAR	270	225	272	542	11,016	9,708
Total Trks., Canada	20,965	18,868	21,334	50,610	914,394	806,553
U.S., Canada Trks.	114,744	102,297	118,059	280,316	4,958,931	4,563,794

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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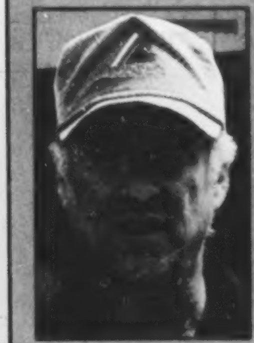
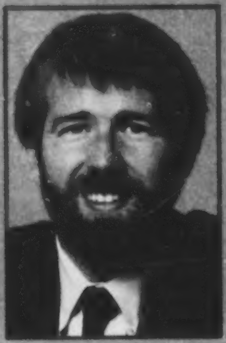
1988 Newsmakers of the Year



Malcolm Bricklin: Entrepreneur got $20 million for his interest in sagging Global Motors, then vowed to return to auto industry by raising $1 billion to buy a group of dealerships.



John Campbell: California dealer sold half interest in eight lines — including GM's Saturn, Ford and Nissan — to Britain's Lex Service, becoming first U.S. dealer selling stake to a public company.

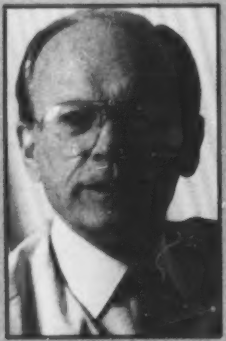
Norimasa Furuta: Mazda's new president engineered major financial turnaround in first year on job, with sales in Japan recovering, supplier efficiency improved and new product successes.

Vittorio Ghidella: Flamboyant Fiat Auto president negotiated joint venture with Chrysler, a deal in Poland, and then abruptly quit amid internal battle over political power and corporate policy.

Gerald Greenwald: Chrysler vice chairman caused furors closing Kenosha plant and putting Acustar on — then off — the block, but established Fiat deal and became Lee Iacocca's heir apparent.

INSIDE: The Year in Review

H. Ross Perot: GM's perennial irritant hired away dozens of EDS employees for a new business, which won U.S. postal deal that GM sued to cancel, in wave of legal-personality battles.



Donald Petersen: Backed new Ford attitude that led to Continental, Probe and Thunderbird product successes, another year of record profits and the beginnings of a joint venture in Russia.

Ralph Sarich: Managing director of Australia's Orbital Engines produced modern two-stroke engine, which many manufacturers touted as a milestone for powering future small cars.

Robert Stempel: Took hold as GM president and prominent spokesman, overseeing big recovery in Europe, surge in trucks, signs of future product improvements — as sales-profits rebounded.

Ron Tonkin: NADA's outspoken president-elect set strong tone for dealer-factory relations, proposed merger of NADA and AIADA, and personally applied to become U.S. Lada distributor.

Global eyes foreign aid from Yugo

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Negotiations are reportedly under way for the manufacturer of the Yugo subcompact to buy a substantial portion of Global Motors from the private investors who bought out founder Malcolm Bricklin earlier this year.

Zavodi Crvena Zastava, the Yugoslavian parent company of the car's builder, Zastava Yugo Automobili, is seeking to purchase a stake in Global from the investors led by the Wall Street firm of Mabon, Nugent, which last April paid $40 million to obtain the majority share of the distributor.

Meanwhile, the company abruptly pulled out of upcoming auto shows in Washington, Detroit and Chicago, saying it does not have the new product or staff to make a credible showing at all three.

One of Yugo's top 10 dealers, Sidney Oko, owner of Liberty Buick in Libertyville, Ill., said dealers have been told Zastava will purchase "a major share" of the Mabon, Nugent investment, though probably not a majority interest.

"I'm real excited about it. It eliminates a certain amount of middleman," he said.

"Mabon, Nugent just bought it as an investment, to make money by selling shares to investors. They had no real interest in it other than to make money. The Yugoslavians have a real national pride in it, and they want to make it in the American market. Now they're putting their money where their mouth is," Oko said.

The Mabon, Nugent group bought out auto entrepreneur Malcolm Bricklin's 70 percent interest in Global Motors last spring.

Since then, the group is thought to have motivated the ouster of Global Motors President and CEO William Prior last month and numerous layoffs at the company headquarters.

Anthony T. Ciminera, executive vice president for product planning for Global subsidiary Yugo America, last week said he couldn't comment on the purported negotiations.

And Mabon, Nugent officials have failed to return repeated telephone calls for over a month.

However, Global Motors is clearly in trouble.

see YUGO, page 30

Hot cars scarce

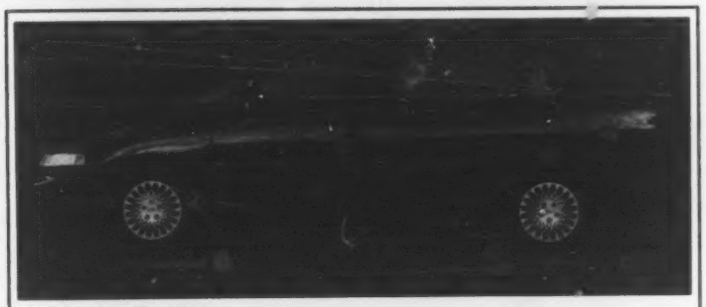
As T-bird, Cougar go on sale

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. launches its new Thunderbird and Cougar models today — hoping to capitalize once again on a date that has brought magic in the past.

But customers anxious to get their hands on the supercharged versions of the specialty coupes will likely be in for a wait.

Production of the Thunderbird Super Coupe and Cougar XR-7 continues at a trickle, in part because of earlier concerns about the durability of engine crankshafts. Ford found that a high percentage of the cast crankshafts it planned on



Lumina's unveiling
The 1990 Chevrolet Lumina all-purpose vehicle will be among six vehicles the automaker introduces at the North American International Auto Show next week in Detroit. The front-wheel-drive APV is available with seating for seven, and offers modular seats that are individually removable for a variety of seating combinations.

2 VWoA executives die in plane crash

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

On the eve of Volkswagen's 40th anniversary as an importer — a year it hopes will mark a turnaround for the U.S. franchise — two top officers were killed last week aboard Pan Am flight 103.

James Fuller, vice president in charge of Volkswagen United States, and marketing director Lou Marengo were returning from VW meetings in West Germany when the jet crashed in Scotland Wednesday.

More than 250 people died, including at least one other auto executive, Greg Kos-

see CRASH, page 33

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Metal experts rally around platinum
Page 3

Sonata tackles giants; Prizm is Geo flagship
Page 4

German profits reflect sales difficulties in U.S.

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Preliminary 1988 results released by Daimler-Benz, Volkswagen and Audi reflect the continuing difficulties of West German manufacturers in the United States.

The rise of the mark against the dollar has squeezed profit margins in the slumping luxury-import segment in which Mercedes-Benz and Audi compete.

Daimler-Benz Chairman Edzard Reuter said 1988 group earnings will be "satisfactory," but he cited increasing price competition and lower sales in the United States.

Reuter didn't give a profit figure, but said Daimler will pay a dividend of 12 marks per 50-mark share, unchanged from last year. Afterwards, Daimler's share price fell in trading on the Frankfurt Stock Exchange.

Several analysts have predicted that Daimler's 1988 net profits will decline slightly because of problems in the passenger-car sector. Last year, Daimler-Benz reported net profits of 1.78 billion marks ($1.02 billion).

Daimler said it expected sales in the United States to decline 8 percent in 1988 to 84,600 units. Mercedes sales in Europe this year are about even with 1987.

Total Mercedes car production will fall 6 percent in 1988, to 560,000 from 598,000 in 1987. The decline is traced to a 14 percent drop in production of diesel models and aging S-class sedans, which have come under intense competitive pressure from BMW's 7 series.

Daimler-Benz said it expects group revenue to increase 8 percent in 1988 to 73 billion marks ($41.9 billion), with most of the gain attributable to its booming commercial-vehicle operations.

VW said worldwide group revenue will increase 8 percent in 1988 to about 59 billion marks ($33.9 billion), but cited "a very difficult market situation" in the United States due to "the unrelenting competitive price war".

Through the first 11 months, VW brand sales in the United States were down 10.11 percent to 158,685.

Despite the sales drop, VW last month reported an improved financial picture in the United States. In 1987, VW's U.S. operations absorbed a 380 million mark ($218 million) extraordinary loss for closing the Westmoreland, Pa., assembly plant and showed an overall loss of 572 million marks ($328 million). Most analysts believe sufficient provisions to cover the Westmoreland closure were made last year and that VW should return to the black in the United States in 1988.

VW said this month that 1988 group profits will be higher than the 598 million marks ($343 million) earned in 1988, but did not elaborate. In September, VW Chairman Carl Hahn predicted that group earnings would rise at least 9 percent for the full year. VW's nine-month earnings were up 7 percent to 419 million marks ($240 million).

VW confirmed that Seat, the Spanish automaker it acquired in 1986, has achieved its first profit in 11 years in 1988, but did not quote figures. Seat Chairman Juan Antonio Diaz Alvarez has said the company expects to make a net profit of about 1.8 billion pesetas ($16 million) in 1988, compared with a loss of 3.3 billion pesetas ($27 million) in 1987 and a deficit of 27.4 billion pesetas ($222 million) in 1986.

VW also said this month that its Autolatina joint venture with Ford in South America showed "considerable progress" in 1988. In November, VW said losses at Autolatina have been reversed this year.

VW's Audi unit said that net earnings as a percentage of sales rose to 3 percent from 1.8 percent in the first 10 months of 1988, but it did not detail financial results.

Audi's worldwide sales revenue for the period increased 1.9 percent to 9.41 billion marks ($5.4 billion). Unit sales edged upward to 353,600 from 350,800 despite a sharp decline in the United States. Audi said 11-month sales in the United States fell 45.20 percent from 39,486 to 21,637.

The company's West German sales were off 12 percent, to 156,400, in the first 10 months, but rose 30 percent to 153,200 elsewhere in Europe.

IT'S CLOSE

Fiat, VW slug it out for lead in Europe

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Fiat Group and Volkswagen AG will go down to the wire in their race for first place in European new-car sales for 1988.

With another record year of more than 12 million car sales assured in Europe, all eyes are on the battle between Fiat and VW. The Italian group has led the entire year, though VW began a comeback last summer.

VW has followed the same pattern as in 1987 when it came from behind to catch Fiat. However, the West German market has stalled in recent months, slowing VW's surge to the top.

After three years as No. 1, VW trailed Fiat by 14,200 units and one-tenth of a percentage point in market share, 14.7 to 14.8 percent, for the 11-month period.

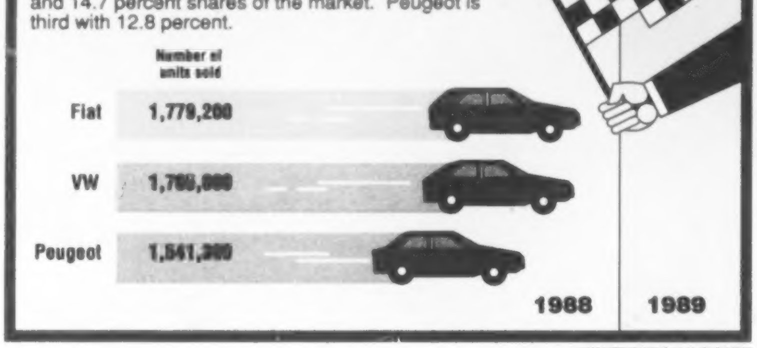
In November, VW outsold Fiat by 8,200 units — 152,100 to 143,900 — the fourth straight month in which VW has bested Fiat.

Overall, Western European sales in November were 1,001,200, a 4.4 percent gain over last year, according to industry estimates compiled by Automotive News. Sales for the year-to-date are 12,032,900 units, 4.4 percent ahead of last year's record pace.

The November increase followed a 5 percent decline in October that some analysts reckoned was the beginning of an expected downturn. However, many industry executives don't think sales will decline until the second half of 1989. November's figures supports that opinion.

Europe's 1988 sales race

After 11 months, Fiat and Volkswagen are nearly tied for European sales leadership with respective 14.8 and 14.7 percent shares of the market. Peugeot is third with 12.8 percent.



AUTOMOTIVE NEWS / [illegible]

"I hope we keep snow-plowing (the expected decline) even further into the future," said Ford of Europe President Louis Lataif in a recent interview. "The first quarter still looks OK."

Meanwhile, as Fiat and VW go at it hammer and tongs, the importance of being No. 1 in Europe is debated. It is clearly a morale-booster and can be used in advertising. But its tangible benefits are suspect.

"There is really not much benefit for the companies but it is nice to know you're No. 1," said Sanjay Dabysing, an analyst with DRI-Europe.

Fiat and VW have made European sales leadership a two-company race through acquisitions. In 1986, VW bought the Spanish automaker Seat, while Fiat acquired Alfa Romeo.

Peugeot SA has actually recorded the biggest sales gain this year among Europe's six volume manufacturers, gaining 11.3 percent to 1,541,300 through November. That was good for a 12.8 percent share. Aided by the new 405 compact, the group has 35 percent of the French market.

Fiat group sales, including Fiat, Alfa and Lancia, totaled 1,779,200 through the first 11 months, up 7.5 percent from 1987. Fiat increased sales with its new Golf-fighting Tipo, recently named European Car of the Year.

Fiat also has been aided by a robust Italian market, which in November surpassed 2 million units for the first time. Fiat group nameplates control just under 60 percent of Italy's market.

see SALES, page 19

Capri ragtop delayed again; price to climb

By Pedr Davis
SPECIAL CORRESPONDENT

SYDNEY, Australia — The small Capri convertible that Ford Australia plans to build for the U.S. market has run into further delays and may not be seen until 1990.

And recent strengthening of the Australian dollar means that the car will not be as competitively priced as Ford had hoped when it announced the project.

A Ford Australia source said his company has all but given up hope of having the car ready for its most recent target date, September 1989.

Even Christmas 1989 is "touch and go," the source said, adding that the most likely date for the Capri to reach U.S. showrooms is early 1990.

When Ford announced its plans three years ago, the Australian dollar was worth around 70 U.S. cents.

This month, the Australian dollar rose to around 88 cents before settling in the mid-80s. That means the Capri is unlikely to be as competitively priced in the United States as Ford had originally planned.

Publicly, Ford Australia Managing Director Bill Dix remains confident about Capri's launch, but he declines to comment on the delay.

"The car will be released when our testing tells us it is right," he said. "It is taking a little longer due to the requirement to put in air bags, but we will get everything right."

All cars sold in the United States beginning with the 1990 model year must be equipped with some form of passive restraints.

Even before passive restraints became an issue, the front-wheel-drive convertible was behind schedule because of a series of manufacturing and quality-control problems experienced with the launching of Ford's new sedans for the Australian market.

Ford Australia introduced three completely new models during 1988 — the Falcon EA and two long-wheelbase derivatives called Fairlane and LTD.

The production of those cars was far more taxing on the company's resources than anticipated. Ironing out the production glitches took precedence over the Capri project. Also, demand for the Falcon has outpaced supply, and the production level for that car is likely to be kept low to keep quality levels up. With Ford Australia and GM's Holden subsidiary fighting for the top spot in the full-size four-door market, Ford does not want to compromise quality, profits or market share for a U.S.-only sportster.

In addition to all of the above, the requirement that all Capris sold in the United States be fitted with passive restraints has pushed the Capri's release date back "at least six months," the Ford source said.

Already, a number of Capris have been barrier-tested without air bags.

The Capri is based on Mazda 323 mechanical components and is designed to offer a variety of power-train combinations.

Ford Australia has geared up to produce 32,000 to 35,000 cars each year for the United States and about 5,000 right-hand-drive Capris for the local market.

Fiat, Peugeot to hike Sevel van output

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Fiat S.p.A. and Peugeot S.A. plan a major investment aimed at sharply increasing output of light-utility vans produced by the companies' Sevel joint venture.

A Fiat official said most of the new output likely will be for passenger use rather than commercial vehicles.

The two automakers will spend 3 billion francs ($498 million), divided equally, to reopen a mothballed Peugeot car plant in Valenciennes, France.

Further unspecified sums will be spent to enlarge the existing Sevel (Societa Europea Veicoli Leggeri) plant in Val di Sangro, Italy, as well as to convert an Alfa Romeo components factory in Pomigliano, Italy, to van production.

Sevel's current annual production of 121,100 units will be about doubled by 1994 or 1995.

Val di Sangro now produces 500 units daily, while Pomigliano builds 50 commercial vehicles per day as well as components. The Pomigliano plant will be switched to commercial-vehicle output exclusively.

"Altogether, the three plants will be producing over 1,000 units per day," a Fiat spokesman said.

The existing joint venture, which was formed in 1978 and reached full production in 1982, produces vans up to 3.5 metric tons. They are badged as Fiat Ducato, Peugeot J5 and Citroen C25.

The models are basically the same design but use different engines and transmissions, provided by each of the producers. Passenger vans make up about half the output.

The pact to expand the joint venture was signed last week in Turin by Peugeot Chairman Jacques Calvet and Fiat Auto Managing Director Cesare Romiti.

There was widespread speculation last week that Fiat and Peugeot plan to use the Sevel venture to develop a small passenger van to compete with the Renault Espace, Plymouth Voyager and other minivans slated for the European market. However, a Fiat spokeswoman in Turin denied such plans.

"There is no paranoia about any particular model," she said. The expansion is intended to broaden the range of van products below 3.5 metric tons.

"These vans are doing very well," said another Fiat official in Turin. "They are small, flexible and handy. The market has increased about 17 percent in Italy this year and there is a lack of capacity."

The spokeswoman said such partnerships make good sense in the face of Europe's planned 1992 market unification.

Christmas cheer, Ford style

Above, eight-year-old Tiffany and auto worker Gwen Boynton head for the cashier with bags of Christmas gifts. Tiffany and 27 other children jammed shopping bags with gifts that were paid for by hourly and salaried workers at Ford's Dearborn, Mich., stamping plant. For the past three years, plant employees have donated money and time to bring Christmas happiness to youngsters temporarily in foster homes. This year, workers collected nearly $6,000. At right, Tiffany meets Dearborn stamping plant workers during a plant tour.

AUTOMOTIVE NEWS/JOE WILSSENS PHOTOS

Metal experts rally around platinum

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

While world metals markets digested the impact of a new Ford Motor Co. catalytic converter that doesn't use platinum, experts cautioned that the traditional catalyst would remain the primary one used to turn pollutants into harmless materials.

But those experts added that the concentrations of platinum and other precious metals now commonly used in catalytic converters are likely to be juggled according to the requirements of the countries where they are used.

Earlier this month, Ford's announcement that it had developed a catalytic converter that does not require platinum sent prices of platinum and other precious metals plummeting worldwide.

Ford is producing the new catalytic converter in a pilot program for 40,000-50,000 1989 Thunderbird/Cougar models that will be sold in the California market.

A Ford source familiar with the program said the new device uses a combination of palladium and rhodium — both mined along with platinum — and cerium, an abundant element.

James H. Kennedy, manager of mid-sized specialty car development engineering, said Ford will utilize the new technology in future car models, but its introduction will occur slowly and will be timed to the certification of new engines.

Manufacturers of catalytic converters say platinum will continue to be prominent as the catalyzing agent in all countries where catalytic converters are being used, but the high purity of unleaded fuel in the United States and Japan has allowed engineers to use more palladium, which is less expensive.

Unleaded fuel in Europe is more likely to be contaminated than unleaded fuel in the United States and Japan, according to John J. Mooney, manager of technical services for Engelhard Corp.'s environmental catalysts group. He said this makes platinum more effective because it is more resistant to the harmful effects of lead on the operation of a catalytic converter.

In the Far East, where there is little danger of lead contamination in gasoline, about 25 percent of catalytic converters use a combination of palladium and rhodium, according to Engelhard.

But Johnson Matthey, a Great Britain-based major manufacturer of catalytic converters, said there has recently been a move away from systems in Japan that used palladium and rhodium to platinum- and rhodium-based three-way catalysts.

Johnson Matthey called Ford's announcement about its non-platinum catalytic converter technology "exaggerated and inconsistent with the technical possibilities," and predicted that platinum will remain the prime metal used in catalytic converters.

Mooney agreed, saying combinations of the three platinum group metals are likely to continue to be used in domestic units.

Juergen Strutz, head of the catalyst department at W.C. Heraeus Gmbh, a precious metals supplier and catalytic converter manufacturer located in Hanau, West Germany, said, "We are not so disturbed over the Ford announcement. What we see is that this Ford idea is an old one. We see technical advantages in using platinum and rhodium."

But the experts disagreed on the potential supply of platinum and platinum group metals.

The supply of platinum, though influenced to some extent by political considerations — South Africa and the Soviet Union have the largest deposits — is not short, Strutz said. He said South Africa is looking for new platinum markets.

However, Johnson Matthey is forecasting a 1988 supply shortfall of 465,000 ounces of platinum and a continuing deficit during the next few years.

Palladium and rhodium are found in the same mines as platinum. The concentration of palladium may be greater or less than that of platinum, but the cost of palladium is about one-fourth that of platinum.

Rhodium, found in smaller concentrations than either platinum or palladium, sells for more than twice the price of platinum, but only minute amounts are used in catalytic converters.

FORD BULLISH: *Economist Zimmerman sees 15.4 million sales for '89*

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — Ford Motor Co. is again donning its rosy forecast glasses, estimating that U.S. consumers will take home 15.4 million new cars and trucks in 1989.

While that outlook might subject Ford to charges of wishful thinking, chief economist Martin Zimmerman pointed out that the company's sanity was questioned last year at this time, too.

In the wake of the October 1987 stock market crash, Ford countered the prophets of doom by pegging 1988 sales at the then-ambitious mark of 15 million.

Now, as the U.S. industry heads toward a 15.7-million-unit year, Ford's forecast has turned out to be too cautious.

Zimmerman suggested in a recent interview that the economy would do well by cooling down in the coming 12 months.

This year's surprising growth rate of 3.7 percent, as measured by gross national product, is pushing the economy to its limits and brewing some potentially strong inflationary pressures, he said.

If the economy continues growing at a 3 percent clip or more, Zimmerman expects the Federal Reserve Board again to tighten reigns on the money supply. After the middle of 1989, if tighter money does keep growth in check, interest rates should begin falling, he said.

There is no compelling reason for a recession to occur just because the current expansion has carried on for six years, according to Zimmerman.

He said one of the top priorities of the Bush administration should be to trim the federal budget deficit.

"The budget deficit is not going to drive us off the cliff next year," he said. "But it's the kind of thing that's important if you want to put into place policies for sustained growth in the economy."

Zimmerman said the most desirable remedy would be to cut government spending.

"If we are forced to go to tax increases, then the way we should go is a consumption tax," Zimmerman said. "The last thing you want to do is tax investment."

He said he would support a tax on gasoline as part of such a plan. But he believes the idea of a 50-cent-per-gallon tax would be too much too soon.

Zimmerman said he believes consumers will remain generally optimistic in 1989 — as long as unemployment is low, the economy is growing and interest rates aren't climbing.

The big potential worry is inflation. He's predicting a 5 percent rise as measured by the Consumer Price Index in 1989.

Too steep a rise would trigger steps to slow down the economy and "derail the trajectory" of growth, he said.

As for Ford, Zimmerman believes the company is in a position of strength because it's building nearly 20 percent of its vehicles on overtime.

That means the company could absorb a significant slowdown without laying off workers and idling plants, he said.

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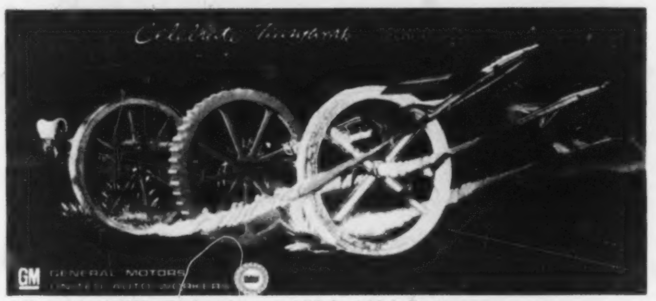
GM and UAW join forces on Rose Bowl float

PASADENA, Calif. — To highlight their commitment to teamwork, General Motors and the UAW will jointly sponsor a float in the 100th Tournament of Roses parade Jan. 2.

It will be the parade's first float sponsored jointly by a corporation and a union.

The 75-foot-long and 35-foot-high float, entitled "Teamwork and Technology," depicts America's progress in transportation over the last 100 years. GM and the UAW kicked off a similarly titled show in New York earlier this year.

The GM/UAW float features three large rotating wheels defining the three eras of modern transportation: a wagon wheel, a gear and a space station. Other scenes include a Conestoga wagon, steam engine, helicopter, jet plane, satellite and futuristic car.



GM and the UAW's 75-foot-long and 35-foot-high float

Several GM divisions supplied components for the float. The outer structure will be supported by a chassis built by members of UAW Local 157 at the truck and bus group's Detroit assembly plant.

A 454-cid V-8 engine, built by Local 774 members at the Chevrolet-Pontiac-Canada Group's Tonawanda, N.Y., plant, will power the 25,000-pound float. Delco Remy Division will provide the battery, and the float's hydraulics will operate off a Quad-4 engine built by Local 652 members at the Buick-Oldsmobile-Cadillac Group's plant in Lansing, Mich.

The three 15-foot wheels will revolve on a 50-foot shaft. They are suspended over a 28-foot motorhome chassis developed into a custom see-through frame.

The engine was selected because of its heavy-duty cooling ability, which is important because of the low float speeds and stop-and-go movements.

Workers at C-P-C's Van Nuys, Calif., plant and from other GM facilities in California have volunteered to complete the floral exterior.

The original concept for the float was proposed by employees at the Van Nuys plant and UAW Local 645, who then sought a parade invitation and later received funding from the UAW and GM.

The float was designed and constructed by veteran float-builders C.E. Bent & Son, the largest float-builder in the parade.

November truck sales by manufacturer and segment

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1988	TOTAL 1987
CHRYSLER-PLYMOUTH	MO	13,998						13,998	12,021
	YR	176,993						176,993	127,430
DODGE	MO	40,364						40,364	42,751
	YR	525,457						525,457	521,692
JEEP	MO	22,428						22,428	19,450
	YR	231,542						231,542	188,771
TOYOTA	MO	17,604						17,604	18,546
	YR	227,647						227,647	278,780
NISSAN	MO	12,302						12,302	16,008
	YR	155,282						155,282	201,121
MAZDA	MO	5,770						5,770	8,969
	YR	86,906						86,906	115,261
ISUZU	MO	8,169						8,169	5,553
	YR	81,649						81,649	82,134
MITSUBISHI	MO	3,353						3,353	4,478
	YR	40,218						40,218	47,683
SUZUKI	MO	1,444						1,444	5,082
	YR	53,454						53,454	76,257
RANGE ROVER	MO	169						169	327
	YR	2,983						2,983	2,205
FORD	MO	112,559	1,553		743	2,679	1,408	118,942	119,043
	YR	1,336,782	18,256		10,076	32,968	13,612	1,411,694	1,337,178
FREIGHTLINER	MO						1,994	1,994	1,792
	YR						21,908	21,908	21,398
CHEVROLET	MO	107,104		19	703	649		108,475	89,848
	YR	1,227,391		222	7,154	8,642	273	1,243,682	1,091,743
GMC	MO	29,218		459	552	982		31,211	26,347
	YR	326,656		4,825	10,925	14,039	1,090	357,535	318,104
KENWORTH	MO					30	1,422	1,452	1,027
	YR					411	15,113	15,524	12,854
MACK	MO				238	316	2,103	2,657	1,743
	YR				1,847	2,500	19,892	24,239	21,541
MERCEDES	MO				97	129		226	262
	YR				1,021	1,742		2,763	3,536
NAVISTAR	MO		18	6	1,339	2,032	2,105	5,500	4,761
	YR		256	295	16,629	29,928	31,010	78,118	66,831
PETERBILT	MO					48	1,452	1,500	1,098
	YR					357	14,707	15,604	11,377
VOLVO	MO					114	1,896	2,010	1,001
	YR					1,318	14,585	15,903	11,312
HINO	MO			49	16	103		168	193
	YR			573	450	944		1,967	1,782
NISSAN DIESEL	MO	28		72	17	68		185	163
	YR	47		691	267	889		1,894	1,542
ISUZU TRUCK	MO	357	61	6	37	42		503	384
	YR	4,250	440	127	738	408		5,963	5,032
MITSUBISHI FUSO	MO	143		36	26	56		264	128
	YR	1,386		470	220	588		2,644	1,464
SCANIA	MO						12	12	7
	YR						144	144	136
IVECO TRUCKS	MO	163	50	28	6			247	190
	YR	1,468	643	328	148			2,587	2,455
WESTERN STAR	MO						118	118	105
	YR						1,334	1,334	1,300
OTHER DOMESTICS	MO					27	30	57	122
	YR				32	76	714	822	1,187
GRAND TOTAL	MO	375,173	1,682	678	3,774	7,275	12,540	401,122	379,413
	YR	4,480,107	19,595	7,531	49,507	94,790	134,382	4,785,912	4,551,892
1987 YR to DATE		4,289,491	1,317	7,611	39,842	93,849	119,782	4,551,892	

NOTE: Class 3 total includes 14 Subarus sold in November 1987; also, 10 Subarus sold for 11 months of 1988 and 1,386 sold for 10 months of 1987.

Sales head for record

1988 total will be close to 5.2 million

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

U.S. truck sales continued their record-setting pace in November, assuring a total of nearly 5.2 million for calendar 1988.

Industry sales, including light, medium and heavy trucks, totaled 4,785,912 through November, up 5.14 percent from 4,551,892 in the year-earlier period.

November sales of 401,122 were up 5.72 percent from 379,413 a year ago.

The Class 3 light-duty, Classes 4 and 6 medium-duty and Class 8 heavy-duty segments are the big winners this year.

Class 7 sales recorded a small increase, and Class 5 was off slightly for the first 11 months of 1988.

Ford has been the driving force behind Class 4 sales, which skyrocketed from a mere 1,317 in 11 months of 1987 to 19,595 for the same period in 1988.

General Motors and Chrysler, eyeing the success of Ford's Class 4 Super Duty models, have expressed interest in fielding competitive units in that segment, which is projected to be the fastest-growing in the truck industry during the next five years.

As indicated by Class 5 sales, which managed to hold up fairly well, most of the Class 4 buyers are coming from the light-duty truck segment.

Generally, they are people who previously had to overload a 12,000- to 14,000-pound GVW unit to get the job done.

Eleven-month sales of Class 5 vehicles totaled 7,531, according to the Motor Vehicle Manufacturers Association, off only 80 units from 7,611 a year earlier.

Class 6 has grown sharply, with sales of 49,507 for 11 months of this year, up 24.26 percent from 39,842 a year ago.

New Japanese companies have been the main driving force in that segment.

So far this year, Class 7 has been a big disappointment to the many heavy-truck manufacturers that field so-called "Baby 8" trucks in that segment.

Eleven-month Class 7 sales of 94,790 were up slightly from 93,849 a year ago.

Class 8, with 134,382 sales for 11 months, was up 12.19 percent from 119,782 a year ago, heading for its best performance since 1979.

Driver comfort accented in Navistar's new models

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

NEW ORLEANS — Navistar International Transportation Corp. unveiled its 1990-model heavy and medium trucks with a new commitment from a new top executive to build vehicles that are more responsive to the users.

The new comfort-loaded lineup consists of 11 heavy-duty models in two categories and 11 new medium-duty models in three categories. The 1990 models go on sale early in January 1989.

The line has standardized a number of features designed not so much for performance as for driver comfort, according to Roy S. Roberts, Navistar's new vice president and general manager of truck operations.

The package includes:

- A single-piece molded fiberglass hood and grille, designed to reduce internal cabin vibration by as much as 50 percent.
- Increased wheel cut for greater maneuverability.
- Wider cabs with more shoulder room.
- An 18-inch two-spoke steering wheel to improve instrument panel visibility.
- A new "Euro-look" dash panel with larger gauges and instruments.
- High-back seats to reduce driver back strain.
- Modular, color-coded electrical wiring for easier electrical troubleshooting.

"Our goal is to be responsive to the end user," said Roberts, a former General Motors vice president who took over the truck operations four months ago.

"Our customers are telling us that attracting drivers and keeping them happy is a crucial issue. They do that in part by offering a well-built, comfortable truck to drive. Driver comfort has become a big issue in this business," he added.

The new heavy-duty line includes seven 2000-series 112-inch bumper-to-back-of-cab models and four 8000-series 96-inch and 112-inch models.

The medium truck line consists of two new 3000-series bus chassis models; seven 4000-series pickup, delivery, utility, construction and refuse trucks; and two 7000-series tandem-axle straight trucks.

The new models replace the International S-series design the company introduced in 1978.

According to Mark Schwabero, general manager of medium-truck products, the new design is the result of "thousands of interviews with drivers, mechanics, service supervisors, private fleet owners — the entire spectrum of the truck transportation industry."

Approximately 40 percent of Navistar's truck sales are from individual buyers.

In conjunction with the new-product launch, the company plans a direct-mail marketing campaign to reach 250,000 potential buyers with product information.

Navistar spent almost $80 million on research and development last year, much of which has resulted in the 1990-model changes, according to Roberts.

"Innovation is obviously important to us," he said. "This is a mature industry.

"One of my goals here is to help create an environment of risk-taking. Through risk-taking and innovation, if we're attuned to the people who use our product, we should be able to grow in the market," he added.

Despite the enthusiasm, Navistar officials concede the company is expecting a downturn in unit sales for the coming year — both for Navistar and the industry as a whole.

While the company boosted mar-

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COMING JAN. 23: AUTOMOTIVE NEWS NADA PREVIEW EXTRA

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Al Fleming

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Edward Peabody

1988 STORY OF THE YEAR

General Motors' apparent turnaround is named *Automotive News* Story of the Year in close balloting among editorial staffers

By John K. Teahen Jr.

General Motors, the auto industry's slumbering giant, showed signs of awakening, and the corporation's new posture was voted the Story of the Year for 1988 in the 36th annual *Automotive News* editorial staff poll.

It was a significant turnaround from 1986, when the top story was "A time of turmoil at GM." That turmoil included plant closings, a drop in market share, a scaling-back of the Saturn project and the spin-off of bus and heavy-truck operations.

This year's vote was much closer than in 1987, when Chrysler Corp.'s purchase of American Motors was the runaway winner.

The runner-up spot for 1988 went to a story that is likely to intensify in 1989: The growing financial difficulties of huge auto dealerships, both chain operations and individual outlets.

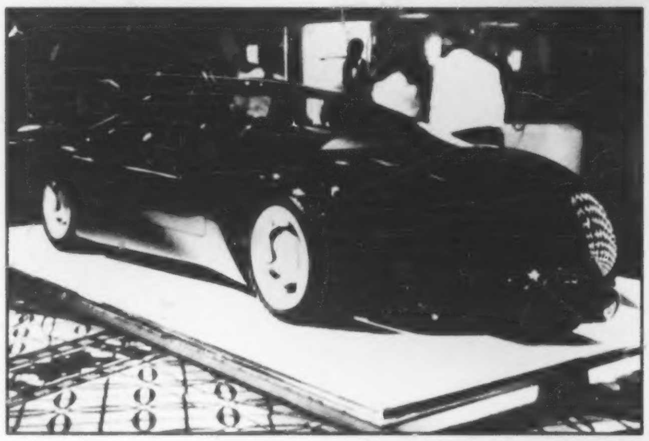
In third place was a sigh-of-relief story — the auto collapse that didn't happen. A year ago, the auto industry, like the rest of the economy, was reeling from the Oct. 19 stock market crash. To put it mildly, the industry was worried about the sales outlook for 1988.

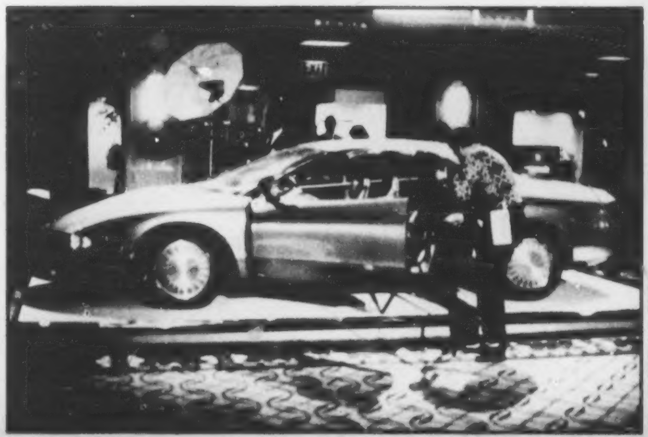
The fears proved groundless. Auto sales have recorded a tidy gain this year, and truck sales have chalked up another record.

But everything wasn't coming up roses on the U.S. sales scene. The fourth-place story was the continued effect of the weak dollar on imported-car sales in this country. High-priced European cars have suffered the most. Sales are down for 10 of the 11 makes in that class.

In fifth place was public ownership of auto dealerships. Judging by activities in 1988, it's an idea whose time has not yet come. A publicly held British firm acquired 50 percent of a California chain, but a Kansas operation was unsuccessful in its bid to sell stock to the public.

Continued on page E6





The "Teamwork and Technology" extravaganza, held last January at the Waldorf Astoria in New York, was General Motors' answer to charges of look-alike cars. Rather than exhibit far-out styling exercises, GM took the unprecedented step of showing the public its product plans for the not-too-distant future. Charles M. Jordan (above), vice president of GM's design staff, stands alongside the Cadillac Voyage, which received rave reviews. Other highly acclaimed cars were the Pontiac Banshee (left) and Buick Lucerne (below).

JOE WILSSENS PHOTOS

Continued from page E2

GM Stirs

General Motors has taken its lumps, both in the media and in the market, in the last few years. Its marketing strategy has been questioned; its look-alike cars have been criticized; it was beaten in profits by Ford Motor Co. in 1986 and again in 1987. And its share of the U.S. car market fell from 42.49 percent in 1985 to 36.45 percent in 1987.

Bashing GM has been popular and, to a great extent, justified.

But in 1988 the sleeping giant stirred and may be about to awaken.

Last January the corporation took the unprecedented step — for GM — of showing the public its product plans for the not-too-distant future. Its Teamwork and Technology exhibit opened in New York and drew good reviews there and in other cities in which it was staged.

The vehicles displayed were not far-out styling exercises like the Motorama cars of old. They were an answer to look-alike charges.

Indeed, some distinctive models are already in the showrooms. Chevrolet's Corsica and Beretta do not ape the products of other GM divisions. Reatta is Buick's alone. Pontiac Grand Prix, Oldsmobile Cutlass Supreme and Buick Regal are built off the same GM10 platform, but the desired differences are there.

There has been progress in other areas, notably earnings. Third-quarter profits totaled an industry record $859 million, of which $805 million was operating profit. GM topped Ford for the quarter, a definite rarity in the last three years. GM also expects to share some of the wealth with its 450,000 U.S. hourly and salaried workers in the form of profit-sharing payments averaging $200. The last time the automaker gave out profit-sharing checks was 1985.

Market share has stabilized. GM's car sales (including captive imports) accounted for 36.15 percent of the U.S. total in the first 11 months of this year. That was down from 36.75 percent a year ago, but GM lost 1.50 percentage points in 1986 and 4.54 percentage points in 1987.

Light trucks are a bright spot. For the first 11 months of this year, Chevrolet was 111,000 units behind Ford; a year ago, Chevy was 211,000 behind. Combined, Chevrolet and GMC continue to lead Ford in light-truck sales.

Production costs have been reduced, although GM's costs are still the highest of the Big Three U.S. automakers. Quality has risen, and GM's component divisions, threatened only a year ago with massive closures, have improved their competitive positions.

Some of GM's newest automated plants — initially plagued by high-tech gone haywire — are finally running efficiently.

Capital spending is declining. Much of it was for new or modernized facilities, and that work has been completed.

European operations have contributed much to GM's financial comeback. After losing $2 billion from 1979 to 1986, GM-Europe posted a profit of $1.25 billion in 1987. Pre-tax earnings will be higher this year, although the net may slip because of a bigger tax bite.

GM's cost-cutting efforts have been tough on GM's people. Plant closings have trimmed the number of hourly employes, and 40,000 white-collar workers have faded away.

GM isn't completely out of the woods yet. Its high costs and anemic (for GM) market share are insomnia producers for corporate leaders. GM predicts it will gain 1 percentage point of market share in both cars and trucks during the 1989 model year. It seems to be a realistic goal, although it will leave the corporation far behind the car penetration it had as recently as 1985.

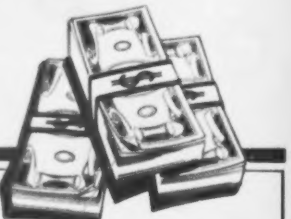
More plant closings appear to be in the offing as GM strives to boost its utilization of production capacity to 100 percent by 1992. The current rate is 75-80 percent.

The economy is another question mark. GM plans to introduce a host of new products in the next year or so, and new products fare best in a strong economy.

But the awakening giant may soon become the fierce competitor it was before its mid-1980s siesta.

Ford continued to outearn General Motors during the first half of 1988, but when the third-quarter figures came in, GM's profits topped Ford's, $859 million to $856 million (see table below). Much of GM's recent success can be attributed to its distinctive new products, such as the L-body Chevrolet Corsica and Beretta (left). Combined, Corsica and Beretta were GM's No. 1 sellers during the 1988 model year.

BIG 3 RESULTS



THIRD QUARTER
(In millions of dollars)

	1988		1987	
	SALES	PROFIT	SALES	PROFIT
Chrysler Corp.	$ 7,014.8	$ 112.5	$ 6,168.6	$ 246.0
Ford Motor Co.	$ 17,728.7	$ 856.3	$ 15,246.8	$ 703.2
General Motors	$ 25,041.3	$ 859.2	$ 22,606.9	$ 812.3
TOTAL	$ 49,784.8	$1,828.0	$ 44,022.3	$1,761.5
NINE MONTHS				
Chrysler Corp.	$ 23,174.5	$ 616.6	$ 18,610.1	$ 939.5
Ford Motor Co.	$ 60,859.2	$4,142.3	$ 52,885.5	$3,693.0
General Motors	$ 81,378.6	$3,458.0	$ 75,403.6	$2,715.1
TOTAL	$165,412.3	$8,216.9	$146,899.2	$7,347.6

Dealer Problems

The past year has not been a banner period for a lot of mega-dealers and large individual outlets, and those difficulties captured second place in this year's voting.

Continued on page E8

Chrysler TC by Maserati voted Flop of the Year

UAW's blockage of Acustar sale is named Coup of the Year for 1988 by editorial staff

By John K. Teahen Jr.

For the second year in a row a car has been designated the Flop of the Year by the *Automotive News* editorial staff.

The 1988 choice is the Chrysler TC by Maserati, a $30,000 convertible that was scheduled to debut in early 1987. Delay followed delay, and the first shipment of cars arrived from Italy in mid-December, nearly two years late.

Said one staff member, "At the rate it's going, the car will be five years old before it hits the showroom."

The 1987 Flop of the Year was the Cadillac Allante, which fell far short of the sales projections made by Cadillac executives.

Chrysler also figured in the 1988 Coup of the Year, although not in a manner the corporation will find heartening. The staff's choice for 1988's Coup was the UAW forcing Chrysler to drop its plans to sell Acustar, the corporation's components-manufacturing operation.

Looking ahead, the staff pointed to a number of events that could become 1989's Story of the Year. Among them were a shakeout in the import makes sold in this country; an agreement for Ford to build vehicles in the Soviet Union; and an escalation of rebates and other incentives — "marketing madness," in the words of one staffer — in a slower sales year.

The first load of Chrysler's TC by Maserati finally arrives in the port of San Francisco (above). The car will be distributed first in California, then other markets.

JOE WILSSENS

The UAW protests the sale of Acustar, Chrysler's partsmaking subsidiary, outside Chrysler's Highland Park, Mich., headquarters in February.

While the tardy Chrysler TC by Maserati was the clear-cut selection as Flop of the Year, it wasn't the only event mentioned. Yugo's problems and the failure of Steven Motors Inc.'s attempt to sell stock to the public also were listed.

So was Chrysler's handling of the attempt to sell Acustar, sort of a reverse twist to the staff's Coup of the Year pick.

One staff member believed General Motors' 1986 buyout of Ross Perot should be the Flop of the Year for 1988, reasoning that Perot is still haunting GM by luring away employees of GM's Electronic Data Systems and by competing with EDS for contracts.

In the Coup of the Year balloting, Malcolm Bricklin and Ford Motor Co. were close behind the UAW's blocking of Chrysler's sale of Acustar.

Bricklin was cited for bailing out of faltering Global Motors (Yugo) with $20 million. Ford was applauded for the Probe and the Continental, two more successes in its string of new-product launches.

Also on the product side, Nissan's product turnaround was noted.

For 1989, the editorial staff expects a shakeout in the import market with Yugo and high-priced European makes feeling the pressure.

Akin to that is the upcoming debuts of the Toyota Lexus and Nissan Infiniti. Some voters questioned the chances for success of the new Japanese luxury cars in a crowded market.

Staff members predicted an increase in dealer financial problems during 1989 and an increase in incentives as sales falter.

GM's continuing comeback was mentioned, but some look for more plant closings. A major 1989 story, said one staff member, will be "GM closes two plants, catches hell, closes two more."

Also at GM, a staffer suggested that there will be more management shifts (there were a ton of them in 1988) as the corporation signals who will be top dog when chairman Roger Smith retires in 1990.

The production situation in the U.S. auto industry was listed as one of the things to watch in 1989 as the automakers attempt to rationalize their capacity to build hot-selling models with the demand for those vehicles.

In 1987, Chrysler Corp. purchased American Motors. One editorial staffer's crystal ball finds Chrysler on the other end of the acquisition process in 1989. He predicted "the Story of the Year will be the leveraged buyout of Chrysler Corp. by a Wall Street finagler. It will happen in October." ■

STORY OF THE YEAR

Continued from page E6

Financial problems have piled up, forcing some dealers out of business and others into bankruptcy.

In some cases, it seems that their reach was greater than their grasp. Poor planning and/or inadequate management also played a part.

This year saw the end of the chain of 10 dealerships in New Jersey headed by the husband-wife team of Richard and Virginia Pepe. The chain filed for bankruptcy, and the dealerships were sold at auction. The auction brought some $30 million, but that sum was expected simply to cover the debts.

In the Dallas area, General Motors Acceptance Corp. assumed control of Jim Johnson Chevrolet, the nation's largest retailer of Chevrolet vehicles in 1987. The dealership's debts were estimated in the $10- to $15-million range.

Grand Chevrolet of Glendora, Calif., filed bankruptcy papers and ran into licensing problems. A federal bankruptcy judge ordered the state Department of Motor Vehicles to restore its license, but the financial woes remained for the large Los Angeles-area dealership.

GMAC repossessed the GM inventory of Kelton Motors, a Vermont chain that also includes Chrysler Motors, Nissan, Volvo, Isuzu, Freightliner and Volvo GM Heavy Truck franchises.

Thomas J. Price, owner of Chrysler-Plymouth City in Spokane, Wash., filed for bankruptcy. A Washington bank has sued the dealership, claiming default on a promissory note.

The list is expected to grow in 1989.

No Collapse

Remember Oct. 19, 1987? Wall Street does, and not fondly. More than 600 million shares were traded on the New York Stock Exchange that day, and the Dow Jones Industrial Average plunged 508 points. The stock market was also devastated in other countries.

As 1988 began, the U.S. auto industry still wasn't sure what effect the collapse of the stock market would have on new-vehicle sales. Would the economy shake off Oct. 19, or would it be another year like the recession period early in this decade?

Those questions have been answered, and the auto industry is smiling. Those smiles were the basis of the third-place story in this year's poll.

This year's new-car sales are estimated at 10,567,000, up 3.34 percent over last year's 10,225,304. U.S.-built cars paced the gain. The 1988 projection is 7,497,000 versus 7,081,262 in 1987. Imports will finish 1988 at about 3,070,000, down slightly from last year's 3,144,042.

The truck story is even better. This year's sales are expected to total a record 5,175,000, an increase of 4.27 percent over last year's 4,962,938, the current peak.

The results were excellent in other lands as well. Western Europe expects 12.7 million car sales this year, far ahead of the record 12,260,202 registered in 1987. And Japan has enjoyed a year-long car-sales boom.

Import Blues

This year's sales reports weren't cheery for all car brands sold in the United States. The weak dollar continued to buffet big-ticket European imports, and that was the fourth-place selection in the *Automotive News* staff vote.

Through November, 10 of the 11 high-priced European cars trailed their 1987 sales totals. The only gainer was Mercury's Merkur line, which was buoyed by the Scorpio four-door. Scorpio was up 83 percent, while the XR4Ti coupe fell 38 percent. The overall gain was 6 percent.

The in-the-red sales totals ranged from dips of 6.18 percent for Mercedes-Benz and 6.90 percent for Jaguar to 35.77 percent for Austin Rover Sterling and 45.20 percent for Audi. Audi is fighting the unintended-acceleration controversy as well as the weak dollar.

In between the highs and the lows, there also were declines of 9 to 35 percent for Volvo, Saab, BMW, Peugeot, Alfa Romeo and Porsche.

Among Japanese makes, there have been gains and losses. Acura recorded an 11-month sales increase of nearly 20 percent; Mazda's imports went up 10 percent; Toyota's imports rose 9 percent; and Mitsubishi climbed nearly 3 percent.

Honda's sales of imported cars were down, although its combined import-transplant total rose. There were declines for Nissan, Subaru, Isuzu and for the Chevrolet and Chrysler captives. Korea's Hyundai was off for 11 months, but only by 0.55 percent.

The weak dollar is not a 1988 phenomenon. The exchange rate has brought sizable increases in imported-car prices during the past three years, and sales are feeling the effects of those hikes. Stiffer competition from the domestics is also a factor.

Public Ownership

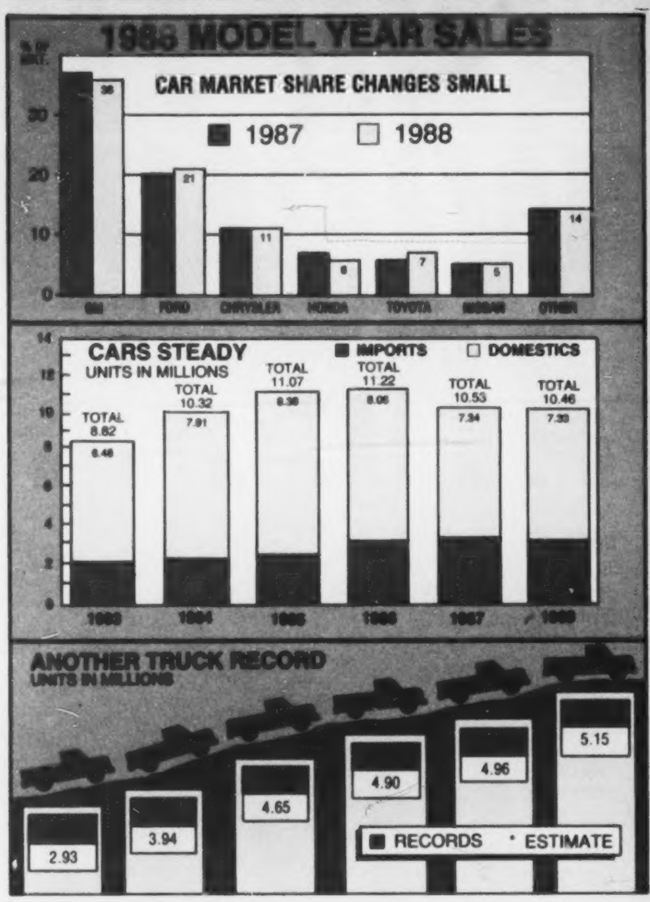
Public ownership of auto dealerships is a hot topic in the industry, and the 1988 developments in that area won fifth place in the 1988 poll.

The debate is lively, and public ownership seems destined to grow, but there is no groundswell yet. Only one chain of dealerships is involved so far. Great Britain's Lex Services purchased 50 percent of the Campbell Group in California this year.

On the other hand, Steven Motor Co. of Wichita, Kan., failed in its bid to sell stock to the public.

The public ownership concept received a boost last spring when GM dropped its opposition to the idea. Ford approved the Lex-Campbell hookup (Campbell holds a Ford franchise), but a Ford Division official denied that the approval marked a change in Ford policy.

He said Lex-Campbell was not direct public ownership because a holding company owns the dealership — 50 percent Lex and 50 percent Campbell.



LANCE GRAVES

MECHAM
PONTIAC
RENAULT

JESSE SNYDER

Taking third place in Story of the Year balloting was the auto collapse that didn't happen. After the stock market crash of October 1987, the auto industry was worried about sales in '88. The fears proved groundless, however, because 1988-model-year car sales remained steady, and trucks chalked up another record (see table above). The year 1988 also saw many large dealerships go belly-up, and that story took second place in Story of the Year voting. Impeached Arizona Gov. Evan Mecham was forced to sell his dealership in Glendale, Ariz. (left). Mecham's sales slumped after he was accused of financial irregularities involving campaign funds.

Past Stories of the Year

A synopsis of winners since the annual feature's inception

Following is a list of winners of the Story of the Year designation since *Automotive News* inaugurated this annual feature in 1953:

1953 — Fire destroys General Motors Hydra-matic plant in Livonia, Mich.

1954 — Reduction of "phantom-freight" charges.

1955 (tie) — The Senate hearings on auto trade practices. Attainment of supplemental unemployment compensation by the UAW.

1956 — GM's five-year dealer franchise.

1957 — The rise in imported-car sales.

1958 — Enactment of the price-sticker law.

1959 — Compact cars introduced by Ford, GM and Chrysler.

1960 — Chrysler Corp.'s conflict-of-interest problems.

1961 — Antitrust actions filed against the Big Three. GM accused in discount-house rhubarb; Ford's acquisition of Electric Autolite properties questioned; Chrysler charged with pressuring dealers not to dual with Studebaker.

1962 — Future of the franchise system: Los Angeles antitrust suit against GM viewed as threat to franchise.

1963 — GM wins criminal antitrust suit growing out of Los Angeles discount-house situation.

1964 — Record truck sales and the first 8-million-car year.

1965 — "The Year of Records": All-time highs in sales and production of domestic cars and trucks.

1966 — Safety: Congress holds hearings; bills are passed; Dr. William Haddon appointed safety czar; proposed standards for 1968 models announced.

1967 — Labor: 61-day strike costs Ford a half-million cars; Big Three workers get raise of about $1 an hour in wages and fringes over three-year period.

1968 — Semon E. Knudsen is named president of Ford Motor a week after he quits as executive vice president of GM.

1969 — Semon E. Knudsen fired as president of Ford Motor after holding the job for 19 months.

1970 — UAW strike shuts GM for 67 days in United States, 95 days in Canada. Costs GM more than 1.5 million cars and trucks (production), more than $4.5 billion in sales.

1971 — President Nixon's economic program and its effect on the auto industry. Price-wage freeze; import duty hiked temporarily; currency revaluation; repeal of excise tax. Program touches off auto sales boom.

1972 — Wankel engine advances. GM to offer Wankel-powered Vega in 1975 model year. Other makers watch and wait. Mazda, only Wankel-powered car in United States, has big year.

1973 — The energy crisis: Becomes a major problem late in year. Arabs halt oil imports to United States. Gas rationing feared, or maybe federal tax of 40-50 cents a gallon. Uncertainty of situation hurts auto industry and entire U.S. economy.

1974 — Year-long sales slump: New-car sales (U.S. and import) fall to 8.9 million in 1974. The 1975 model year is off to a dismal start with high prices a big factor.

1975 — U.S. makers pay cash rebates of $200 to $500 to customers to move huge inventories, mostly small cars. Chrysler starts the program.

1976 — Sales rebound after two poor years, top 10 million for 1976. Major turnaround in marketplace — intermediates and big cars are hot; small cars, especially subcompacts, are hard to sell.

1977 — Air bags ordered on new cars, to be phased in starting with 1982 models. Industry, others fail in bid to have Congress override Department of Transportation decision.

1978 — The fall and rise of Lee Iacocca. Fired by Henry Ford II as president of Ford Motor in mid-July, he becomes president of Chrysler in November.

1979 — Chrysler's financial agony; federal loan guarantees sought; future of company in doubt.

1980 — GM, Ford, Chrysler and AMC suffer combined loss of $4.2 billion for the year. Even GM is in the red.

1981 — Another recession/depression year for the domestic auto industry.

1982 — The DeLorean Saga: John DeLorean arrested on drug-trafficking charges. His sports-car company folds.

1983 — A year of recovery for the domestic auto industry. Sales and production rise after three bad years.

1984 — Record profits for each of the Big Three and a record profit of $9.8 billion for the four domestic auto manufacturers.

1985 — Big Three on a buying binge. GM, Ford and Chrysler make major non-automotive acquisitions. Biggest is GM's $5-billion purchase of Hughes Aircraft.

1986 — A time of turmoil at GM: Market share dips; plants to close; Saturn scaled back; plastic-body Camaro-Firebird plans dropped; bus operations for sale; Volvo to run heavy-truck venture; company has third-quarter operating loss of $338 million.

1987 — Chrysler buys American Motors.

1988 — The sleeping giant stirs: GM's profits rise; car-market share stabilizes; new models not look-alikes; quality improves; overseas operations in high gear. ■

AROUND THE WORLD

Vauxhall to build new paint shop

By Daniel Ward
STAFF CORRESPONDENT

LONDON — General Motors has finally given the go ahead for Vauxhall, its United Kingdom subsidiary, to invest £56.3 million ($102 million) in a new paint facility for Vauxhall Astra models badged as Opel Kadetts in Europe.

For more than a year, it has been clear that a new paint shop was needed at the Ellesmere Port plant, near Liverpool, in order to modernize it in line with the new £90 million ($163 million) facility at its Luton sister plant and Opel's factories in Europe.

However, for months Vauxhall's top management has delayed the Ellesmere Port investment.

Speaking in Detroit earlier this year, GM President Robert Stempel warned that "some consistent earnings and quality" would be needed in the United Kingdom before GM makes a decision on future investment policy.

Stempel said in 1987 that Ellesmere Port had achieved its best-ever quality and productivity with quality close to German levels.

Further improvement at the factory — which previously had a poor reputation because of a militant labor force — and improving profitability at Vauxhall is understood to have won the investment. Vauxhall has forecast that this year's profits will triple to at least £100 million ($181 million).

The United Kingdom government will provide £8 million ($14.5 million) in regional aid for the project, which is expected to be completed by August 1990.

The new facility will enable the plant to apply new paint finishes, such as pearlescent, as well as improve overall quality. The new paint shop will be phased in without disrupting production because it will be located in a former components plant adjacent to the existing plant.

This year, the plant will build 120,000 Astras and Astra-based light-duty vans, which are sold under the Bedford badge.

Ten years of financial losses and the difficulty of shaking off a poor image for productivity and quality have meant that Vauxhall received only a modest share of GM's huge European investment program.

Of an annual total of £552 million pounds ($1 billion) during much of the 1980s for European operations, GM invested £122 million ($220 million) at the Luton assembly plant during the last three years. The investment included retooling for the new Cavalier/Vectra model. Another £85 million ($154 million) has been spent at Ellesmere Port.

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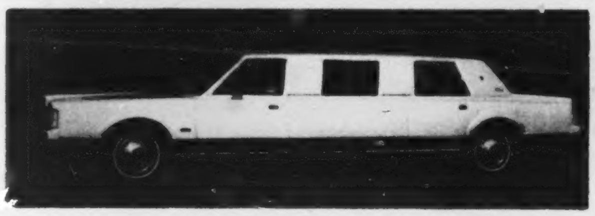

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EUROPEAN SALES

Manufacturer	11 months 1988	1988 share*	11 months 1987	Volume Change '88 vs '87
Fiat Group**	1,779,200	14.8	1,655,800	+ 7.5
VW-Audi-Seat	1,765,000	14.7	1,716,800	+ 2.8
PSA***	1,541,300	12.8	1,384,300	+11.3
Ford	1,375,400	11.4	1,384,400	− 0.6
General Motors****	1,275,600	10.6	1,235,100	+ 3.3
Renault	1,209,400	10.1	1,211,400	− 0.2
Austin Rover	423,800	3.5	395,300	+ 7.2
Mercedes-Benz	414,800	3.4	407,000	+ 1.8
Nissan	356,800	3.0	340,400	+ 4.8
BMW	332,600	2.8	271,800	+22.4
Toyota	329,200	2.7	324,300	+ 1.5
Volvo	245,900	2.0	246,500	− 0.2
Mazda	229,900	1.9	214,500	+ 7.2
Mitsubishi	147,300	1.2	141,700	+ 4.0
Honda	132,100	1.1	120,200	+ 9.9
Others	475,100	3.9	481,300	− 1.2
Total	12,032,900	100.0	11,530,100	+ 4.4

* Does not add to 100 because of rounding
** Includes Alfa Romeo
*** Peugeot, Citroen, Talbot
**** Opel, Vauxhall, Isuzu, GM-U.S./Canada

SALES

FROM PAGE 2

VW group sales, including VW, Audi and Seat, came to 1,765,000 through November, 2.8 percent ahead of last year. That was due to a 4.1 percent gain by Audi to 337,700 and an 11.5 percent increase by Seat to 263,200.

VW group sales were off 6.3 percent to 745,800 in the West German market where it leads with just under 29 percent of sales.

Ford, hurt by a 12-day strike in the United Kingdom last February, was off 0.6 percent for the year at 1,375,400 units. Through November, it held an 11.4 percent market share in Europe, down from 12 percent last year.

General Motors ranked fifth with 10.6 percent penetration on sales of 1,275,600, an increase of 3.3 percent. Renault was sixth with a 10.1 percent share. Its sales slipped 0.2 percent to 1,209,400 in the first 11 months.

Through November, BMW was the best performer among Europe's specialist brands. Sales increased 22.4 percent due to strong demand for the new 5 series. BMW's market share after 11 months was 2.8 percent, up from 2.4 percent a year earlier.

Combined Japanese volume kept pace with overall growth of the new-car market in Europe, keeping talks of further restrictions in check. Japanese sales improved 4.2 percent to 1,359,300 and combined market share remained at 11.3 percent, the same level as 1987.

Among national markets, West German sales declined 3.9 percent in November and were off 3.1 percent for the year compared with a record 1987. But Germany remained Europe's largest new-car market, with volume totaling 2,586,900 units through the first 11 months.

The United Kingdom's sales expanded 10.5 percent year-to-date to 2,123,900, breaking the 2 million mark for the second straight year. November sales were up 5.8 percent.

Italian sales rose 9 percent during the month. The overall market was up 8.5 percent to 2,021,700. French sales climbed 6.7 percent in November and were up 3.4 percent year-to-date to 1,961,600.

The Spanish market rose 11.7 percent in November, keeping the country's nearly three-year-old car sales boom alive. Eleven-month sales were 15.4 percent above last year at 969,000 units — on the verge of going over 1 million cars for the first time.

NEW-CAR SALES BY COUNTRY IN EUROPE

Country	Jan-Nov. 1988	Change vs 1987
West Germany	2,586,900	− 3.1
United Kingdom	2,123,900	+10.5
Italy	2,021,700	+ 8.5
France	1,961,600	+ 3.4
Spain	969,000	+15.4
Netherlands	486,000	−13.5
Belgium-Luxembourg	438,800	+ 4.8
Sweden	311,900	+ [illegible]
Switzerland	300,900	+ 6.8
Austria	241,500	+ 3.5
Portugal	186,700	+67.3
Finland	163,700	+14.6
Denmark	83,900	−27.7
Norway	53,800	−40.6
Ireland	80,400	+12.0
Greece	51,800	+ 9.7
Total	12,032,900	+ 4.4

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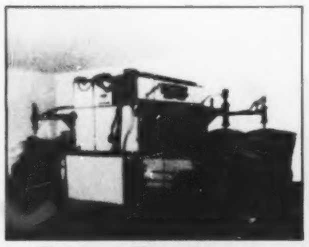

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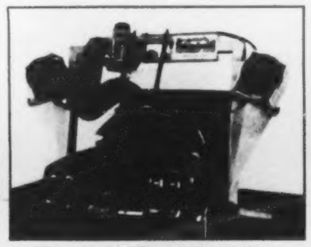

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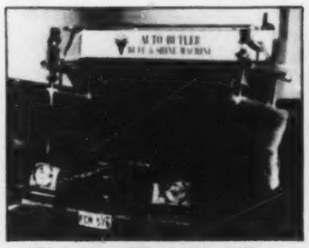

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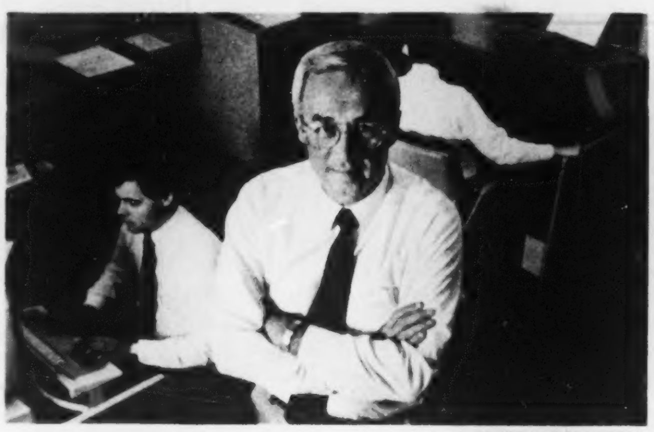
Kordick: Doing unto others . . .

Ford VP retires, heads to hospice

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER


Joe Kordick, Ford's unconventional vice president
AUTOMOTIVE NEWS/JOE WILSSENS

DEARBORN, Mich. — Nearly four years ago Joe Kordick took over as head of Ford's parts and service unit with a style and agenda that inspired a cultural revolution within what was once the Rodney Dangerfield of Ford divisions.

Two weeks ago, the 57-year-old Kordick left Ford Motor Co. to take care of dying cancer and AIDS patients, lending his own definition to the idea of Florida retirement.

Much of Kordick lore tends to focus on his personality. But in an interview earlier this month, he judged his record as general manager. The report card, in essence, says parts and service has made some impressive strides — and has a long way to go.

Kordick actually stayed at Ford longer than he'd expected. When they heard of his plans to do hospice work, Chairman Donald Petersen and Vice Chairman Harold Poling managed to talk him into staying another year. Kordick agreed — as long as they didn't press the issue again. They didn't.

They respected his wishes in another way. Kordick said his greatest achievement at Ford was convincing management that parts and service's No. 2 man, Lee Miskowski, should succeed him. Typically in the past, the job would have gone to someone outside the division. Miskowski was not named a vice president, however. Kordick has held that title since mid-1987 and believes it is important that his successor get it, too.

"If he were not made a vice president at some point in the near term, it would send a message to the dealers that we are not as important as the vehicle divisions, which is not the message I think the company wants to send."

Kordick describes Miskowski as a clone in terms of management style, and someone who will be able to pick up where Kordick left off. He estimates that when he took over, about half of Ford's 5,600 dealerships had an attitude that put their customers first. Kordick wasn't surprised: "For 40 years we treated dealers like dogs." Today, he pegs the number of well-intentioned dealers at 95 percent.

The other part of the equation — having the ability to carry out those intentions — will be left to Miskowski. It could well be the more challenging task, requiring an attention to detail that Kordick admits he doesn't have. Among the goals is eliminating repeat repairs, handling repairs more quickly and always having replacement parts available.

One might be tempted to dismiss Kordick's talk of progress as hyperbole if he weren't so frank about Ford's trouble spots.

How many executives, after all, say publicly that the salaries of auto executives are unconscionably high? How many tell a reporter that the chairman of Ford has been pressing his managers too heavily lately when he should be praising them?

"That isn't the way this company has grown great," Kordick said. "He has not leaned on us (in the past); he has led us. I'm excited by what he has done, but I'm very nervous that we not go into the mode of becoming defensive."

Kordick still believes Ford is on track to providing the industry's best service — and best vehicles — by 1992. Yet he leaves with a list of unfulfilled ambitions.

He wishes he'd done a better job of convincing people to be patient. Meaningful change takes time, he said, and there's still too much of a temptation to resort to quick fixes.

He also said he wanted to build a stronger relationship between parts and service and the sales divisions — even though he sees some encouraging trends. Someday, he hopes to see leaders of the sales division have a parts and service job on their resumes. "This is where taking care of customers happens, and it's just critical that they get exposed to this process," he said.

While Miskowski will be free to follow his own agenda, some of Kordick's customs may be imbedded as tradition by now.

Kordick made personal calls to his employees when they celebrated significant anniversaries with the company. Over the years, more than 220 people have taken him up on his invitation to bring their personal problems to him: "I've had people commit their lives to Jesus Christ here. Funny things have happened."

Twice a week he meets with a dozen employees over coffee. Since he took the post in February 1985, more than 2,200 people have sat with him.

Kordick looks on his new calling as a job transfer. For 34 years he has worked for Jesus Christ at Ford, he explained. Now he will work for Christ at the Hospice of Martin County. He has promised he will give 80 hours a week to the program, just as he has to Ford. He won't be paid for his service.

His training starts Jan. 3. He's aware that hospice workers can burn out when they are constant companions to people who are facing death. He said that if he decides to leave, "I hope that I can develop a competence in the process that I could either write a reasonably compelling book or maybe go around to other men and try to convince them that they're needed in hospice — that it's all right for men to be compassionate."

In the meantime, television will record his career change. NBC cameras followed him during one of his last days at Ford. They'll catch up with him in Florida and film him again for a segment scheduled to be broadcast on the "Today" show next year.

Shop volume climbs for month and year

By Wes Raynal
AUTOMOTIVE NEWS STAFF REPORTER

Service and parts volume at new-car dealerships increased in September over the year-ago month and also was up for the first nine months of 1988.

In September, shop volume rose 2.5 percent over last year's, according to the Automotive News Service Index. Year-to-date shop volume was up 5.5 percent over 1987.

Though the number of repair orders written was down for both September and year-to-date (6.1 and 0.3 percent, respectively), gross profit on all labor and parts sales was up 6.8 percent for September 1987 and 7.7 percent for the first nine months of this year.

Several dealers attributed the volume increase to service specials run during the month.

"When things started to cool off, we needed to do something to keep volume up," a Midwest service manager said.

Meanwhile, a service manager in the Northwest said service volume was up throughout his area.

Labor sales (customer paid and warranty) were up 3.8 percent in September over a year ago and were up 6.0 percent over the 1987 year-to-date period.

Parts sales on repair orders were up 4.6 percent in September over September 1987, and were up 6.7 percent for nine months.

Total parts sales — including over the counter — were up 3.7 percent in September and 7.6 percent for the year to date.

SERVICE INDEX
102.5*

	Sept., '88 vs. Sept., '87	9 mos., '88 vs. 9 mos., '87
Gross Profit on All Labor and P&A Sales	+6.8%	+7.7%
Repair Orders Written	−6.1%	−0.3%
Total Labor Sales (Customer & Warranty)	+3.8%	+6.0%
Shop Parts Sales (Customer & Warranty)	+4.6%	+6.7%
Sales of All P&A...........	+3.7%	+7.6%

* Survey by Automotive News shows that dealers' service and parts business in September 1988 was 102.5 percent of business in September 1987. Service business in the first 9 months of 1988 was 105.5 percent of business in the corresponding period in 1987.

Mitsubishi expands regional net; adds offices in Florida, Texas

By John Wisely
SPECIAL CORRESPONDENT

Mitsubishi Motor Sales of America has expanded its national network with the opening of regional offices in Dallas and Metrowest, Fla., an Orlando suburb.

The Dallas facility handles training, sales and distribution for the Southwest region of the United States, while the Metrowest location provides the same functions for the Southeast.

The two offices are Mitsubishi's third and fourth regional facilities. Mitsubishi also operates offices in Bridgeport, N.J., for the Northeast, and in Cypress, Calif., for the Western United States.

A fifth regional facility is planned for the Chicago area. Mitsubishi will lease office space there beginning Feb. 1. Construction of a permanent facility will begin in 1990.

Mitsubishi is also planning a 126,000-square-foot parts distribution center in Atlanta. The company already operates parts facilities at Bridgeport and Cypress. The Atlanta site is expected to be completed in April.

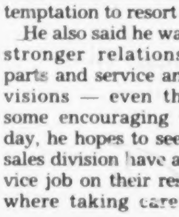
The recently competed Cypress facility also is home to a research laboratory, an engineering center, a design studio and the U.S. subsidiary's headquarters.

The complex, which covers 140,000 square feet, cost $20 million, and will eventually employ 475 people. Part of the complex has been leased to Gray Advertising, Mitsubishi's ad agency.

The expanded regional office network will enable Mitsubishi to gear up for the higher volumes expected as it begins to sell the Eclipse, produced at Mitsubishi's Diamond-Star joint venture with Chrysler. Eclipse, which goes on sale in January, will be handled by all Mitsubishi dealers.

Olds sets up toll-free number to take consumer queries

SHOP
TALK


WES RAYNAL

Oldsmobile will launch its customer-assistance center next March, providing a toll-free telephone number to answer questions about the division.

Oldsmobile said callers will be able to ask product questions, and the center's employees will be trained to handle questions about serviceability, or simply requests for information.

The program will begin in Eastern U.S. regions and spread westward until it is national. Olds officials hope to have the program operating throughout the United States within 15 months after start up.

The center is being developed by GM's Electronic Data Systems, which will staff the operation with 100 employees. Olds personnel will manage the center, which will be open rom 8 a.m. to 5 p.m. (Eastern Standard Time) Monday through Friday.

Kenneth E. McCourt, general director of technical service on GM's customer sales and service staff, will be the center's general director.

Chevrolet, Pontiac, Buick and Cadillac offer similar programs.

Transmission franchises

Automotive Franchise Corp. of Nashville, Tenn., has begun a pilot program that gives current operators of Mr. Transmission shops an opportunity to open additional centers.

The partnership-expansion program consists of joint ownership as a full partner in additional outlets with Automotive Franchise, allowing current franchise holders to expand without a "heavy financial investment."

The owner/operator receives financial assistance from the corporation as well as help with site location, construction of the facility and personnel selection, the company said.

An operator has five to seven years to buy out the corporation's interest.

Last October, Automotive Franchise Corp. began marketing its Mr. Transmission shops to car dealerships. The concept enables three or four dealers to purchase or start a Mr. Transmission shop, allowing them to do their heavy repair and transmission work in the facility.

Get TOWED

Century, a manufacturer and operator of tow trucks and recovery equipment in Ooltewah, Tenn., is the corporate sponsor of TOWED (Towing Operators Working to Eliminate Drunk Driving).

TOWED, which offers holiday-season transportation to over-imbibers, started in 1986 with 16 towing operators. For the 1988 holiday season, Century has commitments from more than 1,000 operators nationwide. The company predicts the operators will take at least 40,000 people home safely, giving them free tows and rides home if they don't think they can drive.

Paul Gallagher, Century president, said, "We just want to offer people a positive way to avoid hurting themselves and others."

AUCTION DATES

Chrysler Motors

Jan. 3 — Hatfield Auto Auction, Hatfield, Pa.; American Auto Auction, Walpole, Mass.; Greensboro Auto Auction, Greensboro, N.C.; Nashville Auto Auction, Nashville, Tenn.; Portland Auto Auction, Portland, Ore.; and Riverside Auto Auction, Riverside, Calif.

Jan. 4 — A.D.E. of Birmingham, Moody, Ala., and Butler Auto Auction, Gibsonia, Pa.

Jan. 5 — Florida Auto Auction of Orlando, Ocoee, Fla.; Northway Exchange, Clifton Park, N.Y.; Aptco Auto Auction, Taylor, Mich.; Indianapolis Auto Auction, Indianapolis; Ark-La-Tex, Shreveport, La.; Omaha Auto Auction, Omaha, Neb.; Southwest Auto Auction, Phoenix, Ariz.; and Amarillo Auto Auction, Amarillo, Texas

Jan. 6 — Manheim Auto Auction, Manheim, Pa.

Jan. 10 — Dallas Auto Auction, Grand Prairie, Texas; Hatfield Auto Auction, Hatfield, Pa.; Southern Auto Auction, Warehouse Point, Conn.; Clanton's Auto Auction, Darlington, S.C.; Denver Auto Auction, Aurora, Colo.; South Seattle Auto Auction, Kent, Wash.; and Golden Gate Auto Auction, Fremont, Calif.

Jan. 11 — Minneapolis Auto Auction, Plymouth, Minn., and Columbus Fair Auto Auction, Obetz, Ohio

Ford Motor Co.

Jan. 4 — Atlanta Auto Auction, Red Oak, Ga., and Indianapolis Auto Auction, Indianapolis

Jan. 5 — Greater Chicago Auto Auction, Chicago; Denver Auto Auction, Aurora, Colo.; Texas Hobby Auto Auction, Houston; Interstate Auto Auction, Mercer, Pa.; Nashville Auto Auction, Nashville, Tenn.; Southwest Auto Auction, Chandler, Ariz.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

Jan. 10 — South Seattle Auto Auction, Kent, Wash.

Jan. 11 — Clanton's Auto Auction, Darlington, S.C.; Mississippi Auto Auction, Hattiesburg, Miss.; Lakeland Auto Auction, Lakeland, Fla.; Southern California Auto Auction, Fontana, Calif.; Newburgh Auto Auction Inc., Newburgh, N.Y.; Omaha Auto Auction Inc., Omaha, Neb.; and Salt Lake Auto Auction, Salt Lake City

General Motors

Jan. 3 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; South Seattle Auto Auction, Kent, Wash.; and Manheim Auto Auction, Manheim, Pa.

Jan. 4 — Atlanta Auto Auction, Atlanta; Clanton's Auto Auction, Darlington, S.C.; Southern California Auto Auction, Fontana, Calif.; Mississippi Auto Auction, Hattiesburg, Miss.; and Omaha Auto Auction, Omaha, Neb.

Jan. 5 — Mid Ark Auto Auction, North Little Rock, Ark.; Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

Jan. 10 — A.D.E. of Birmingham, Moody, Ala.; Harrisonburg Auto Auction, Harrisonburg, Va.; National Auto Dealers Exchange, Bordentown, N.J.; and Florida Auto Auction of Orlando, Ocoee, Fla.

Jan. 11 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

Used Car Sales

Auction Averages

December 88	$5,824
Month ago	$5,486
Year ago	$5,898

Model Breakdown

Auction Averages

	DEC. 1988	NOV. 1988	OCT. 1988
1988 ...	$9,894	$9,514	$9,863
1987 ...	$7,686	$7,330	$7,759
1986 ...	$4,874	$5,997	$6,495
1985 ...	$4,747	$5,077	$5,698
1984 ...	$3,723	$3,721	$4,206
1983 ...	$2,775	$2,948	$3,258
1982 ...	$2,343	$2,228	$2,633
1981 ...	$1,637	$1,706	$1,882
Overall Average	$5,824	$5,204	$5,748

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Todd Auto Auction, Old Route 309, P.O. Box 380, Telford, Pa. 18969. 215-721-1300 or 800-234-TODD. Next Sale — Jan. 5th.

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Commonwealth Auto Auction 215-328-7100. Mondays & Wednesdays-7 PM/Saturdays-11 AM. Morton, PA-Rte 420 S. of Baltimore Ave. Open to public-Cars/Trucks/Vans.

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SOUTH CAROLINA

Clanton's Auto Auction, P.O. Box 51, Darlington, South Carolina, 803-393-2861. Sale every Thurs., Regular Consignment, 11 a.m. & Early Bird, 9 a.m. (repos & lease units).

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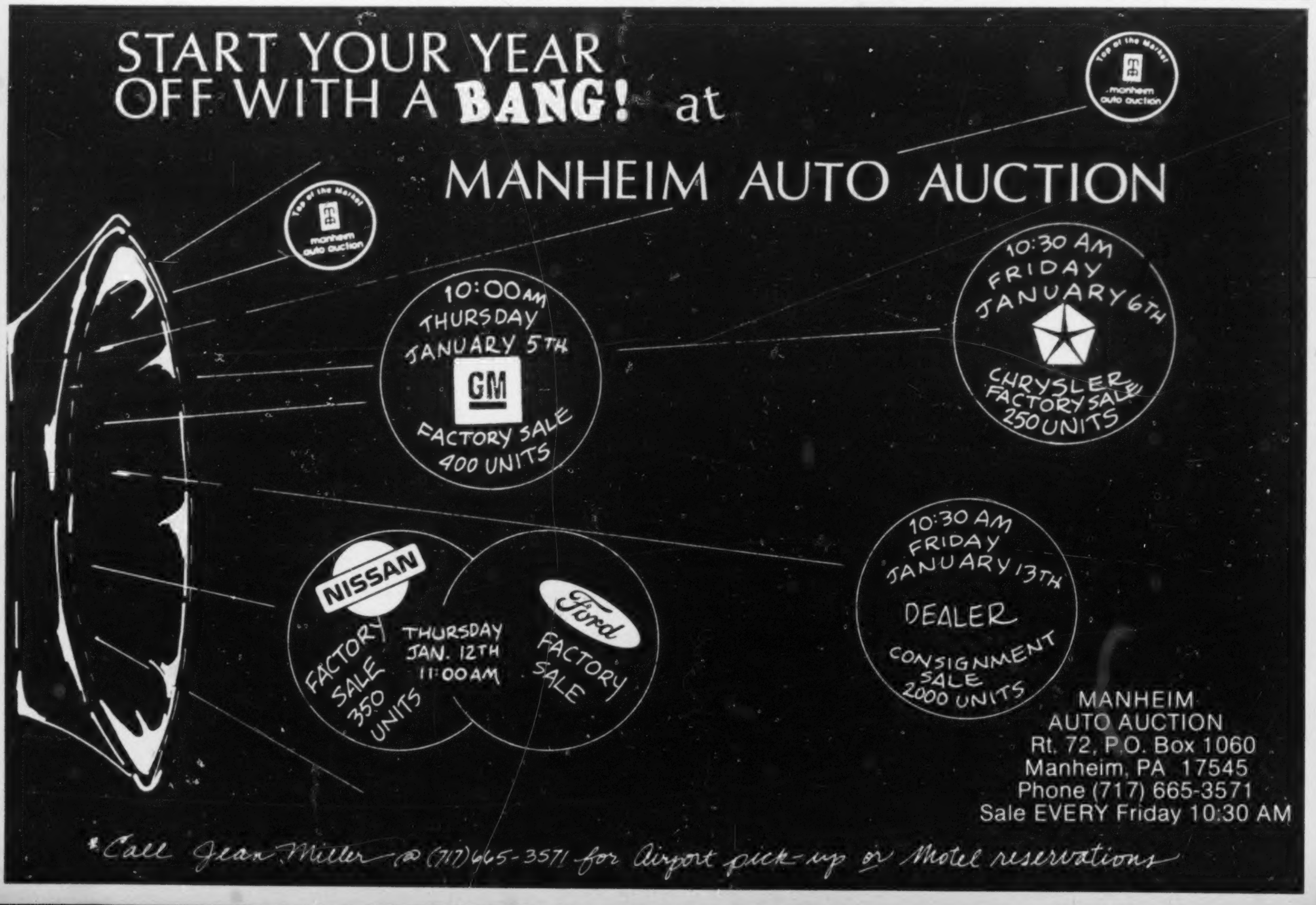
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PRODUCTION

Car output moves past 1987 total

U.S. car production inched past the 1987 year-to-date total last week for the first time this year.

Not only did car output pass last year's total, but automakers built their seven-millionth car of the year last Tuesday, two days ahead of 1987.

According to Automotive News estimates, 1988 calendar-year car output of 7,102,157 cars is 1.13 percent more than the 1987 running total of 7,022,521.

Last week, automakers wound up 1988 production with scheduled assembly of 164,039 units, 2.66 percent below the prior week's 168,519 but more than double the year-ago week's 75,333, which was a three-day work week due to the holiday.

Last week's targeted output was split this way: General Motors, 48.53 percent; Ford Motor Co., 25.74 percent; Chrysler Motors, 15.79 percent; Honda of America Manufacturing, 4.54 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 2.94 percent; New United Motor Manufacturing Inc., 1.23 percent; and Nissan Motor Manufacturing Co. U.S.A., 1.23 percent.

After breaking several monthly production records during the year, truckmakers ended 1988 with their highest year's output ever, surpassing the previous record set in 1987.

Automotive News estimates 1988 calendar-year truck production at 4,127,849 units, 8.40 percent more than the 1987 running total of 3,807,934.

Scheduled truck production of 83,634 last week dipped 10.51 percent from the previous week's 93,457 but rose 70.65 percent above the year-ago week's 49,008.

Chrysler's Kenosha, Wis., plant closed permanently last week. Dodge Omni and Plymouth Horizon output will be moved to the Jefferson Avenue plant in Detroit in January, and the Dodge Diplomat, Plymouth Gran Fury and Chrysler Fifth Avenue models have been discontinued.

All car and truck assembly plants closed last Friday for the holidays. They will reopen Jan. 3.

Canada trucks set output mark

Canadian truckmakers set a calendar-year record this year with an estimated build of 933,992 units. This year's total surpassed the previous record of 845,528 set in 1985 and was 14.27 percent above the 1987 running total of 817,320.

Truck production last week was targeted at 19,386 units, 8.46 percent below the previous week's 21,177 but 78.20 percent above the year-ago holiday week's 10,879.

Auto output for the 1988 calendar year is estimated at 1,027,528 units, 28.03 percent more than the 1987 running total of 802,581.

Last week's car output was scheduled at 17,181, 6.52 percent below the prior week's 18,380 but 30.93 percent more than the year-ago week's 13,122.

Assembly plants shut down last Friday until Jan. 3 for the holidays.

U.S. CAR	Week Ended Dec. 24, 1988	Week Ended Dec. 26, 1987	Week Ended Dec. 17, 1988	Dec. to Date	Jan. 1 to Dec. 24, 1988	Jan. 1 to Dec. 26, 1987
Alliance	0	0	0	0	0	15,994
Total Eagle	0	0	0	0	0	15,994
Horizon	1,500	907	1,566	5,546	79,545	45,363
Sundance	2,400	925	2,303	8,863	105,282	89,157
Reliant	2,400	2,419	2,442	8,456	93,220	135,036
Acclaim	1,000	0	1,011	3,371	7,243	0
Caravelle	0	643	0	0	9,265	42,861
Gran Fury	100	76	215	693	20,032	7,105
Total Plymouth	7,400	4,970	7,537	26,931	314,587	319,522
LeBaron K	0	612	0	0	7,912	63,753
LeBaron J	2,900	1,737	2,963	10,772	91,064	113,596
LeBaron GTS	200	493	217	839	9,532	37,118
N. Yorker E-Class	0	0	0	0	0	57,102
N. Yorker C-Class	2,300	678	2,832	8,947	106,589	18,742
Fifth Avenue	500	755	1,032	2,896	33,238	64,273
Total Chrysler	5,900	4,275	7,044	23,455	248,335	354,584
Omni	1,500	845	1,654	5,486	78,191	39,785
Daytona	1,900	1,086	1,917	7,118	79,540	63,214
Shadow	2,400	1,347	2,540	8,922	103,205	95,543
Aries	2,200	1,761	2,258	7,775	92,504	126,067
Dodge 600	0	331	0	0	8,549	39,636
Dynasty	2,900	844	3,503	11,163	114,297	8,419
Lancer	200	129	215	742	9,361	22,865
Spirit	1,300	0	1,233	4,332	8,186	0
Diplomat	200	230	313	1,051	18,946	14,945
Total Dodge	12,600	6,573	13,633	46,591	512,779	410,474
CHRYSLER MOTORS	25,900	15,818	28,214	96,977	1,075,701	1,100,574
Escort	9,650	5,584	9,204	32,178	414,595	390,919
Mustang	4,477	2,783	4,528	15,250	200,307	212,272
Tempo	3,878	2,467	3,934	13,245	183,063	144,427
Taurus	8,823	4,906	8,790	30,034	395,268	403,859
Thunderbird	3,109	1,736	3,220	10,484	111,906	155,798
Total Ford Div.	29,937	17,478	29,676	101,191	1,305,141	1,307,275
Lynx	0	0	0	0	0	21,352
Topaz	1,551	833	1,589	5,407	70,628	46,582
Cougar	3,133	1,726	2,997	8,911	88,125	137,356
Sable	2,993	1,427	3,061	10,360	135,421	121,358
Total Mercury	7,677	3,986	7,647	24,678	294,174	326,883
Continental	1,535	373	1,806	5,635	55,305	13,474
Mark VII	765	339	902	2,814	28,719	28,248
Lincoln	2,306	1,780	2,710	8,456	123,083	140,567
Total Lincoln	4,606	2,492	5,418	16,905	207,107	182,289
Total L-M Division	12,283	6,478	13,065	41,583	501,281	509,172
FORD MOTOR CO.	42,220	23,956	42,741	142,774	1,806,422	1,816,447
Skyhawk	965	661	1,168	3,790	29,410	34,052
Skylark/Somerset	1,588	0	1,646	5,580	55,104	62,909
Century	3,355	0	3,347	11,528	142,339	152,152
Regal (rwd)	0	0	0	0	0	40,235
Riviera	637	137	741	2,252	13,437	13,242
Electra	2,496	1,088	2,466	8,446	91,570	93,678
LeSabre (fwd)	2,901	1,418	3,050	10,001	134,620	141,073
LeSabre (rwd)	180	127	179	620	9,810	9,911
Reatta	276	0	272	916	9,793	0
Total Buick	12,398	3,431	12,869	43,133	486,083	547,252
Cimmaron	0	0	0	[illegible]	3,693	10,233
Eldorado	751	428	903	2,67[illegible]	35,361	21,130
Seville	569	325	697	2,027	23,496	20,243
Brougham (rwd)	1,220	0	1,073	3,733	36,570	75,141
Deville (fwd)	4,520	2,034	4,565	15,384	164,328	141,129
Allante	75	80	75	255	2,230	4,610
Total Cadillac	7,135	2,867	7,313	24,577	265,687	272,486
Cavalier	6,214	4,786	7,453	23,971	353,436	310,678
Camaro	2,475	1,475	2,392	8,434	99,769	120,532
Celebrity	4,375	0	4,329	14,835	189,612	283,320
Corsica/Beretta	9,390	2,771	9,240	31,810	434,200	345,405
Monte Carlo	0	0	0	0	0	72,041
Caprice	3,855	3,389	3,497	12,396	203,678	198,935
Corvette	450	391	450	1,547	22,783	28,182
Total Chevrolet	26,759	12,812	27,361	92,992	1,303,478	1,359,093
Calais	3,212	0	3,157	10,819	119,465	113,679
Firenza	0	292	0	0	5,230	14,181
Cutlass Ciera	1,690	0	1,658	5,683	38,456	108,395
Cutlass Supreme	3,635	0	3,626	10,824	141,032	73,126
Toronado	319	233	375	1,135	15,289	16,209
88 (fwd)	3,359	2,060	3,104	11,141	156,597	176,936
88 (rwd)	210	288	262	776	11,037	15,000
Olds 98	2,246	1,074	2,288	7,229	75,899	72,038
Total Oldsmobile	14,671	3,947	14,450	47,606	563,005	593,162
Sunbird	2,761	1,236	3,245	10,454	112,864	86,217
Grand Am	4,800	2,840	5,120	18,382	242,653	245,955
Firebird	1,590	916	1,554	5,411	66,542	77,032
Grand Prix	4,040	0	3,374	7,414	139,957	0
Pontiac 6000	2,375	0	2,373	8,190	94,703	67,496
Bonneville	2,971	1,176	2,719	9,862	122,061	123,824
Safari/Parisienne	105	80	114	363	7,336	9,106
Fiero	0	695	0	0	13,297	33,434
Total Pontiac	18,642	6,943	18,499	60,076	799,416	645,064
GENERAL MOTORS	79,605	30,000	80,492	268,385	3,417,669	3,417,057
HONDA	7,450	3,246	7,576	25,512	365,832	321,862
Civic	2,400	777	2,455	8,355	110,050	88,695
Accord	5,050	2,469	5,121	17,157	255,782	233,167
MAZDA†	4,817	264	4,846	17,433	163,714	4,326
NISSAN	2,022	825	2,270	7,377	109,975	113,272
NUMMI	2,025	0	2,380	7,174	126,847	182,790
Corolla	1,825	0	2,014	6,242	55,042	42,065
Geo Prizm/Nova	200	0	366	933	71,802	140,725
VOLKSWAGEN	0	1,224	0	0	35,997	66,193
Golf/GTI	0	804	0	0	30,444	48,780
Jetta	0	420	0	0	5,553	17,413
Total Cars, U.S.	164,039	75,333	168,519	565,633	7,102,157	7,022,521
Total Cars, Canada	17,181	13,122	18,380	60,766	1,027,528	802,581
U.S., Canada Cars	181,220	88,455	186,899	626,399	8,129,685	7,825,102
U.S., Canada Cars and Trucks	284,240	148,342	301,533	1,009,625	13,191,526	12,450,356

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended Dec. 24, 1988	Week Ended Dec. 26, 1987	Week Ended Dec. 17, 1988	Dec. to Date	Jan. 1 to Dec. 24, 1988	Jan. 1 to Dec. 26, 1987
Eagle	0	—	0	0	0	—
Premier	1,275	—	1,278	4,348	60,371	—
CHRYSLER MOTORS	1,275	782	1,278	4,348	60,371	12,579
Escort	0	—	0	0	0	—
Lynx	0	—	0	0	0	—
Tempo	3,268	—	3,314	11,287	170,364	—
Topaz	1,628	—	1,763	5,867	69,828	—
Crown Victoria	2,895	—	2,881	9,900	129,833	—
Grand Marquis	2,865	—	2,850	9,798	131,439	—
FORD MOTOR CO.	10,656	7,058	10,808	36,852	501,464	431,825
Celebrity	177	—	218	731	20,130	—
Cutlass Ciera	3,393	—	4,135	12,862	219,687	—
Cutlass Supreme	0	—	0	0	0	—
Grand Prix	0	—	0	0	0	—
Pontiac 6000	0	—	0	0	29,690	—
Regal	0	—	0	0	139,613	—
GENERAL MOTORS	3,570	5,046	4,353	13,583	409,120	3[illegible]4,303
Civic	1,500	—	1,761	5,371	48,184	—
Accord	0	—	0	0	1,828	—
HONDA	1,500	236	1,761	5,371	50,012	15,536
VOLVO	180	0	180	612	6,561	8,338
Total Cars, Canada	17,181	13,122	18,380	60,766	1,027,528	802,581

U.S. TRUCK☆	Week Ended Dec. 24, 1988	Week Ended Dec. 26, 1987	Week Ended Dec. 17, 1988	Dec. to Date	Jan. 1 to Dec. 24, 1988	Jan. 1 to Dec. 26, 1987
Caravan	2,100	—	2,283	8,158	93,625	—
Dakota	2,300	—	2,501	8,826	109,203	—
Mini-Ram Van	100	—	170	548	11,846	—
Pickups	2,300	—	2,501	8,817	87,699	—
Total Dodge	6,800	5,024	7,456	26,350	302,373	317,512
Cherokee	3,800	—	3,897	14,057	186,415	—
Commanche	700	—	732	2,695	43,549	—
Grand Wagoneer	300	—	350	1,140	14,209	—
Pickups	0	—	0	0	0	—
Wagoneer	200	—	201	734	10,777	—
Total Jeep	5,000	2,768	5,180	18,626	254,950	221,110
Voyager	1,800	—	1,867	6,800	86,187	—
Total Plymouth	1,800	—	1,867	6,800	85,552	—
CHRYSLER MOTORS	13,600	7,792	14,502	51,775	639,964	538,622
Aerostar	5,000	—	5,817	17,732	208,770	—
Bronco	1,709	—	2,110	6,406	59,427	—
Bronco II	2,937	—	3,353	10,429	122,638	—
Econoline	5,227	—	5,047	18,111	242,413	—
Heavy trucks	1,313	—	1,371	4,573	64,742	—
Light trucks	11,130	—	12,985	40,921	497,188	—
Ranger	7,157	—	8,003	26,054	325,763	—
Total Ford Div.	34,473	18,695	38,686	124,226	1,520,941	1,468,098
FORD MOTOR CO.	34,473	18,695	38,686	124,226	1,520,941	1,468,098
Astro	3,328	—	3,586	11,618	174,606	—
Blazer	517	—	607	1,972	26,297	—
Mediums/Heavies	0	—	0	984	19,570	—
P-Model	0	—	964	2,323	39,649	—
Pickups	11,860	—	9,085	35,232	375,047	—
S-10	1,604	—	6,165	17,084	298,737	—
S-10 Blazer	3,458	—	4,071	13,178	171,658	—
Sportsvan/Van	0	—	0	0	86,204	—
Suburban	1,520	—	1,717	5,657	70,626	—
Total Chevrolet	22,287	13,326	26,175	88,048	1,262,392	1,122,477
Jimmy	139	—	221	603	7,716	—
Mediums/Heavies	0	—	0	825	33,623	—
P-Model	0	—	43	152	4,890	—
Pickups	3,606	—	2,814	10,784	115,455	—
S-15	362	—	968	3,442	66,142	—
S-15 Jimmy	1,162	—	1,112	3,740	48,301	—
Safari	890	—	824	2,980	44,700	—
Suburban	473	—	768	2,092	31,070	—
Vandura/Rally Vans	0	—	0	0	30,617	—
Total GMC	6,634	4,478	6,750	24,617	384,514	370,012
GENERAL MOTORS	28,921	17,804	32,925	112,665	1,646,906	1,492,489
NAVISTAR	1,496	1,066	1,873	6,151	85,745	74,693
NISSAN	2,394	1,979	2,721	8,850	95,693	99,922
AM GENERAL*	450	270	450	1,530	22,680	17,370
MISCELLANEOUS*	2,300	1,380	2,300	7,820	115,920	116,540
Total Trucks, U.S.	83,634	49,008	93,457	313,018	4,127,849	3,807,934

CANADIAN TRUCK	Week Ended Dec. 24, 1988	Week Ended Dec. 26, 1987	Week Ended Dec. 17, 1988	Dec. to Date	Jan. 1 to Dec. 24, 1988	Jan. 1 to Dec. 26, 1987
Caravan	2,836	—	3,464	11,073	143,292	—
Mini-Ram Van	166	—	204	665	11,867	—
Ram Wagon	620	—	660	2,193	26,973	—
Ram Van	1,730	—	1,749	5,968	73,795	—
Total Dodge	5,352	4,232	6,077	19,899	255,927	383,762
Voyager	2,118	—	2,587	8,343	126,195	—
Total Plymouth	2,118	—	2,587	8,343	126,195	—
Wrangler	1,248	—	1,305	4,360	52,672	—
Total Jeep	1,248	519	1,305	4,360	52,672	36,136
CHRYSLER MOTORS	8,718	4,751	9,969	32,602	434,794	419,898
FORD MTR (lt. trks.)	3,648	2,294	3,358	12,049	163,012	151,467
Light trucks	3,563	—	4,140	13,216	158,550	—
Vans	1,493	—	1,530	5,277	61,708	—
Total Chevrolet	5,056	—	5,670	18,493	220,258	—
Light trucks	1,237	—	1,368	4,563	75,253	—
Vans	457	—	538	1,685	29,385	—
Total GMC	1,694	—	1,906	6,248	104,638	—
GENERAL MOTORS	6,750	3,702	7,576	24,741	324,896	236,120
NAVISTAR	270	132	274	816	11,290	9,835
Total Trks., Canada	19,386	10,879	21,177	70,208	933,992	817,320
U.S., Canada Trks.	103,020	59,887	114,634	383,226	5,061,841	4,625,254

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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GM ponders Japan move in luxury lair

Lexus and Infiniti pose new threats

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — With this week's public debut of Toyota's Lexus and Nissan's Infiniti models, General Motors faces a serious strategic dilemma for the 1990s: How to block the Japanese offensive into GM's high-profit luxury and bread-and-butter mid-sized lines.

The onslaught of the upscale Japanese models — Honda's entrenched Acura and the two newcomers — has triggered serious internal debate among GM executives about how much of a threat the Japanese pose in the luxury segment.

Some GM insiders view the latest Japanese foray as another very serious threat into another critical niche battleground. Others discount the abilities of the Japanese to build and market luxury models — believing the market already is saturated with $30,000-plus automobiles from Europe and the United States.

Publicly, GM executives have said only that they expect the Japanese to be tough competitors in the luxury segment. But they have been mum on revealing GM's strategy — if it has one — to halt the Japanese advances into traditional GM strongholds.

Nevertheless, the planned introductions of the upscale Japanese models next fall has prompted a flurry of internal reports outlining GM's assessment of the Japanese manufacturers' plans and the strategic options GM sees open to its Buick, Oldsmobile and Cadillac divisions.

One such report, issued last March to GM's top product planners and Buick, Oldsmobile and Cadillac executives, calls the Japanese auto manufacturers "the greatest long-term threat" to GM, a threat that could cost many upscale GM dealerships. It adds that the Japanese will eventually dominate the prestige luxury market.

GM expects the Japanese to introduce seven to 10 new luxury nameplates in 1990 and 1991 that will "rival GM styling, pricing and comfort levels, while offering superior levels of quality, advanced technology and electronics that significantly improve ride and handling."

The report concludes:

"Without competitive levels of quality in GM's luxury cars, GM's ability to compete in the luxury market will be substantially diminished."

The report emphasizes the historic success of the Japanese in the United States and sees their ability

see GM, page 44

Buick's real-world show car, the Park Avenue Essence, could well be the division's future large car

It's show time for autos

Glitter galore as Detroit, Los Angeles exhibits open

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — This week's star-studded opening of the North American International Auto Show is an event of many "firsts."

The show will mark the world introduction of both Toyota's Lexus and Nissan's Infiniti upscale car divisions, which will also show their wares across the country at the Greater Los Angeles Auto Show.

Between them, the Detroit and Los Angeles shows will see the North American premieres of dozens of cars from both Europe and Asia.

Detroit will host the world debut of no fewer than two dozen pre-production prototype and show cars aimed at potential future markets.

It will mark the official rechristening of Detroit's auto show with its loftier international title, as well as be the unveiling of Motown's newly designed and expanded Cobo Hall exhibition facility.

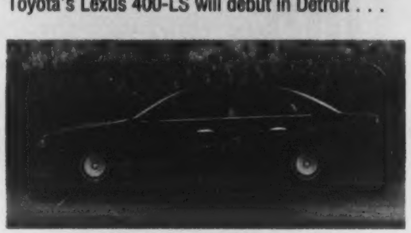
But as Detroit's North American International Auto Show dominates the world and business press, the Greater Los Angeles Auto Show will seek the attention of Southern California-based enthusiast publications and the region's hot consumer market. Dates for both shows are Jan. 7-15.

While the industry's movers and shakers will be on hand for this season's first international show, the stars at Detroit will be the cars.

Though it may be ironical that Japan's Toyota and Nissan would choose Detroit to launch their upscale car divisions, the move also drives home the importance of the North American market as well as the international theme of the show.

As General Motors assesses the seriousness of the Japanese luxury car threat, it will unveil at least one concept car from each of its five divisions — including luxury models from Cadillac and Buick — and a host of other new 1989 models.

Toyota's Lexus 400-LS will debut in Detroit . . .



. . . As will Infiniti's Q-45 sedan

The GM division with the most show vehicles on display will be the company's largest — Chevrolet.

Leading off at the Chevy stand will be the division's newest family of cars, the Lumina coupe, four-door sedan and all-purpose vehicle, the APV.

The first Lumina to make it to Chevrolet dealerships will be the sedan, which will be available by spring. Designated a 1990 model, the sedan will be equipped with four-wheel

see SHOW, page 42

OK expected for NUMMI truck build

By Lindsay Chappell and Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTERS

New United Motor Manufacturing Inc. is pushing forward its application to expand paint shop operations in order to produce pickup trucks for Toyota.

The Fremont, Calif., joint venture between General Motors and Toyota has supplied new information to local environmental authorities indicating it is willing to meet rigid state emission standards on the project.

In California, a Bay Area Quality Management District engineer said it is likely the proposal will be approved, perhaps as early as this May.

A top executive of Toyota Motor Sales U.S.A. said last week that while NUMMI has emerged as the parent company's leading candidate for truck production, he hopes a second plant to produce trucks would be added in the Midwest.

"Using NUMMI is the fastest way we can get truck production, but my answer to Japan (on where to locate a truck factory) was that we should really go to the Midwest for truck production because the middle part of America and the Southeast are the two biggest truck markets," said Robert B. McCurry, executive vice president of sales and operation for Toyota Motor Sales U.S.A. McCurry said he can envision Toyota with two light-truck manufacturing plants in the United States.

He confirmed that NUMMI has submitted additional information to California environmental officials in seeking permission to expand vehicle production.

"I know they have filed and I really, sincerely hope that it is for truck production because we want truck production very quickly. I would assume that is what it is for, but I really don't know," he said. U.S. antitrust laws prohibit Toyota Motor Sales from becoming directly involved in production decisions by NUMMI.

Last summer, NUMMI applied to the district for approval to double capacity by building 200,000 pickup trucks annually for Toyota. However, authorities returned the application for clarification on how the company intended to meet local emission standards, particularly from proposed paint shop operations at the site.

According to the Bay Area Air Quality Management District, which is responsible for approving the expansion plans under California law, the company has now answered "most" of the agency's requests for clarification and appears to be in a good

see NUMMI, page 7

$5 A DAY: *Ford's wage revolution is 75 years old; it made mass production and today's industry possible*

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — Jan. 5, 1914 — 75 years ago this week — was a momentous day for the auto industry and for capitalism.

On that day, in a move one historian called "breathtaking in its boldness," Henry Ford more than doubled his workers' wages to the mind-boggling rate of $5 a day.

In doing so, Ford not only made history, he made mass production — indeed, the industry's future — possible.

Which is to say, he created consumers — workers with enough affluence to satisfy their appetite for goods, especially the goods they built on Ford assembly lines. In the process, the $5 wage made their hard and often distasteful work more acceptable: It allowed workers and their families new-found economic opportunities and assured that they could sustain them.

It was quite a contrast. Because as the new year of 1914 dawned, for most auto workers there were no "lifestyles," only lives. Something had to be done. As 1913 drew to a close, lives spent on nine-hour shifts at Ford's Highland Park, Mich., assembly line were so unappealing that the turnover rate was almost 400 percent a year. Without the hook of high wages, Ford workers simply found easier or less monotonous jobs.

But with that kind of turnover, and the constant influx of "undisciplined" immigrant labor into what was then a high-tech plant, Ford's future production plans were seriously jeopardized.

In 1913, Ford had applied the assembly line to the automotive industry and real mass production was born. And, for 1914, Ford's plan was to move up to three eight-hour shifts rather than the existing two nine-hour shifts, taking advantage of his new technique. For that to work,

see WAGES, page 6

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Commerce on 1989:
Cars down, trucks up
Page 3

Toyota drops subzone
at truck bed plant
Page 4

NEWSPAPER

Canadian imports boost U.S. auto trade deficit

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — A surge in imports from Canada caused a jump in the U.S. automotive trade deficit in passenger cars and light trucks for September.

The deficit jumped 10.55 percent over the year-earlier figure, due largely to an increase in imports of both cars and light trucks from Canada. However, U.S. exports continued to increase at a healthy pace.

The value of imports increased 16.17 percent for the month, while exports increased 39.21 percent during September.

September's increase in the automotive trade deficit follows a string of declines, including a 6.5 percent drop in August.

Comparing the 12-month period ended Sept. 30 with the year ended Sept. 30, 1987, the automotive trade deficit showed a 4.29 percent improvement. As of September, the United States was running an annualized trade deficit in passenger cars and trucks of $43.521 billion, down almost $2 billion from last year's $45.473 billion. The annual totals reflect a 3.71 percent decline in the number of vehicles imported to the United States in the 12-month period. Exports jumped 21.71 percent during the same period.

Trade numbers from the U.S. Commerce Department show a trade deficit for passenger cars and light trucks of $3.179 billion for September, compared to last year's deficit of $2.875 billion. Total car and truck exports for the month had a value of $977.2 million while car and truck imports were valued at $4.156 billion.

Exports of passenger cars reached 77,898 vehicles with an estimated value of $817.0 million in September. Light-truck exports for the month were 15,379 vehicles with an estimated value of $160.1 million. The value of passenger-car exports was up 38.89 percent to Canada, 1,760 percent to Japan and 196.92 percent to nations lumped in the category of "other" by the Commerce Department. Passenger-car exports to those "other" countries totaled 7,156 units for the month.

On the import side during September, both the quantity and value of car and truck truck shipments from Japan continued to decline. There also were declines in passenger-car shipments from Yugoslavia, the United Kingdom, Italy and France. Shipments from countries classified as "others" also declined for the month.

Canada, West Germany, Brazil, Sweden, South Korea, Mexico, France and Brazil showed import growth in August.

Total car and truck imports in September had a value of $4.156 billion, up 16.19 percent from the $3.577 billion in September 1987. There were 405,705 finished vehicles imported to the United States in September 1988, compared to 349,304 vehicles in September of last year.

Imports of passenger cars reached 348,797

see TRADE, page 45

Skoda slates Favorit for West export

PRAGUE, Czechoslovakia — Skoda will begin exporting its new Favorit model in early 1989.

And, when the car makes its Western debut at the Geneva Auto Show in March, company officials say they will announce a new joint venture with a producer in the West to build engines. However, it is not known who is in the running for the project.

The five-door Favorit will be exported first to Holland, Denmark, Finland and Greece. Other countries will be added in the second half of 1989.

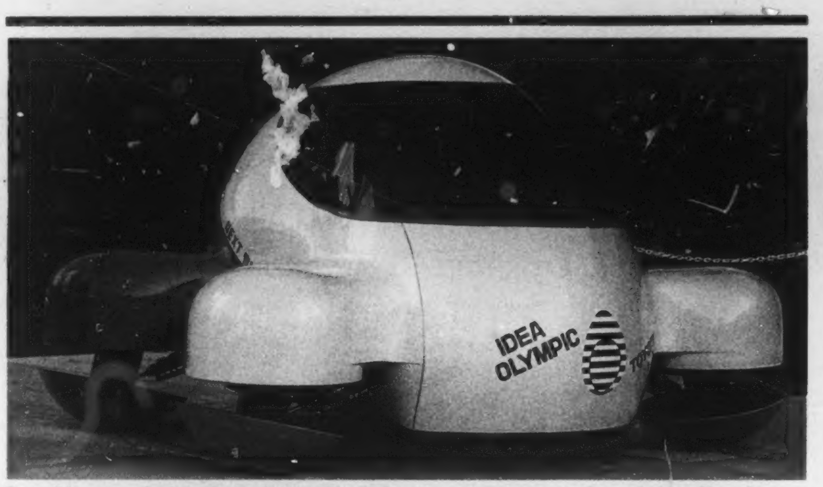
Motokow, Czechoslovakia's auto export company, is eyeing worldwide export of the car, including the United States and Canada.

While details have yet to be worked out, officials say there has been significant interest among potential importers. Plans call for catalyst-equipped versions of the Favorit to be produced in the second half of 1989.

The Skoda Favorit is the first new model from the country in this decade.

Versions exported to the West will have a new 1.7-liter four-cylinder engine.

Importers that have not sold Skoda for years are reportedly interested in handling the Favorit, company officials said.



By walking on wok-shaped wheels, the "Next Wheel" won top honors in Toyota's Idea Olympics

FUN TIME: *Toyota's Idea Olympics spawns far-out concepts*

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — A car that "walks" on Chinese woks instead of wheels is one of the off-the-wall concoctions in Toyota's 13th annual Idea Olympics.

The point of the yearly contest is to stimulate creativity and also to inspire various groups in the company to take up new skills.

The "Next Wheel," as the wokmobile is called, was put together by a group from the engine engineering department led by Yoshikatsu Ikeda. In order to complete the project, the engineers, who work mainly with metal engines, had to learn about molding plastics.

The result is an egg-shaped vehicle spinning freely on wok-shaped wheels through the use of a hydraulic cylinder to change the slope and direction of each wok. It provides the ultimate in four-wheel steering. The entry won the president's prize for the group for the fourth time.

About 5,000 ideas were submitted for this Olympics, and they were culled down to 250 final entries. Several entries were rejected because they were too close to ideas that can be put into production. One group, which proposed a variable stabilizer that changes according to speed and road conditions, was advised to take out a patent instead.

Only those with fantasy need apply.

The stamping die and tooling model making department came up with the "Tom-

see TOYOTA, page 40

Ferrari sues Calif. maker of look-alike kit car

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — What's in a name? More than just a label, if the name is Ferrari.

In a precedent-setting federal case, Ferrari is seeking to extend trademark protection beyond its name to include the design itself and the exclusive aura surrounding one of its most coveted cars, the 365-GTB Daytona Spyder.

The Fiat unit hopes to stop a California kit-car maker that builds a look-alike in a jury trial beginning Feb. 28 in U.S. District Court in San Diego.

The case pits Ferrari against San Diego kit-car maker Thomas McBurnie of McBurnie Coachcraft, but it could set a precedent in the replicar business.

McBurnie makes the McBurnie California Daytona Spyder, which is essentially a fiberglass, Ferrari look-alike body on a Corvette chassis.

A version of the California Daytona Spyder became famous on the "Miami Vice" television show.

McBurnie said last week that 84 California Daytona Spyders have been made, with another 22 in production.

According to court records, McBurnie admits he displayed and advertised his car with Ferrari logos on it at least once, but attorneys in the case said the Ferrari name is not the central issue.

Ferrari is expected to argue that regardless of the label, the look-alike is an illegal copy since the public is liable to confuse it with the real thing, cheapening Ferrari's image.

The original Daytona Spyder is a collectors' item that has been auctioned for more than $1 million apiece.

Ferrari introduced the Daytona Spyder in Europe in 1969 and made only 127 models before production ceased in 1974. Only 69 were sold in the United States.

"This car is a work of art," said Kenneth Umans, a New York attorney who represents Ferrari S.p.A., based in Modena, Italy.

"It's not like a toaster that disappears, or a car that nobody cares about after two years. Ferrari doesn't want buyers of its cars to go out and see 600 imitations driving around," he said last week.

McBurnie makes no bones about the fact that his Daytona Spyder is intended to look like the original.

"I styled the car to give the illusion of being the original Daytona Spyder," he said last week.

Court records said McBurnie will argue that Ferrari "abandoned" its rights to the design when it quit making the car.

Umans countered that the Daytona Spyder is important to Ferrari's public image and has remained prominent in the public eye, even though it's no longer made. Court records show McBurnie failed in a motion to have the case dismissed because of the "abandonment" issue.

McBurnie said last week that if Ferrari prevails, the case will open a "Pandora's Box" for car designers.

"How far away from a design do you have to be before it's your own original design?" he asked.

McBurnie said that among other differences, his version is three inches longer and four inches narrower than the original and has different doors, windows and windshield.

"I don't think they can stand up in front of a jury and say that in 1973 or '74, the car was selling for $29,000, and today it's been sold for $1 million to $2 million, that Tom McBurnie has caused them to lose," he said.

Porsche ends 2-year search for U.S. partner

Plan for second line of cars faded when Cook bowed out

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

RENO, Nev. — Porsche Cars North America has called off its search for another make to sell through its U.S. dealer network.

"We are no longer looking for sourcing outside our parent company," said Brian Bowler, who took over Nov. 1 as president of the U.S. sales arm of the West German sports-car specialist.

Bowler said he wants to put an end to two years of speculation linking Porsche and a variety of Asian and European automakers not represented in the U.S. market.

Bowler's declaration ended the search committee, which was made up of senior Porsche U.S. executives. The project was started in late 1986 by President John Cook, who resigned abruptly last September, his quest for a marketing partner unfulfilled.

After Peter Schutz was ousted as chief executive of Porsche AG in 1987, German management had not shared Cook's enthusiasm for the project.

Bowler declined to identify automakers that Porsche had discussions with, saying that would break confidentiality agreements.

But he said most potential partners didn't have products or images that would fit comfortably into the same showrooms as Porsches.

Porsche also has become sensitive to how other automakers can, even inadvertently, capitalize on its performance image. In Spain, Porsche's engineering subsidiary redesigned an engine used in the Seat Ibiza, an entry-level car built by the Spanish automaker. Suddenly, there is a booming business in aftermarket "Porsche" stickers that are placed on Ibizas by owners wanting to identify with the upscale make.

"That's a relationship that Porsche wouldn't wish to repeat," Bowler said. He said that wasn't a direct reason for calling off plans to sell another make in U.S. Porsche dealerships, but he noted that the Spanish situation "is part of an awareness of what can happen."

Cook's original plan had been to provide an import distribution and marketing umbrella and network of interested Porsche dealers for an upscale make that could be sold alongside Porsches.

At the time, U.S. Porsche sales were already beginning to drop from a peak of 30,000 annually toward the current 15,000-unit level. Both Porsche Cars North America and dealers (most of whom also handled beleaguered Audi) had capacity to handle more units and another line was considered the answer.

However, Porsche Cars North America laid off more than a third of its personnel last year. Bowler said that no additional layoffs would be necessitated by his calling off the search for outside sourcing.

Cook sold the original plan as a dealer-requested project. But Bowler said that sentiment seems to have faded. At a pre-Christmas round of dealer meetings, Bowler said many dealers applauded his announcement that the search has been called off.

"The feeling I got from dealers was that they were glad that Porsche was concentrating on its own affairs," he said.

LeSabre facelift
Buick will drop the nondescript flat grille on its LeSabre in 1990 in favor of one resembling other grilles in the division's family. The new grille will bulge out and consist of vertical chrome bars instead of the horizontal style on the current model. The car also will have a new bumper that drops in the center section, setting the new model apart.

POPULAR MECHANICS/JIM DUNNE

Electronic blue books gain favor

Dealers slow to embrace them, but acceptance is growing

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Franchised dealers have been glacially slow to accept computerized pricing guides for used vehicles, yet blue book publishers say the market is growing.

"More dealers are inquiring about electronic value guides," said Arlene Weinstock, marketing representative for the National Automobile Dealers Association's Value Guide. "It used to be that we never received calls. Now we're getting inquiries every few weeks."

Insurance companies, leasing firms, banks and government agencies have been quicker to embrace electronic value guides than dealers.

"The market is growing every day and will play a larger role in the business," said Bob Eads, general manager of California-based Kelley Blue Book. "The main thing is to let dealers know it is available."

Kelley has an electronic version of its appraisal book that dealers can access by telephone. Figures are based on auto auction reports and other sources.

Kelley Appraisal Reports has been on the market for about 18 months. It took the company four years to develop the software for a market potential that Eads says is about 60,000 subscribers.

The service costs $300 per month for five hours of "connect time" with the company's mainframe computer. Eads said the program has about 230 subscribers, primarily auto dealers but some insurance companies and banks. It has turned the corner and is now profitable for the company, Eads said.

Resistance by dealers' used-car managers is apparently the greatest impediment to marketing electronic value guides.

"We have found that the dealers and general managers are enthusiastic about the program but the used-car manager is fearful that electronic guides, once in the system, will replace him," Eads said.

Chicago-based Red Book also sells an electronic version of its value guide, priced at $5 per transaction. The company said it receives 1,500 to 3,000 inquiries per month from insurance companies for replacement values of cars.

"We have had good success with insurance companies," said John Heffinger Jr., publisher of Red Book. "The reason is that they are reluctant to hire used-car managers who can really appraise a vehicle."

Heffinger said the company has tried to market the product to dealers but has had limited success.

"It sounds like a great idea but, in reality, it's tough to sell," he said. "What's faster when a customer brings in a trade-in — going to a computer or getting a quick figure from a blue book?"

Heffinger said experienced used-car managers know how to buy used cars and how to remarket them.

"If a used-car manager needs a computer to tell him the values, then he probably doesn't know what he is doing," he said.

Another Chicago-based company, CCC Information Services, offers electronic evaluation of vehicles to insurance companies only.

The company was established to help insurance company adjusters settle claims for stolen, damaged or totaled vehicles.

It has 130 insurance customers — including State Farm Insurance and Allstate — but does not currently offer an electronic value guide for dealers.

"We are looking at providing a service to dealers but offer nothing currently," said William R. Geen, vice president — valuation services.

He said the company sells information on a per-transaction basis, depending on the volume of business.

Georgia-based Black Book sells new-car price information on diskettes to leasing companies. They use it to establish residual values and vehicle costs.

"The market is not overwhelming, but the product is selling well," said Gene McDonald, president of Black Book.

He said the company breaks even with its electronic price guide but expects the product to turn a profit this year.

"There is a market out there, but the extent of it is unknown," said McDonald.

He said electronic value systems are impractical for dealers because printed books are less expensive and more convenient — Black Book fits into a shirt pocket.

Prices are generally lower for the printed books, too. The NADA Official Used Car Guide has a median subscription price of $27, while the weekly Black Book costs $62 annually, for example.

"There are some uses for electronic information, in-

see ELECTRONIC, page 7

Commerce on '89: Cars off, trucks up

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The U.S. Commerce Department predicts that new-car sales will slip in 1989 and truck sales will gain modestly.

In its annual economic report "U.S. Industrial Outlook 1989," released yesterday, the department's Office of Automotive Industry Affairs forecast 10.6 million passenger-car sales for the year and 5.0 million light-truck sales for the year, compared with the its estimate of 10.7 million car sales and 4.9 million truck sales for 1988.

U.S. sales of North American-built passenger cars will be 7.6 million for 1989, down from an estimated 7.7 million in 1988, the Commerce Department said. That includes vehicles produced by transplant automakers in North America. Sales of imported cars will remain constant at 3.0 million, according to the report.

The anticipated 1989 market share for North American-built cars, including passenger cars produced by foreign-owned factories, is 71.6 percent, the Commerce Department said. Sales of vehicles imported from Japan will account for an estimated 17.6 percent of the market. All other imports will account for 10.8 percent of the market, according to the forecast.

The government projections mean a slight decrease in market share for North American-built cars from the estimated 71.7 percent they held in 1988, despite the fact that North American capacity is increasing due to transplant manufacturing.

The government's numbers also portend a drop in market share for Japanese imports from the 18.6 percent estimated for 1988, and an increase in market share for all other imports, which are estimated at 9.7 percent of the market for 1988.

The Commerce Department did not forecast separate sales outlooks for both traditional American-owned automobile manufacturers and transplant manufacturers, as has been done in years past. That means the department is no longer predicting how vehicles produced in North America by U.S.-owned companies will fare vs. vehicles produced here by foreign rivals.

For 1989, the Commerce Department is forecasting a decline in sales of small, intermediate and large cars, but expects some growth in sales of compact cars.

The report said the domestic light-truck market will "continue to be the strongest performer in the industry. Helped by the shift in the currency values, the domestic industry has been capturing record market shares in compact pickup trucks. Market share in 1988 was almost 68 percent, compared with 57 percent the previous year.

"Market acceptance of minivans has also been extremely strong," the Commerce Department said. "In particular, compact passenger van sales have been growing at an average annual rate of more than 25 percent since 1985.

"Another important development has been the explosive growth in demand for multipurpose vehicles, which have increased at an average annual rate of more than 10 percent since 1985. Multipurpose vehicle sales are likely to continue to grow as new product offerings broaden the appeal of this type of vehicle," the report said.

The Commerce Department projections assume the Japanese government will discontinue its voluntary restraints on Japanese car exports to the United States as of April 1, 1989. It also expects exchange rates to remain between 120 and 140 yen to the dollar throughout the year.

The report predicts a fiercely competitive 1989 for all vehicle producers selling in the U.S. market due largely to foreign exchange rates. The depressed value of the dollar has brought parity to the production costs of most manufacturers, thus wiping out artificial pricing advantages, the report claims.

Although the current currency situation is of most benefit to domestic manufacturers, the forecast cautions U.S.-based automakers not to become overly reliant on favorable exchange rates for continued prosperity.

In 1989, the report said, "The ultimate level of sales will depend on the overall strength of the economy and further changes in the value of the dollar. Price increases on foreign cars because of the lower value of the dollar vis-a-vis other currencies could lead to a better performance among domestic manufacturers, allowing them to regain

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Executives' deaths alter VW auto show plans

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

A memorial service for James Fuller will be held at 11 a.m. Thursday — the same hour that the late head of Volkswagen United States was to have introduced the company's newest model to North America.

VW and its sister division, Audi, have canceled back-to-back press conferences that had been scheduled for the North American International Auto Show in Detroit.

"It just doesn't seem particularly appropriate right now," said a spokesman for Volkswagen U.S.

Fuller, who was vice president in charge of Volkswagen U.S., and marketing director Lou Marengo were killed Dec. 21 while returning from West Germany aboard Pan Am flight 103.

Though there will be no formal presentation, the VW Corrado and the Audi V-8 will still be displayed this week in Detroit and at the Los Angeles Auto Show. It will be the first U.S. showing for both vehicles, which go on sale later this year.

A memorial service for Marengo was held Dec. 26 in Rochester, Mich., where he lived. A second service was scheduled for last Friday in Granada Hills, Calif.

Volkswagen of America President Noel Phillips, who had been in South Africa for the holidays, was to return to the United States for Marengo's second service. Phillips is taking over Fuller's duties until a successor is named.

On the day after the crash, Phillips phoned Doug McDonald, chairman of the VW dealer council, to say the company's first concern would be to take care of the needs of the victims' families, McDonald said.

Phillips has served as an interim chief before on VWoA's Audi side, where the company has replaced three vice presidents since 1986. He's expected to be looking for a candidate who knows the U.S. market, understands the dealer network and can work effectively with Volkswagen AG overseas.

There is a possibility that Hans-Jorg Hungerland, who is scheduled to replace Phillips March 1 when Phillips leaves to head VW's Autolatina joint venture with Ford in Brazil, could come to the United States earlier. But that could depend on how much work remains for Hungerland in his current job as export sales manager for Volkswagen AG, the spokesman said.

The top Volkswagen United States sales executive under Fuller is Rich Weidman, who was named to the position in early 1988.

VW will likely reschedule the Corrado press presentation for the New York Auto Show in late March, the spokesman said.

The memorial service for Fuller is scheduled for 11 a.m. Thursday at Christ Church Cranbrook, 470 Church Road, Bloomfield Hills, Mich.

Contributions in Fuller's memory may be sent to two organizations: Mothers Against Drunk Driving, 669 Airport Freeway, Suite 310, Hurst, TX 76053; and St. Vincent and Sarah Fisher Center, 27400 W. 12 Mile Road, Farmington Hills, MI 48018. The center is a home for abused and neglected children.

TRADE

FROM PAGE 2

units for the month with a value of $3.654 billion. Imports of light trucks were 56,908 units, with a value of $502.4 million. The value of imported trucks increased 42.67 percent in September, while shipments increased 10.58 percent.

Japanese car imports dropped 14.83 percent for the month and the value of the shipments fell 14.14 percent. Japanese truck imports were off 16.27 percent and their value was down 5.88 percent. Japan shipped 146,261 cars to the United States in September, down from 171,722 a year ago. Truck shipments were 28,927 units, down from 34,550 units last year.

Canada posted a whopping 75.20 percent increase in shipments of passenger cars during September, sending 100,507 cars to the United States for the month as compared to 57,368 in September of last year. Canadian truck shipments increased 61.85 percent for the month to 26,798 vehicles.

South Korean shipments staged a big recovery in September by increasing 156.07 percent to 47,759 passenger cars for the month. Korean shipments had been depressed since spring. Mexico shipped 13,086 passenger cars to the United States in September, a gain of nine units from a year ago. Brazilian automakers shipped 6,121 cars to this country in September, up 84.15 percent from September 1987.

West German shipments rallied during the month, increasing 50 percent from September 1987. Swedish imports rose 5.84 percent for the month. Yugoslavia shipped 36 vehicles in September, according to the Commerce Department, compared to 1,186 cars one year ago.

Shipments from the United Kingdom were down 71.61 percent. Imports from France fell 44.82 percent for the month. Italian imports were down 70.81 percent. Car imports from "other" countries were down 29.10 percent to 1,235 vehicles.

U.S. AUTOMOTIVE TRADE BY VALUE

(x $1,000)

Passenger cars

Country	Trade	Sept. 1987	Sept. 1988	Oct. 1986-Sept. 1987	Oct. 1987-Sept. 1988
Japan	Export	$ 2,808	$ 52,236	$ 56,169	$ 205,160
	Import	1,570,554	1,348,478	21,320,635	19,691,643
Canada	Export	486,570	675,773	5,399,388	6,342,149
	Import	639,230	1,136,407	10,201,754	13,081,498
West Germany	Import	426,146	541,917	8,786,628	6,886,977
South Korea	Import	96,945	264,067	1,725,637	2,457,120
Sweden	Import	110,050	126,239	1,967,784	1,673,203
Mexico	Import	113,892	111,584	869,289	1,268,066
Yugoslavia	Import	3,112	108	282,673	100,883
United Kingdom	Import	137,996	53,930	945,859	986,324
Italy	Import	8,389	4,489	281,238	156,293
France	Import	19,906	11,854	193,820	178,174
Brazil	Import	17,000	36,196	117,557	411,595
Others	Export	29,993	89,054	718,339	1,493,296
	Import	28,019	18,302	253,200	295,733
Car total	Export	519,372	817,063	6,173,897	8,040,605
	Import	3,225,240	3,653,569	46,946,073	47,187,508
Trade balance		(2,705,868)	(2,836,506)	(40,772,176)	(39,146,903)

Light trucks (up to 10,000 lbs. GVW)

Country	Trade	Sept. 1987	Sept. 1988	Oct. 1986-Sept. 1987	Oct. 1987-Sept. 1988
Canada	Export	$ 178,571	$ 145,540	$ 1,466,725	$ 1,669,362
	Import	158,078	308,986	1,594,979	2,960,584
Japan	Import	188,905	177,800	4,574,923	3,240,014
Mexico	Import	430	1,301	118,709	7,515
Others	Export	4,017	14,569	168,171	344,338
	Import	4,697	16,284	47,563	159,467
Truck total	Export	182,588	160,110	1,634,897	2,013,699
	Import	352,110	502,372	6,336,174	6,387,580
Trade balance		(169,522)	(342,262)	(4,701,277)	(4,373,881)
Car and truck total	Export	701,960	977,173	7,808,794	10,054,304
	Import	3,577,350	4,155,941	53,282,247	53,575,088
VEHICLE TRADE BALANCE		(2,875,390)	(3,178,798)	(45,473,453)	(43,520,784)
TOTAL U.S. Merchandise trade (customs value)	Export	21,810,300	28,204,800	243,077,600	307,209,300
	Import	35,966,500	37,172,900	392,752,800	434,849,900
TRADE BALANCE		(14,156,200)	(8,968,100)	(149,675,200)	(127,640,600)

U.S. AUTOMOTIVE TRADE BY QUANTITY

Passenger cars

Country	Trade	Sept. 1987	Sept. 1988	Oct. 1986-Sept. 1987	Oct. 1987-Sept. 1988
Japan	Export	193	4,562	3,507	16,443
	Import	171,722	146,261	2,428,939	2,148,616
Canada	Export	47,058	66,180	552,114	621,573
	Import	57,368	100,507	948,672	1,177,168
West Germany	Import	15,476	23,208	388,392	283,285
South Korea	Import	18,651	47,759	340,790	460,043
Sweden	Import	7,410	7,843	146,713	107,994
Mexico	Import	13,077	13,086	89,832	148,016
Yugoslavia	Import	1,186	36	50,427	38,025
United Kingdom	Import	5,628	1,598	44,606	34,846
Italy	Import	394	115	21,906	6,666
France	Import	1,863	1,028	27,413	16,656
Brazil	Import	3,324	6,121	24,499	73,975
Others	Export	2,287	7,156	53,850	116,116
	Import	1,742	1,235	16,626	18,800
Car total	Export	49,536	77,898	609,471	754,132
	Import	297,841	348,797	4,528,815	4,514,090
TRADE BALANCE		(248,303)	(270,899)	(3,919,344)	(3,759,958)

Light trucks (up to 10,000 lbs. GVW)

Country	Trade	Sept. 1987	Sept. 1988	Oct. 1986-Sept. 1987	Oct. 1987-Sept. 1988
Canada	Export	16,741	13,982	155,378	166,333
	Import	16,557	26,798	172,327	268,120
Japan	Import	34,550	28,927	840,582	567,353
Mexico	Import	140	2	15,242	39
Others	Export	442	1,397	14,087	27,581
	Import	216	1,181	1,316	2,745
Truck total	Export	17,183	15,379	169,465	193,914
	Import	51,463	56,908	1,029,467	838,257
Trade balance		(34,280)	(41,529)	(860,002)	(644,343)
Car and truck total	Export	67,001	93,277	778,936	948,046
	Import	349,304	405,705	5,558,282	5,352,347
TRADE BALANCE		(282,303)	(312,428)	(4,779,346)	(4,404,301)

Compiled by Automotive News from official statistics of the U.S. Commerce Department, as reported by the U.S. International Trade Commission. Because of rounding, figures may not add to the totals shown.

CAFE cut tied to global warming

WASHINGTON — EPA has told NHTSA that any proposal to relax fuel efficiency standards is wrong because of the potential of increasing emissions that contribute to global warming.

But Don R. Clay, EPA assistant administrator for air and radiation, agrees with NHTSA that a one-year rollback "will not have a significant effect on global warming."

EPA's program on global warming is still in its early stages, but Clay said the agency knows that efforts to improve vehicle fuel efficiency "are likely to be a major component of any future domestic or international response to concerns about global warming."

He noted that at least two of the major bills introduced in the last Congress included specific fuel efficiency or carbon dioxide emission standards for future vehicles. "We believe that the debate on global warming will intensify in the upcoming congressional session," he said.

In response to petitions filed by General Motors, Ford Motor Co. and the Automobile Importers of America, NHTSA has proposed setting the corporate average fuel economy standard for the 1990 model year somewhere between 26.5 and 27.5 mpg. The decision is due soon.

Last October, NHTSA rolled back CAFE standards for 1989 cars from 27.5 mpg to 26.5 mpg and it was taken to court by the Natural Resources Defense Council on grounds that allowing larger engines would raise carbon dioxide levels and increase global warming.

COMMERCE

FROM PAGE 3

some lost domestic market share and to take advantage of renewed export opportunities.

"However, while the dollar's reduced value has helped the domestic industry's competitive position, it threatens to mask the need for continued improvement in manufacturing efficiency and product development by the traditional U.S. manufacturers," the report said.

The outlook also maintains that due to the currency situation, it is actually cheaper to build cars in the United States than in Japan.

"Currency-driven increases in foreign-car prices appear to have eliminated the Japanese manufacturing cost advantage," the report said. "In fact, at 125 yen to the dollar, it is reportedly cheaper to manufacture a car in the United States than in Japan.

"These changes have stimulated the foreign production of Japanese-nameplate cars. The vehicles are being sold in the countries where they are produced and in export markets, including, in some cases, Japan."

The outlook also noted that currency exchange rates are having an impact on the sales position of European manufacturers.

"The fall in the value of the dollar vis-a-vis the currencies of major European automotive producers (particularly against the West German mark and the Swedish Krona) have also had their impact on the U.S. market," the Commerce Department said.

"The high-priced German and Swedish luxury cars have become even more expensive, and unit sales have declined from the levels of prior years. Furthermore, several U.S. automakers have begun to export 'niche' vehicles to Europe, including sports models, minivans and multipurpose vehicles.

"In aggregate, the exchange rate change means the geographic distinctions of competition are gone. It is now more inappropriate than ever before to characterize this industry by geographic origin.

"No longer do all U.S. manufacturers lag behind all Japanese manufacturers. The progress made by some of the traditional U.S. manufacturers is now apparent, and the inefficiencies of some of the Japanese manufacturers are also evident. The result is true firm competition," the outlook said.

If the dollar falls further against major industrial currencies, the U.S. automotive sector will continue to benefit, the Commerce Department said, adding that some component outsourcing may return home.

"However, any change in sourcing decisions based on the relative value of the yen and the dollar will not occur until the exchange rates appear to have reached some degree of stability," the report said.

Over the long term, "the industry can expect further, but slow, growth as long as the economy expands, the report concluded.

"Competitive pressure from new entrant countries and from new U.S. manufacturers will continue to grow for the foreseeable future," it said. "Over the past decade, the Japanese and other new entrant countries have raised the level of competition in this market to the point that it is now the most intense seen in more than 50 years."

OBITUARIES

Leonard E. Froslie

NORTHVILLE, Mich. — Leonard E. Froslie, 75, retired Chrysler transmission design engineer, died Dec. 22. He worked at Chrysler for 32 years before retiring in 1972.

Howard L. Hauser

INDIANAPOLIS — Howard L. Hauser, 77, former owner of Oaklandon Sales (Chevrolet) in Oaklandon, Ind., died recently. He owned the dealership for 31 years and later worked at other local dealerships.

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Toyota wins Lexus name — for now

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Toyota saved face and avoided, at least temporarily, immense financial losses when a three-judge panel last week let Toyota temporarily keep the Lexus name on its new luxury car division.

The eleventh-hour decision allowed Toyota to show the cars at their public debuts at the Detroit and Los Angeles auto shows, but it prohibits the use of the Lexus name in national advertising.

"We are gratified that the stay granted to Toyota on Jan. 2, by a federal appeals court judge, has been extended by the appellate court until a hearing on Toyota's appeal at the end of the month," said Bob McCurry, executive vice president of Toyota Motor Sales U.S.A.

"We remain optimistic that our appeal of the lower court's decision will ultimately be upheld, and we will be allowed to use the Lexus name for our new luxury cars."

On Dec. 30, U.S. District Judge David N. Edelstein ordered Toyota not to use the Lexus name because it conflicted with the name of Lexis, a computerized information service that belongs to Mead Data Central, based in Miamisburg, Ohio.

Edelstein said Toyota could use the name if it paid Mead damages and if its advertising pointed out the difference in the two businesses.

He also ordered Toyota to stay out of the computer business, where it might compete with Mead.

Toyota refused the compromise, served notice it will appeal and petitioned successfully for permission to use the name pending the appeal.

Both sides asked for an expedited appeal, which the judges accordingly scheduled for Jan. 30 in the U.S. Court of Appeals in New York.

Toyota's attorney, Arthur Gray, said that pending the appeal, Toyota doesn't plan to use the Lexus name in advertising other than in connection with the auto shows, and only in the cities where they're being held. The shows include Detroit, Los Angeles, Cleve-

see TOYOTA, page 6

AUTOMOTIVE NEWS/JOE WILSSENS

An expanded Cobo Hall allowed import manufacturers to join domestics on the same floor

DETROIT: *Glamour, glitz and optimism meld at expanded auto show*

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Global automakers, bracing for the coming sales surge of luxury cars, sport-utilities and minivans, dazzled Detroit's first North American International Auto Show with their new weapons in the competitive wars.

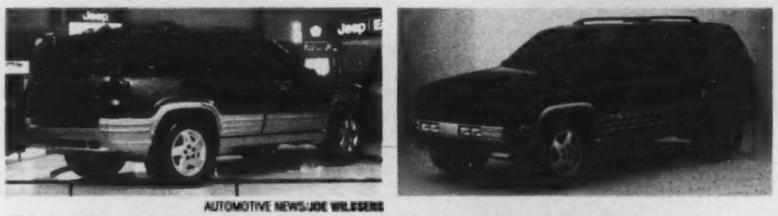
The show — a showcase of rebirth and the industry's latest new direction — was a laser-dazzling, upbeat affair. And if product development is an indication, no one was more upbeat than automakers who see an overall market growth for the near future.

Consensus opinion: Look for 15 million U.S. car and truck sales in 1989, with surges in both the luxury market and in the sport-utility/all-purpose vehicle arena.

Not only did each of the Big 3 take the opportunity to show the latest in pricey, high-line vehicles, but they showed they could have fun, too, with concept cars and trucks that concentrated on the ever-expanding sport-utility and truck segments.

And don't forget the Japanese — not this year. Toyota and Nissan each brought heavy artillery for the coming luxury segment battle, simultaneously debuting at Detroit and Los Angeles shows their Lexus and Infiniti car lines that aim to slug it out with the Europe's best — including Audi's potent V-8, Volkswagen's 140 mph Corrado and Porsche's 911 Carrera 4, which also appeared at Detroit.

see SHOW, page 58



AUTOMOTIVE NEWS/JOE WILSSENS

The Jeep ZJ production model will be similar to this sport-utility concept

A 'brother' for Cherokee

Jeep will add aero model and keep its 'classic'

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chrysler Motors has finalized a long-range product plan that calls for Jeep to offer both a "classic" Cherokee and an "aero" Cherokee in the early 1990s.

The decision ends a debate within the company about how to update the current Cherokee without tampering with its so-called "Jeep-ness."

At its December meeting, the Chrysler Corp. board of directors approved a long-range product plan that calls for the retention of the present Cherokee with technological enhancements into the next decade but production as well of the Jeep-ZJ, a more aerodynamically styled sport-utility vehicle.

The ZJ production vehicle will be similar to the Jeep concept sport-utility that Chrysler unveiled last week at the North American International Auto Show in Detroit.

Chrysler's decision is similar to one reached by Ford Motor Co. when it decided to retain the rear-wheel-drive Ford Mustang and add to its lineup the front-wheel-drive Ford Probe, originally developed as a Mustang replacement.

see JEEP, page 61

Vans, utilities socked with a 25% tariff

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Importers of multipurpose vehicles may have to raise prices as a result of a U.S. Customs Service ruling last week that defines sport-utility and vans as light trucks subject to a 25 percent tariff.

The ruling, which went into effect Jan. 1, also reduces the attractiveness of using foreign trade subzones to import components in U.S. assembly of multipurpose vehicles. Those components now must be imported at their normal, higher duty rate rather than being assessed a 2.5 percent car duty when the finished vehicle leaves the subzone.

The decision, made in response to a request for guidance by American Suzuki Motor Corp., is expected to cause problems for a number of manufacturers, including Nissan, Mazda, Isuzu, Range Rover and Mitsubishi.

Other companies, such as Suzuki, which already imports its line of multipurpose vehicles as trucks, will be little affected.

Domestic makers hailed the decision, although the 25 percent tariff falls equally hard on captive imports of these vehicles.

Importers felt they were blindsided by the ruling and were scrambling last week to determine how to respond to it.

In diminishing the benefits of foreign-trade subzones, the decision affects both transplant- and domestic-run plants assembling vans and sport-utility vehicles. Chrysler, for instance, which uses Mitsubishi-built V-6 engines in its Caravan and Voyager minivans, will have to pay a 6 percent duty on those engines rather than the 2.5 percent car tariff on the imported content.

Most duties on these types of automobile parts fall in the 6 percent to 8 percent range.

Prior to the ruling, importers had been able to class multipurpose vehicles, including light vans and sport-utility vehicles, as either cars or trucks. Importers that shipped multipurpose vehicles as cars merely equipped them with rear seats. To ship the same vehicle as a truck, the importer needed only to remove the rear seats, perhaps reinstalling the seats once the vehicle entered the United States.

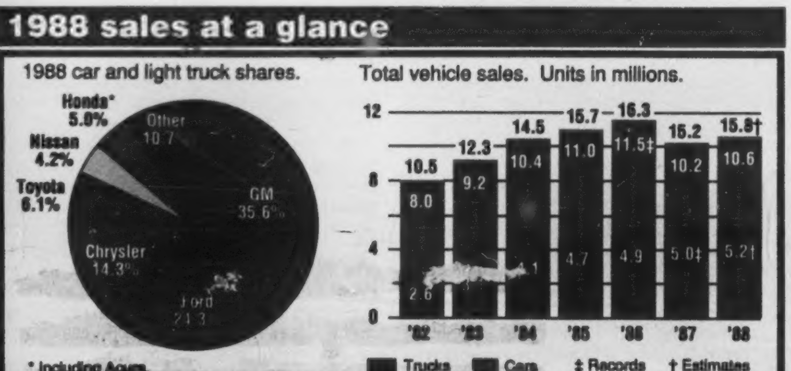
This flexibility was a boon to Japanese companies seeking a way to boost sales under Japan's voluntary restraint agreement on passenger cars. The arrangement also benefited companies like Range Rover, which imports its four-wheel-drive vehicle as a passenger car, thus avoiding the 25 percent tariff.

"We're investigating what's going on, it's too early to comment," Charles Hughes, chairman of Range Rover of America, said late last week of the decision. His reaction was typical among the importers, although a later statement from Range Rover indicated the company was going to seek a ruling that "will preserve our present Customs rate."

The company, which imported 3,427 vehicles in 1988, is the most expensive vehicle in this class, at $35,800.

see TARIFF, page 6

1988 sales at a glance



Complete sales details on Pages 4 and 6

Big 3 on '89: Good but not great

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

Big 3 economists generally agree that 1989 is going to be a good year with moderate economic growth in the United States, little chance of a recession and new-vehicle sales near 1988 levels.

Two of the Big 3's corporate economists predict 1989 new-vehicle sales will be slightly lower than in 1988; the other sees a sales year virtually as strong as 1988.

Ford is the most bullish, just as it was one year ago in its 1988 forecast. Ford predicted sales of 15.4 million for 1989, including 10.2 million cars and 5.2 million trucks.

The official 1988 total is 15,789,011.

General Motors predicts new-vehicle sales "approaching 15 million" in 1989, rounding them off to 10 million cars and 5 million trucks. Chrysler sees sales of 15 million — also 10 million cars and 5 million trucks.

The prediction of Donald P. Hilty, Chrysler Corp.'s economist, is based on one possible scenario — the most likely one, Hilty said, with a 60 percent probability of slower but sustained economic growth.

Chrysler has sales forecasts that accompany three other possible economic scenarios, one of which — at a 25 percent probability — is a recession.

see FORECAST, page 36

Audi awaits 'no defect' from NHTSA

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — The head of Audi of America expects NHTSA will announce soon that a lengthy study has uncovered no defect that causes unintended acceleration.

The report, which was authorized by NHTSA 15 months ago, "will endorse the automatic shift lock as the most effective answer to an industrywide problem," said Richard Mugg, vice president in charge of Audi of America. The device, which is now used on Audis with automatic transmissions, requires the brake pedal to be depressed before shifting from park.

Audi won't emerge unscathed, however. Although no mechanical or electronic flaw will be cited, the report will conclude that pedal confusion caused some accidents, Mugg said.

Audi has been at the heart of the controversy that has seen cars with automatic gearboxes accelerate out of control. Drivers have claimed that their foot was on the brake, not the gas pedal.

A spokesman for Mercedes-Benz, which with Audi is one of six manufacturers currently being investigated for the problem, said he also senses that the report will indicate "there are no gremlins that cause spontaneous acceleration in cars."

NHTSA ordered the study in October 1987. It commissioned the Transportation Research Systems Center of Cambridge, Mass., a government-sponsored organization independent of NHTSA, to carry it out.

The study intended to study the overall phenomenon of unintended acceleration. It also attemped to judge the effectiveness of the shift lock. Audi now offers the device on all new models with automatic transmission and has installed it on others through recalls. In 1987, Nissan announced a recall to install shift locks on its 280-ZX and 300-ZX models.

A NHTSA spokesman declined to comment until the study is released. The Mercedes spokesman said the study was to have been completed at the end of last month. It was then going to be sent to government agencies for review.

Donald Petersen, left, and Edsel Ford, chatting amiably AUTOMOTIVE NEWS/JOE WILSSENS

Whither Ford family?

Fourth generation wants bigger role

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Ford Motor Co. Chairman Donald Petersen said the company is breaking new ground as it seeks to define a role for the fourth generation of Ford family members, but he insisted that any promotions to top management will be based on merit.

Petersen's comments last week came in the aftermath of a Fortune magazine article that said the young Fords are yearning for a bigger role in company affairs.

The Jan. 16 cover story also said the two newest family members on the board — Edsel Ford II and William Clay Ford Jr. — are at odds with Petersen and are miffed by what they see as their second-class status on the board.

Edsel, 40, is general sales manager of Lincoln-Mercury Division. Billy, 31, is managing director of Ford of Switzerland. The two great-grandsons of the company's founder were named to the board a year ago this month.

Petersen said the Ford family, as holders of 40 percent of the voting stock in the company, is one of the many constituencies that he, as chief executive, must serve. But that status won't give any of them an inside track to top management positions.

"One of my obligations is to work very hard to make available as many fully qualified individuals as I possibly can," said Petersen, who is due to retire in 1991. "The more choices the company has, the better off the company is."

That approach "clearly does not exclude Edsel Ford or Billy," Petersen said.

"I admire the way that both of them are working so very hard to see just how far they would go climbing the ladder of professional management."

The question of the fourth-generation's role took on urgency with the death of Edsel's father, former Chairman Henry Ford II, in September 1987. The Fortune article said that Billy's father, Vice Chairman William Clay Ford, persuaded Petersen to put Edsel and Billy on the board.

"We have never been here before," said Petersen, referring to the debate over the fourth generation's voice. "So we are having a lot of discussions about it in a very informal way." Petersen said those conversations have included himself, Edsel, Billy and Billy's father.

After the cousins' board appointments, several experts on corporate management said the move carried a number of risks.

The two Fords would be far less experienced than their peers on the board, the experts said. There were doubts about whether they would have any meaningful input.

It also was suggested that a good measure of their clout would be the types of committee assignments they would hold in several years. So far, neither has been given a committee seat.

After Petersen met with reporters, he approached Edsel, who was watching amid the Lincoln-Mercury products at the North American International Auto Show. They shook hands, posed for photographers and chatted amiably about the L-M display.

Sunrise group finds investors; extended deadline does trick

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — A four-franchise dealer group on Long Island has apparently succeeded in attracting investors in a limited partnership.

Sunrise Auto Partners, which consists of four franchises held by John Branham, began soliciting investors last June.

Branham's four dealerships are Autoplaza Nissan and Westbury Dodge in Westbury, N.Y.; and Sunrise Toyota and Oakdale Mitsubishi in Oakdale.

The offering was intended to raise between $34 million and $60 million by selling partnership shares for $90,000 each, according to documents distributed by Smith Barney, Harris Upham & Co.

The private sale of the shares was to be completed Sept. 30, but the deadline was postponed to Dec. 31 because the $34 million minimum hadn't been met.

However, the minimum investment apparently was reached before the later deadline expired.

Branham and his financial advisers said earlier that Securities and Exchange Commission rules forbid comment on pending offerings.

And while the December deadline had already come and gone, they said last week they still couldn't comment on the offer.

The offer of partnership shares reportedly remained available as of last week.

If the minimum units hadn't been sold by Dec. 31, the Smith Barney documents said the sale "shall be deemed rejected."

The limited partnership formed by Branham's dealerships would be privately held, but its books would be available for investors to scrutinize, and the group could ultimately offer stock to the public.

Some analysts view the move as a preliminary step toward public ownership.

Pace of incentives doesn't slow down

By Laura Clark
AUTOMOTIVE STAFF REPORTER

Domestic automakers continued their non-stop pace on consumer incentives last week by freshening rebate programs.

Ford Motor Co., Chevrolet, Buick, Oldsmobile and Pontiac announced new rebates on 1988 and 1989 cars and trucks.

Audi of America also began offering direct consumer rebates to clear inventories of its 1988 Audi 80 and 90 models. The new rebates are in addition to scaled back dealer rebate programs.

AUDI: To attempt to clear its stock of 1988 Audi 80s and 90s, Audi is offering $2,500 customer rebates through March 31.

Audi will also continue to offer various factory-to-dealer incentives. In an attempt to move cars with manual transmissions, the company is reimbursing dealers $1,000 for any front-wheel-drive five-speed 80/90 models. It is giving $500 on automatics and Quattro (four-wheel-drive) editions.

The program took effect Jan. 1.

Before then, Audi had been giving dealers $1,000 to $2,500 on each 80 or 90. It still has about 4,000 of the 1988 models left.

BUICK: Buick announced rebates on 1988 Regal models and five 1989 car models in a program that began Jan. 5 and expires March 2. Consumers can receive $500 on 1988 Regals, $400 on 1989 Century and LeSabre models, $500 on 1989 Skylark and Regal and $750 on 1989 Electra/Park Avenue.

Both retail sales and leases are included. No dealer participation is required. While the rebates apply to ordered cars, the vehicle must be delivered before the cutoff date.

CHEVROLET: Chevrolet announced new consumer cash incentives on 1988 and 1989 cars and is extending incentives on truck models until Jan. 15. The truck program was scheduled to end Jan. 8.

In a program which began Jan. 5 and expires Feb. 28, consumers can receive $1,000 on 1988 and 1989 Celebrity models equipped with four-cylinder engines, $600 on 1988 or 1989 Celebrity models equipped with six cylinder engines, $400 on 1988 or 1989 Corsica and Beretta models, $300 on 1988 and 1989 Cavalier models, $600 on 1988 and 1989 Spectrum models with manual transmissions, $400 on 1988 and 1989 Spectrum models with automatic transmissions and $400 on 1988 Sprint models.

The truck program which was extended to Jan. 15 offers buyers $600 on 1988 or 1989 R/V full-sized pickups, $400 on 1988 and 1987 S/T compact pickups including EL price-leader models, $500 on 1989 S/T pickups including EL models, $400 on two-wheel-drive S-10 Blazers and $600 on 4wd S-10 Blazers.

There is no dealer participation required and both retail sale and lease vehicles are eligible. Customers must take delivery before the expiration date.

FORD MOTOR: Ford extended all of its national incentives on selected 1988 and 1989 cars until Jan. 12 in a program that was slated to end Jan. 4. Ford also announced one change, excluding certain Ranger models, in its national truck incentive program.

Consumers can receive $300 on 1988 and 1989 Festiva L models, $400 on 1988 and 1989 Festiva L Plus and LX models with manual transmissions, 1988 and 1989 Mustang models sold in California that are not equipped with 2.3-liter engines, $500 on 1988 and 1989 Escorts, 1988 and 1988 Mustangs with 2.3-liter engines, 1988 and 1989 Taurus, $600 on 1988 and 1989 Sable, 1988 and 1989 Tempo and Topaz and 1988 Thunderbird and Cougar, $750 on 1988 and 1989 Tracer and $1,000 on 1988 Thunderbird Turbo Coupe and Cougar XR7 and $3,000 on 1988 Merkur XR4Ti.

Truck incentives include: $300 on 1988 Bronco II 4x2, $400 on 1989 Bronco II 4x2 and 1988 Bronco II 4x4, $500 on 1988 and 1989 standard-sized Aerostar models, 1989 Ranger models except Ranger S and those Rangers equipped with manual transmissions, $600 on 1989 Bronco II 4x4, $750 on 1988 Rangers and 1989 Rangers equipped with manual transmissions excluding Ranger S.

OLDSMOBILE: Oldsmobile announced its "New Generation of Savings" program for selected 1988 and 1989 Oldsmobile models from Jan. 5 to Feb. 28.

Oldsmobile is offering consumers $300 on 1989 Cutlass Calais models that are not equipped with the Quad 4 engine; $400 on 1989 Cutlass Ciera models including Cutlass Cruiser wagons; $500 on 1989 Cutlass Calais models equipped with the Quad 4 engine, 1988 and 1989 Cutlass Supreme models and 1989 Eighty-Eight Royale; $750 on 1989 Ninety-Eight Regency and Touring Sedan; and $1,500 on 1989 Toronado and Trofeo models.

There is no dealer participation. fee. Buyers can order eligible vehicles but must take delivery before the expiration date.

Also, Oldsmobile is offering West Coast buyers of 1988 or 1989 Cutlass Supremes two free round-trip airline tickets on United Airlines anywhere the airline flies in the continental United States, as well as Honolulu, Hawaii. There is dealer participation in this program through association ad funds. Included in the promotion are portions of Idaho, Washington, Oregon, Nevada and California.

PONTIAC: Pontiac also announced a new round of national incentives on 1989 models and regional incentives on 1989 Firebirds.

Consumers can receive $400 on LeMans except for the LeMans value leader and 6000 models; $500 on Grand Am, on Firebird in selected southern and western areas of the United States and on Bonneville; and $1,000 on Grand Prix.

States included in the Firebird program are: North Carolina, South Carolina, Tennessee, Georgia, Florida, Alabama, Arkansas, Mississippi, Louisiana, Oklahoma, Texas, Washington, Oregon, California, Montana, Idaho, Nevada, Utah, Arizona, Wyoming, Colorado and New Mexico.

There is no dealer financial participation required. Both retail and lease vehicles are eligible. Consumers may order eligible vehicles from the factory but must take delivery before the expiration date.

Automotive News Staff Reporter David Versical contributed to this report.

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DOMESTIC CAR SALES

	Dec. 21, to Dec. 31, 1988	Same Period, 1987	Dec. 1988	Same Month, 1987	Jan. 1 to Dec. 31, 1988	Same Period, 1987
Alliance	0	608	0	1,121	4,418	24,770
Eagle	0	197	0	525	1,392	4,564
Premier	1,152	192	3,076	192	40,872	192
Total Eagle	1,152	997	3,076	1,838	46,682	29,526
Horizon	1,290	1,227	3,242	2,848	61,142	46,460
Sundance	2,681	2,119	7,377	5,214	89,218	75,883
Turismo	0	96	0	230	1,115	16,991
Reliant	2,177	3,916	6,117	10,768	109,858	105,919
Acclaim	924	0	1,921	0	3,508	0
Caravelle	70	1,081	184	2,886	12,903	36,077
Gran Fury	310	172	891	470	13,315	7,782
Total Plymouth	7,452	8,611	19,702	22,418	291,059	289,112
Laser	0	0	0	0	0	4,306
LeBaron K	85	1,153	221	2,832	20,113	54,746
LeBaron J	3,109	3,440	7,663	9,004	99,833	87,802
LeBaron GTS	238	796	577	2,191	15,169	30,939
Fifth Avenue	654	2,021	1,541	5,635	35,967	58,270
New Yorker C	3,786	1,677	11,339	4,343	83,622	8,581
New Yorker E	16	1,004	35	2,372	14,550	50,479
Total Chrysler	7,890	10,091	21,376	26,377	269,254	295,125
Omni	1,531	879	3,544	2,529	59,664	37,726
Shadow	2,766	2,232	7,042	5,978	91,090	77,086
Charger	0	103	0	219	1,022	18,032
Daytona	1,469	2,125	4,197	4,819	72,171	41,776
Aries	2,504	4,076	7,010	9,723	102,489	99,039
Lancer	130	523	345	1,410	10,032	22,422
Spirit	1,418	0	3,158	0	3,950	0
Diplomat	599	388	1,437	997	20,414	12,775
Dynasty	4,490	1,023	11,455	1,779	83,012	3,092
Dodge 600	76	973	187	3,156	11,943	36,346
Total Dodge	14,983	12,322	38,375	30,610	455,787	348,294
CHRYSLER MOTORS	31,477	32,021	82,529	81,243	1,062,782	962,057
Escort	14,692	10,962	31,739	28,017	387,815	392,360
Mustang	5,653	4,417	12,747	11,368	170,080	172,602
Tempo	9,928	7,035	23,610	19,904	285,141	219,296
Taurus	13,377	13,264	31,544	32,843	374,627	354,971
Thunderbird	5,502	4,217	10,235	9,770	117,866	132,623
Probe	3,727	0	9,800	0	77,763	0
Crown Victoria	3,381	2,890	8,624	8,143	114,212	118,034
Total Ford Div.	56,260	42,785	128,299	109,845	1,527,504	1,389,886
Lynx/Tracer	1,609	1,707	3,833	4,760	58,921	68,930
Topaz	3,603	1,815	8,429	4,918	92,723	63,200
Sable	4,160	3,576	9,277	9,200	119,218	104,518
Cougar	3,190	2,964	7,121	7,248	100,961	110,722
Capri	0	0	0	0	0	0
Marquis	0	0	0	0	0	2,510
Grand Marquis	3,055	2,890	7,794	8,252	114,385	113,972
Total Mercury	15,617	12,952	36,454	34,378	486,208	463,860
Continental	2,653	2,177	6,314	2,227	47,424	12,909
Lincoln	3,765	3,930	10,386	10,880	121,674	126,009
Mark VII	742	700	1,931	1,867	22,526	27,119
Total Lincoln	7,160	6,807	18,631	14,974	191,624	166,037
Total L-M Division	22,777	19,759	55,085	49,352	677,832	629,897
FORD MOTOR CO.	79,037	62,544	183,384	159,197	2,205,336	2,019,783
Skyhawk	768	1,065	1,731	2,749	26,056	38,651
Somerset/Skylark	1,943	1,470	3,954	3,913	58,346	67,078
Century	5,638	3,285	12,887	9,021	131,994	147,797
Regal	4,537	3,579	8,805	9,971	122,871	83,853
LeSabre	6,046	3,377	11,851	10,779	141,440	141,126
Reatta	279	0	585	0	4,514	0
Electra	2,678	3,495	6,316	10,732	84,453	82,719
Riviera	792	403	1,835	795	11,750	16,187
Total Buick	22,681	16,674	47,944	47,980	581,424	557,411
Cimarron	119	185	222	507	5,884	12,295
Allante	44	97	123	276	3,085	2,517
Seville	935	420	2,170	2,050	22,439	21,515
DeVille	7,429	3,516	15,810	9,915	157,218	146,174
Brougham	1,328	1,411	3,673	4,585	46,743	57,313
Eldorado	1,280	1,022	2,729	2,463	31,199	21,470
Total Cadillac	11,135	6,651	24,727	19,785	266,548	261,284
Chevette	0	27	0	108	205	16,967
Geo Prizm/Nova	1,893	1,299	[illegible]	3,679	96,868	134,958
Cavalier	10,598	9,524	[illegible]	30,885	306,267	307,028
Camaro	4,077	2,582	[illegible]	6,914	101,885	117,324
Celebrity	8,281	7,289	21,490	22,533	252,861	306,480
Corsica/Beretta	13,130	7,134	27,288	18,659	380,301	214,074
Monte Carlo	173	1,589	642	4,347	28,740	63,577
Caprice	9,328	4,871	15,133	14,882	172,993	177,344
Corvette	806	791	1,527	2,229	23,281	25,437
Total Chevrolet	44,886	35,086	109,292	103,826	1,363,181	1,363,167
Firenza	17	736	758	1,569	9,148	17,626
Calais	3,855	2,650	8,434	6,400	106,117	101,861
Cutlass Ciera	6,986	6,287	15,863	16,025	237,386	244,607
Cutlass Supreme	4,944	1,682	10,442	4,287	116,179	92,779
Olds 88	4,662	3,961	10,095	10,820	158,205	168,853
Olds 98	2,579	3,028	5,546	7,548	73,348	72,001
Toronado	448	364	868	1,082	14,887	16,667
Total Oldsmobile	23,491	18,708	52,006	47,731	715,270	714,394
Fiero	440	712	798	1,973	24,121	41,830
Pontiac 1000	0	5	0	45	154	4,826
Sunbird	3,320	1,651	7,283	4,853	85,573	79,014
Firebird	1,862	1,574	4,112	4,107	58,493	73,190
Grand Am	12,914	5,671	23,054	13,312	232,010	211,192
Pontiac 6000	3,332	2,631	7,561	7,908	97,926	120,373
Grand Prix	4,949	189	9,416	2,476	102,208	16,383
Bonneville H	3,621	3,041	8,406	9,441	107,967	102,377
Paris./Safari	171	199	383	580	6,647	10,077
Total Pontiac	29,718	15,673	61,013	44,695	715,119	659,262
GENERAL MOTORS	131,911	92,792	294,982	263,997	3,641,542	3,555,538
HONDA	15,374	13,492	31,427	29,192	375,625	316,618
Civic	6,610	4,072	14,016	9,117	127,581	86,533
Accord	8,764	9,420	17,411	20,075	248,044	230,085
MAZDA	1,377	573	2,577	985	31,331	1,671
NISSAN	3,479	2,718	7,082	5,465	112,125	119,678
TOYOTA	9,391	3,514	12,349	7,080	72,354	44,853
VOLKSWAGEN*	0	1,709	0	3,517	24,939	61,064
DOMESTIC TOTAL	272,046	209,363	615,130	550,676	7,526,034	7,081,262
IMPORT TOTAL			261,635	287,611	3,065,404	3,144,048
INDUSTRY TOTAL			876,765	838,487	10,591,438	10,225,310

*—U.S.-built Volkswagen models sold after June 30, 1988, are included in import totals.

Car-truck sales 2nd highest ever

By Philly Murtha and Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTERS

Calendar 1988 turned out to be the second best year ever for combined U.S. car and truck sales, trailing only 1986.

It was the fifth consecutive record for light-truck deliveries and car sales topped last year's total.

Total sales were 15,789,071, consisting of 10,591,438 cars and 5,197,633 trucks. That compared with the 1987 total of 15,182,122 — 10,225,310 cars and 4,956,818 trucks.

Last year's sales were strengthened because incentives became permanent fixtures, and the U.S. economy remained buoyant with another 3.7 million people employed in the calendar year.

"Auto sales moved right along with the economy. All the fundamentals pointed to it being a strong year. The factor that made it the second best year was heavy incentives," said Michael Luckey of the Luckey Consulting Group Inc., Creskill, N.J.

The Big 3 U.S.-based car companies continued to reach into their pockets to provide incentives for customers. It paid off. All three reported gains over the 1987 calendar year and they also boosted car and truck market shares.

General Motors held onto the overall car and light-truck lead with 35.64 of the market, up from 1987's 35.00 percent share. GM gained about 2½ points in the truck market but lost over a third of a point in car share.

The biggest winner was Ford Motor Co. Ford collared 1.03 percentage points more of the car and light-truck market in 1988. It claimed 24.26 percent of the market. In 1987, Ford's market share was 23.23 percent. But its light-truck lead slipped a bit in 1988.

Another first for Ford in 1988: Ford Division bested Chevrolet in both car and truck deliveries. In 1987, Ford was tops in trucks and domestic cars, but Chevrolet took the car-sales honors when captive imports were included.

Chrysler Motors took a larger 14.28 percent share of the car and truck market by selling about as many light trucks, Jeeps and minivans as it did cars in 1988. In 1987, it took 13.52 percent of the market.

Three of the four major Japanese

see SALES, page 6

MARKET SHARES, DEC. 1988

	Total Sales	Pct. of Total
SUBCOMPACT	80,987	9.24
COMPACT	168,480	19.22
INTERMEDIATE	254,774	29.06
STANDARD	107,876	12.30
SPECIALITY	3,013	0.34
IMPORT	261,635	29.84
TOTAL	876,765	100.00

MARKET SHARES, 1988

	Total Sales	Pct. of Total
SUBCOMPACT	981,247	9.26
COMPACT	2,089,753	19.73
INTERMEDIATE	3,031,062	28.62
STANDARD	1,369,001	12.93
SPECIALITY	54,981	0.52
IMPORT	3,065,404	28.94
TOTAL	10,591,438	100.00

IMPORTED CAR SALES

	Dec. 1988	Dec. 1987	12 Mos., 1988	12 Mos., 1987
Acura	9,830	10,439	128,238	109,470
Alfa Romeo	359	432	4,476	6,300
Audi	1,306	1,836	22,943	41,322
BMW	7,169	6,744	73,359	87,839
Chevrolet	9,012	11,616	116,435	137,211
Chrysler	492	599	9,873	11,217
Daihatsu	823	0	11,480	0
Dodge	3,410	3,421	52,521	57,357
Ford	5,738	3,712	69,167	26,750
Eagle	2,292	1,847	19,315	13,991
Honda	33,008	40,496	265,122	312,218
Hyundai	21,352	19,345	264,282	263,610
Isuzu	1,522	3,790	24,520	39,587
Jaguar	2,040	2,848	20,727	22,919
Maserati	17	90	733	932
Mazda	17,668	18,649	224,719	206,354
Mercedes-Benz	6,647	7,762	83,727	89,918
Mercury	782	636	15,261	14,301
Mitsubishi	5,483	5,185	70,075	67,954
Nissan	31,983	29,664	360,745	409,476
Peugeot	492	954	6,704	9,422
Plymouth	2,794	3,026	46,803	51,763
Pontiac	6,501	2,910	64,037	35,564
Porsche	1,227	1,281	15,737	23,632
Saab	2,700	3,103	38,490	45,105
Sterling	382	911	8,822	14,171
Subaru	12,749	15,324	155,946	175,864
Suzuki	490	0	734	0
Toyota	56,917	72,679	616,529	583,809
Volkswagen	10,115	11,662	143,861	130,641
Volvo	5,604	4,010	98,497	106,539
Yugo	1,531	2,840	31,546	48,812
TOTAL	261,635	287,611	3,065,404	3,144,048

*—Volkswagen totals include U.S.-built models sold after June 30,1988. Sales charts compiled by Karen Dobrowski

U.S. CAR SALES BY MARKETING UNITS

	Dec. 1988	Percent Share	Dec. 1987	Percent Share	12 Mos., 1988	Percent Share	12 Mos., 1987	Percent Share
Alfa Romeo	359	0.04	432	0.05	4,476	0.04	6,300	0.06
American Honda	74,265	8.47	80,127	9.56	768,985	7.26	738,306	7.22
BMW	7,169	0.82	6,744	0.80	73,359	0.69	87,839	0.86
Buick	47,944	5.47	47,980	5.72	581,424	5.49	557,411	5.45
Cadillac	24,727	2.82	19,785	2.36	266,548	2.52	261,284	2.56
Chevrolet	118,304	13.49	115,442	13.77	1,479,616	13.97	1,500,378	14.67
Chrysler	21,868	2.49	26,976	3.22	279,127	2.64	306,342	3.00
Daihatsu	823	0.09	0	0.00	11,480	0.11	0	0.00
Dodge	41,785	4.77	34,031	4.06	508,308	4.80	405,651	3.97
Eagle	5,368	0.61	3,685	0.44	65,997	0.62	43,517	0.43
Ford	134,037	15.29	113,557	13.54	1,596,671	15.08	1,416,636	13.85
Hyundai	21,352	2.44	19,345	2.31	264,282	2.50	263,610	2.58
Isuzu	1,522	0.17	3,790	0.45	24,520	0.23	39,587	0.39
Jaguar	2,040	0.23	2,848	0.34	20,727	0.20	22,919	0.22
Lincoln	18,631	2.12	14,974	1.79	191,624	1.81	166,037	1.62
Maserati	17	0.00	90	0.01	733	0.01	932	0.01
Mazda	20,245	2.31	19,634	2.34	256,050	2.42	208,025	2.03
Mercedes	6,647	0.76	7,762	0.93	83,727	0.79	89,918	0.88
Mercury	37,236	4.25	35,014	4.18	501,469	4.73	478,161	4.68
Mitsubishi	5,483	0.63	5,185	0.62	70,075	0.66	67,954	0.66
Nissan	39,065	4.46	35,129	4.19	472,870	4.46	529,154	5.17
Oldsmobile	52,006	5.93	47,731	5.69	715,270	6.75	714,394	6.98
Peugeot	492	0.06	954	0.11	6,704	0.06	9,422	0.09
Plymouth	22,496	2.57	25,444	3.03	337,862	3.19	340,875	3.33
Pontiac	67,514	7.70	47,605	5.68	779,156	7.36	694,826	6.80
Porsche	1,227	0.14	1,281	0.15	15,737	0.15	23,632	0.23
Saab	2,700	0.31	3,103	0.37	38,490	0.36	45,105	0.44
Sterling	382	0.04	911	0.11	8,822	0.08	14,171	0.14
Subaru	12,749	1.45	15,324	1.83	155,946	1.47	175,864	1.72
Suzuki	490	0.06	0	0.00	734	0.01	0	0.00
Toyota	69,266	7.90	79,759	9.51	688,883	6.50	628,662	6.15
Volvo	5,604	0.64	4,010	0.48	98,497	0.93	106,539	1.04
VWoA	11,421	1.30	17,015	2.03	191,743	1.81	233,027	2.28
Yugo	1,531	0.17	2,840	0.34	31,546	0.30	48,812	0.48
TOTAL	876,765	100.00	838,487	100.00	10,591,438	100.00	10,225,310	100.00
TOTAL GM	310,495	35.40	278,523	33.22	3,822,014	36.08	3,728,313	36.47
TOTAL FORD	189,904	21.66	163,545	19.50	2,289,764	21.62	2,060,834	20.15
TOTAL CHRYSLER	91,517	10.44	90,136	10.75	1,191,294	11.25	1,096,386	10.72
TOTAL JAPANESE	223,908	25.54	238,948	28.50	2,449,523	23.13	2,387,552	23.35
TOTAL EUROPEAN	39,589	4.52	47,990	5.72	574,561	5.42	688,616	6.73
TOTAL KOREAN	21,352	2.44	19,345	2.31	264,282	2.50	263,610	2.58

Big 3 totals include their captive imports. Percent share may contain error of one or two points due to rounding.

SALES

LIGHT-DUTY TRUCK SALES

	Dec. 1988	Dec. 1987	12 Mos. 1988	12 Mos. 1987
Vans	12,827	13,333	167,710	184,413
Aerostar	14,759	12,153	184,578	159,140
Club Wagon	2,217	2,433	27,818	27,300
Ranger	17,641	21,516	298,579	305,295
Bronco	5,443	5,062	55,124	51,782
Bronco II	9,425	9,842	124,109	120,906
Pickups	44,737	47,746	584,169	550,125
Ford	[illegible]	[illegible]	1,462,087	1,398,969
Vans	8,087	10,517	121,891	114,836
Sportsvan	763	1,041	12,336	11,979
Geo Tracker	886	0	2,145	0
Astro	11,084	10,761	156,833	148,206
S-10	18,517	18,314	248,768	224,807
S-10 Blazer	17,625	11,267	184,500	163,064
El Camino	0	374	420	13,743
Blazer	2,446	2,586	27,180	30,850
Suburban	6,222	5,067	66,697	57,962
Pickups	43,396	37,846	515,637	418,221
Chevrolet	[illegible]	97,773	1,336,407	1,173,675
Vans	4,446	4,178	59,341	64,265
Ram Wagon	1,902	2,671	25,693	30,505
Voyager	15,280	13,389	192,273	140,799
Caravan	18,416	14,909	210,918	153,192
Mini Ram Van	1,316	1,290	19,222	13,851
Ram 50	2,840	3,815	63,283	65,583
Raider	755	1,155	7,861	19,539
Ramcharger	1,914	1,968	19,309	23,667
Dakota	7,132	6,831	93,396	96,045
Pickups	6,858	8,817	82,013	97,670
Chrysler	[illegible]	[illegible]	[illegible]	[illegible]
Vans	2,665	3,713	45,249	38,565
Safari	2,152	2,963	33,168	32,232
S-15	3,927	4,666	52,575	49,191
S-15 Jimmy	3,984	4,550	44,533	38,841
Jimmy	644	977	7,620	8,598
Caballero	0	58	60	1,705
Suburban	2,006	1,921	22,744	19,110
Pickups	10,514	12,169	141,329	115,839
P Model	299	437	4,145	5,602
W-4	152	160	1,576	1,534
GMC	[illegible]	31,614	352,999	311,217
Wrangler/CJ	3,465	3,451	42,076	30,663
Wagoneer	895	938	9,138	12,305
Cherokee	13,965	12,423	149,566	112,005
Grand Wagoneer	1,364	1,439	14,482	14,079
Comanche	2,163	3,348	37,971	38,061
J-10/J-20	0	70	221	1,327
Jeep	21,912	[illegible]	253,454	208,440
Toyota	19,430	25,003	247,077	303,783
Nissan	14,309	15,393	169,501	216,514
Mazda	6,381	8,438	93,287	123,699
Isuzu	8,756	4,856	90,405	86,990
Mitsubishi	3,302	4,179	43,516	51,862
Suzuki	3,610	5,092	57,064	81,349
Subaru	0	9	10	1,274
Range Rover	444	381	3,427	2,586
Imports	[illegible]	[illegible]	704,377	868,057
Industry Total	381,411	[illegible]	4,872,633	4,668,483

Compiled by Karen Dellonardi

FROM PAGE 4

manufacturers with transplant operations here sold more U.S.-built and import cars and light-trucks in 1988 although their combined share of the market slipped to 17.43 percent from 18.47 in 1987.

Honda and Mazda sold more domestic and imported vehicles in 1988, and both had slightly larger shares of the U.S. market. Honda's combined car share was 4.97 percent vs. 4.96 percent in 1987, and Mazda rose to 2.26 percent from 2.23 percent.

Despite its sales increase, Toyota's share of the car-truck market dipped to 6.05 percent from 6.27 percent in 1987. Nissan's total car and truck share declined to 4.15 percent from 1987's 5.01.

The 1988 total of 15,789,071 cars and trucks was 3.99 percent or 606,949 units ahead of the 15,182,122 vehicles sold in calendar 1987.

Trucks set another sales record in 1988, accounting for nearly a third of total vehicle sales. An estimated 5,197,633 trucks were sold compared to 4,956,818 in 1987.

Light-trucks set another record with sales of 4,872,633 units during 1988, up 4.37 percent or approximately 204,000 units from calendar 1987's 4,668,483.

New U.S.-built and imported car sales in the calendar year climbed 3.58 percent to 10,591,438 from 10,225,310 in calendar 1987.

Bolstered by a strong 11.70 percent December gain, sales of U.S.-built cars climbed to 7,526,034 units in the 1988 calendar year; 6.28 percent ahead of last year's 7,081,262 domestic car deliveries.

Six of the eight U.S. automakers reported sales increases for the year. Among the Big 3, Chrysler reported a 10.47 percent increase in U.S. car sales; Ford's deliveries rose 9.19 percent and GM sold 2.42 percent more cars.

Nissan was the only transplant to report a loss. It sold 6.31 percent fewer U.S.-built cars in calendar 1988. Mazda, selling domestic cars for the full year, reported an 18-fold gain. Toyota rose 61.31 percent; Honda, 18.64 percent.

Imported-car sales dropped 2.50 percent for the calendar year. There were 3,065,404 import cars sold vs. 3,144,048 in 1987. The imports accounted for 28.94 percent of the U.S. car market, down nearly two points from 30.75 percent in calendar 1987.

Major gains in import car sales were reported by Ford and GM captives and Toyota. Major import car losses belonged to Audi, Porsche and Yugo.

In December, car sales rose 4.57 percent to 876,765 from 838,487 a year earlier. Domestic car manufacturers sold 615,130 cars, up 11.70 percent from 550,676 in 1987. The import total, however, dipped. Import car sales fell 9.09 percent to 261,635 from 287,811 in 1987. Import car makers took 29.84 percent of December's total car sales vs. 34.33 percent in the same month a year ago.

Domestic light-truck sales dropped slightly in December, but ended calendar 1988 with another record.

December sales of 381,411 reflected a slight 1.06 percent decline from like 1987, largely because of a slowdown in incentive activity. A major new Chrysler incentive program that kicked off Dec. 21 is expected to help bolster the industry's sales this month.

Calendar 1988 was a banner year for domestic truck manufacturers who gained both unit sales and market penetration at the expense of the importers.

As Thomas Mignanelli, Nissan executive vice president, pointed out, "The compact truck buyer is a price sensitive customer. The bulk of those vehicles are sold on the entry price level, and when you have a $1,000 disadvantage you can't reverse that."

Foreign-based truck manufacturers lost more than 4 percentage point of market share in calendar 1988, their penetration of the light truck market dropping to 14.46 percent from 18.59 percent in 1987.

On a volume basis, their sales of 704,377 light trucks in 1988 were off 18.86 percent from 868,057 a year earlier.

Meanwhile, U.S.-based manufacturers' sales of 4,168,256 trucks in 1988 were up 9.68 percent from 3,800,426 the previous year.

All the U.S.-based manufacturers set records for the year.

Ford set a total light, medium and heavy truck record, as well as a new light-duty high.

Its total truck sales of 1,523,215 were up from 1,453,225 in 1987.

Its light-duty sales of 1,462,087 were up from 1,398,969 in 1987.

Chevrolet also set a new total truck sales record of 1,354,491, up from 1987's 1,191,848 and the previous high of 1,317,467 in 1978.

Chevrolet's light-duty sales of 1,336,407 were up from 1,173,675 in 1987 and the previous high of 1,272,985 recorded in 1978.

Chrysler Motors' total light truck sales of 1,016,763 topped the previous peak of 916,566 in 1987.

Dodge' sales of 571,036 topped calendar 1987's 567,326, the former record. Plymouth's 192,273 topped 1987's 140,799, also the previous record.

And Jeep's 253,454 topped 1987's previous high of 208,440.

GMC's 352,999 was also a new high, up from 1987's previous high of 311,217.

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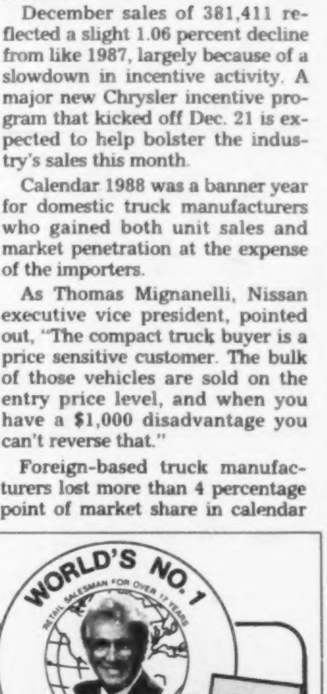
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TARIFF

FROM PAGE 1

He said it was too early to determine how much the price would increase as a result.

"It'll hurt us," said Garrett J. (Mike) Nash, Mitsubishi Motor Sales of America's vice president of marketing. "A four-wheel-drive vehicle is a big ticket item. Adding 25 percent to the vehicle will hurt.

"We sold about 8,000 Monteros in 1988 and we expected to sell about 15,000 this year," he added. "Last year Montero accounted for about 7 percent of our sales and this year we project it to be about 10 percent of our volume."

The Suzuki-Isuzu joint venture in Layfayette, Ind., also intended to benefit from flexible classification by classifying sport-utility vehicles built at the plant for Isuzu as passenger cars, Commerce Department records show. The Customs Service ruling means the joint-venture can expect to pay an estimated $20 extra per vehicle in tariffs, according to those documents.

The venture plans to produce 24,000 units in its first phase, meaning nearly $500,000 in added annual tariff costs.

Also covered by the rule is the joint minivan venture by Nissan Motor Co. and Ford Motor Co. in Avon Lake, Ohio.

The Ford-Nissan project would produce 135,000 minivans a year, with a large share of the components coming from Japan.

A Nissan spokesman said the company has not yet gauged the impact on the venture.

Flexible classification had been criticized by domestic manufacturers and MVMA as well as the UAW and the chairman of the House Energy and Commerce Commission, John Dingell, (D-Mich.). All had asked Customs to put an end to the practice because it circumvented Japanese export restraints if they were imported as trucks and the 25 percent tariff on imported trucks if they were imported as cars.

While the tariff helped quota restrained manufacturers like Suzuki and Isuzu to import sport-utility vehicles as trucks, other manufacturers like Nissan, which recently have not been able to meet car quotas, began shifting a greater mix of the sport-utility vehicles into their car imports in order to hit their numbers. Nissan imported 30,000 Pathfinder sport-utility vehicles last year as passenger cars.

Michael Lane, a U.S. Customs official, estimated the ruling would mean hundreds of millions of dollars in additional revenue to the U.S. Treasury. According to industry statistics, approximately 250,000 vehicles will be covered by the ruling annually, he said.

Lane said the decision coincides with adoption by the United States of the harmonized system of tariff schedules on Jan. 1. The system, adopted under the Trade Reform Act of 1988, provides for only two classes of motor vehicle imports; those used principally for the transport of persons, including station wagons and racing cars; and, motor vehicles for the transport of goods.

Range Rover's Hughes said that under the harmonized tariff schedules in Europe, Range Rover is classified as a passenger car. Yet Range Rover appeared on Customs Service field instructions listing all the affected vehicles.

Lane said the ruling will probably "work to the advantage of some importers and the disadvantage of others depending on how long they have been in this game an[illegible]at part of the quota they have."

Steve Collins, MVMA director of international trade, said the organization is pleased with the decision.

"We have maintained for some time the criteria used by the Customs Service for classification of these vehicles should be based on structural and design features and not cosmetic features that can be easily manipulated by importers."

In Tokyo, officials of the Japan Automobile Manufacturers Association expressed shock and suprise over the decision. It said it regretted the decision.

Japanese government officials expressed "serious concern" over the classification change. The Ministry of International Trade and Industry is due to make a decision soon on the possibility of another year of voluntary export restraints on passenger cars. The MPV decision is fueling a recent spurt of rumors that the restraints will be lifted.

UAW economist Steve Beckman said the Customs Service decision "seems like an accurate reading of the harmonized system," but said the union is still concerned about unchecked Japanese shipments of multipurpose vehicles to the United States.

VEHICLES AFFECTED BY CUSTOMS RULING

Dodge Raider
Dodge Vista 4wd
Dodge Caravan
GM Geo Tracker
Isuzu Trooper II
Isuzu Amigo
Mazda MPV
Mitsubishi Montero
Mitsubishi LS Van
Nissan Pathfinder
Nissan Stanza 4wd
Nissan GXE Van
Plymouth Vista 4wd
Plymouth Voyager
Range Rover
Suzuki Samurai
Suzuki Sidekick
Toyota 4Runner
Toyota Landcruiser
Toyota LE and Deluxe Vans
Volkswagen Vanagon

TOYOTA

FROM PAGE 1

land, St. Louis and Houston.

Officials said in earlier testimony Toyota plans to spend $18 million to $23 million for advertising in the first nine months of 1989, just for advertising time and space. Production costs and ad agency fees increase the total advertising budget to between $40 million and $70 million.

Charles Faruki, Mead's lawyer, argued that even in the absence of Lexus advertising, press publicity surrounding the auto shows was just the sort of thing Mead was trying to prevent when it sued Toyota last April.

Faruki said Mead's Lexis is planning to introduce several new products in the next few months, and publicity for Toyota's Lexus would diminish the impact of Mead's advertising.

Edelstein cited a New York law against "dilution" of a trademark, regardless of possible confusion or competition.

Faruki said Mead notified Toyota in October 1987 that it would object to the use of the Lexus name.

Once Mead notified Toyota of its objection, Lexus Senior Vice President Jim Perkins made four trips to Mead headquarters to negotiate a settlement. Perkins said Mead Data Central President Jack W. Simpson "wanted to work out a win-win situation."

Gray said that Toyota believed at the time that Mead's case "had no merit, and we still think so."

Analysts look for year's car sales to dive half a million

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Auto analysts see a slump in vehicle sales in 1989 as interest rates climb and the economy cools a bit from its heated pace of 1988.

An Automotive News survey of 10 analysts indicates that car sales in the United States will total 10,025,000 this year. While that's well below the 10,570,000 projected for 1988, it would still mark the sixth consecutive year the industry has topped 10 million.

Truck sales will soften at a slightly lower rate, analysts believe. An average of estimates points to just below 5.0 million units, down nearly 4 percent from an anticipated 5.2 million for 1988.

Beale: "We're looking for a real slowdown in consumer durable spending"

The decline will likely stem from an interplay of economic forces.

The scenario can be summarized like this: The Federal Reserve will continue to tighten the money supply to limit inflation and keep the economy from overheating. Higher interest rates will keep some consumers from buying. Demand for cars and trucks will slip.

Consumers may find a silver lining in those clouds, however. Several analysts predicted that automakers will resort to aggressive incentives to keep their share of the market from shrinking.

Campbell: The Acura line will grow stronger and Honda should gain from added output in Ohio

Which automakers manage to hang on to their shares will be another question.

If the analysts are right, however, General Motors will be able to chalk up 1989 as the year it finally reverses its painful slide in market share. Most analysts predicted that a wave of new product launches will begin to inch the world's largest automaker forward again. At the same time, Chrysler is expected to cough up some of its share — but not much.

Among importers, 1989 is shaping up as a strong year for Japan's No. 1 automaker, too. Analysts see Toyota as the company in the best position to hike market share. Honda and Nissan could make progress, too, some analysts said.

Most import losers will be based across the Atlantic, the analysts believe. Currency pressures and the absence of U.S. manufacturing bases could mean 12 months of nail-biting for European exporters.

The 10 analysts are: Wendy Beale, Smith Barney; Bernard Campbell, Data Resources Inc.; Arthur Davis, Prescott Ball & Turben; Jean-Claude Gruet, Salomon Brothers; David Healy, Drexel Burnham Lambert; Maryann Keller, Furman Selz Mager Dietz & Birney; Jack Kirnan, Kidder Peabody; Ann Knight, Paine Webber; Michael Luckey, Michael Luckey Consulting Group; and William Pochiluk, Autofacts Inc.

Here is a summary of their views:

Total U.S. sales

The analysts' projections show that U.S. consumers will take home about 15,023,000 vehicles this year. In comparison, total industry sales will come in at nearly 15.8 million when the 1988 numbers are tallied.

The 1989 forecasts ranged from Knight's and Luckey's estimates of 14.8 million to Campbell's 15.35 million.

Davis: Aggressive pricing will hit the truck market in response to optimistic production schedules

Davis, who anticipates a total of 14.9 million, cited three main reasons for the decline. First, it will cost more to finance a car. Second, incentives offered early in 1988 "borrowed" some sales that would otherwise have occurred this year.

Finally, customers are going to be jolted when they get a glimpse of sticker prices. If you count the addition of standard items and other cost increases, cars will retail for nearly 6 percent more than they did last year, Davis said.

Gruet: "Mercedes demand held up well in 1988 so it may be more susceptible in 1989"

Though consumers will be confronted with higher interest rates, analysts believe that automakers will be offering generous incentives to help move inventory.

New-car sales in U.S.

Car sales will be down about 5.2 percent in 1989, according to the analysts' forecast. They predicted 10,025,000 units will be sold, compared to an estimated 10,570,000 for 1988. The most bullish estimate was Kirnan's 10.3 million. Beale and Davis offered the most bearish: 9.8 million.

"We're looking for a real slowdown in consumer durable spending," said Beale, who expects activity in that area to perk up in 1990.

Kirnan said he thinks the market will be relatively stable. He believes that some forecasts aren't taking into account the predictions for strong business spending in 1989. That will mean a boost for the fleet industry, which already accounts for about a third of the nation's car sales, Kirnan said. Leasing business will also grow as people become increasingly attracted to lower down payments and lower monthly payments, he said.

New-truck sales in U.S.

Truck sales are expected to slip just below 5 million this year, the analysts believe. They are projecting a total of 4.98 million units. Estimates ranged from Knight's and Luckey's 4.8 million to Campbell's 5.15 million.

Davis predicted aggressive pricing in the truck market. The Big 3 have entered the new year with high production schedules. "So to forecast a downturn in trucks, you're talking about plans being upset," he said.

On the imported-truck side, Luckey foresees a dip to 550,000 units from 600,000 in 1988. "Unless the dollar-yen exchange rate strengthens dramatically, there are going to be decisions to produce more small trucks here," he said. Luckey expects that will happen: "Five years from now, imported light trucks will be a small number."

Healy: Ford's market share will rise 0.5 percentage points while GM will be off 0.5 percentage points

Market-share gains, U.S.

GM is poised to make some gains against its domestic competitors this year, the analysts believe. But the gains will likely be small. Sig-

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since the first part of this year. And this doesn't usually happen — that sales are above trend — for any long period of time," Hilty said.

"We don't usually borrow from the future, and sales have been easing slightly since the peak. We think the auto industry peaked about mid-1986.

"We've been expecting a gradual easing, we don't think it will fall off a cliff in the near term, but we're keeping a wary eye out and are looking at our indicators to tell us if there's a chance in the next six months that things will deteriorate faster than that," Hilty said.

In 1989, consumer attitudes will "probably be easing downward mainly due to concern about interest rates," he said.

In total, rates will increase through the first part of the year and drop toward the end. On average for the year, the prime rate will be 10 percent, short rates will be 7¼ percent and long rates 9½ percent, he said.

"Consumers are concerned about interest rates because inflation seems to be picking up," Hilty said. "The Federal Reserve is very cautious, trying to keep a lid on inflation, and in order to do that they are causing rates to increase.

"This is getting wide reporting in the press, and consumers are quite sophisticated and are watching business conditions, especially because we've had such good times now for six years going on seven.

"Rising interest rates would lead them to believe that the economy would be forced to slow down," Hilty said.

Asked about the likely impact of any new gasoline tax, Hilty said, "I guess we have to define first what any new gas tax means. I think a gas tax of 25-50 cents phased in over four or five years would not dramatically hurt the auto industry.

"We do have a problem, the federal budget deficit is a problem, and all areas of the economy are going to be asked to contribute toward (solving) this problem. This is probably the best contribution that the auto industry can make," he said.

AUTOMOTIVE NEWS/JOE WILSSENS

Hilty's prediction for 1989 is 10 million cars, 5 million trucks

A 25-cent-a-gallon tax would probably affect the industry by only about 25,000 units, and some of that potential loss could be offset by reduced interest rates, Hilty said.

"Increasing gasoline taxes would help lower interest rates, help the trade deficit and help us move toward a more stable energy policy," he said.

There is concern that a new gasoline tax would diminish the potential for states to increase taxes for building roads and bridges, Hilty said. "But when we look at Europe, they have higher gas taxes than here and it hasn't hurt their road construction. They have better roads and bridges than we do, and they also have a faster-growing auto industry," he said.

"I don't think a 20-to-50-cent tax would severely restrict the U.S. auto industry," he said.

Hilty further predicted that the 1989 U.S. employment rate would be 6 percent, with total employment at 117 million.

As for the overcapacity problem, Hilty said he believes it still has to be addressed and that more plant closures will occur, especially by 1992, when most of the announced transplant operations will be running at capacity.

"By that time, we'll probably need some more adjustments to traditional domestic capacity," Hilty said. However, there is a possibility that some transplants might bear some of the brunt of the overcapacity problem and not be able to run at full tilt, he said.

"A large unanswered part of the question is that there might be some exporting from U.S. transplants that might relieve some of the overcapacity. We'll be finding out as time goes on whether they'll find ready markets in Europe or other parts of the world," Hilty said.

American households are better off this year than last because real after-tax income is up. They will also be better off in 1989, he said.

Import-car penetration — at 2.8 million units not counting the transplants — will be 28 percent this year, down from around 29 percent in 1988, and import-truck sales will total 600,000 units, he said.

Car sales in Western Europe totaled 12.7 million in 1988; this year they will be down to about 12 million, he said.

European truck sales will fall from about 1.7 million in 1988 to about 1.5 million this year, Hilty said.

Hilty said that, considering real disposable income — after-tax income — American households are better off now and will continue to be better off in 1989 than they were last year.

This may be the worst time of the year to make predictions, though it is the time economists are asked to do so. "This time of year, we in the industry get a little anxious because, seasonally, we have low showroom traffic and sales are low because of holiday shopping and cold weather," Hilty said.

"Sales at this time of year are usually buoyed up by delivery to fleets. It's usually an anxious time and especially this year, with so much uncertainty, it's an anxious time trying to analyze what's going on."

In addition to the seasonal difficulties, analysts are getting some mixed signals because last year at this time "we had very innovative incentives that were quite successful, so year-over-year comparisons are difficult," Hilty said.

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nificant changes in any of the Big 3 positions don't appear to be in the cards.

GM's boost will come from the four-door GM10 sedans, which arrive on the market later this year. Chevrolet's Lumina could begin to sap the strength of Ford's Taurus. Analysts also said GM will be spurred by 1989 Cadillac models and the restyled Buick Riviera.

Kirnan thinks a key to GM's prospects will be renewed strength in the Midwest's economy. "One of the factors in GM's eroding share was that their most loyal buyers were in the oil patch and the Midwest," he said. "These areas were the worst performers in past years."

While most analysts picked GM, a few said Ford could lead the winners by adding another half-point or so of market share.

Keller: Chrysler will give up some sectors of high-volume profit and go after higher profit per vehicle

Gruet is one of them. GM's new entries won't be on the market long enough to make much of a difference in 1989, he said. GM's turn will come in 1990.

In the meantime, Ford stands to gain in 1989 because it is building so many of its products on overtime, Gruet believes. "In an environment where car sales are going down, Ford is in the strongest position and therefore would gain the most in market share," he said.

Kirnan: Renewed strength in the Midwest's economy will help GM's market share

Market-share dips, U.S.

Chrysler was the analysts' most frequent pick, but any lost share won't be substantial.

Chrysler will shuffle much of its product lineup during the year, and that could limit availability. Gruet suggested that some replacements — such as K-car successors' Spirit and Acclaim — will be less popular because they'll cost more than their predecessors.

Keller said Chrysler's declining share will reflect a strategic decision. "They're giving up some sectors of the high-volume profit and going after higher profit per vehicle," she said.

Some analysts think Ford and Chrysler will take a hit as GM improves its position. Others see a flat year. Said Beale: "I don't think it will be a year of dramatic changes in market shares. There will be a battle of tenths of points among the Big 3."

Gains in share, imports

The analysts named a range of Asian makers as likely gainers in 1989, with Toyota getting the nod most often. The chief reason is a full year of Camry production at its plant in Georgetown, Ky., as well as Corolla output from the New United Motor Manufacturing Inc. plant in Fremont, Calif.

Honda could also make some gains. Campbell believes the Acura line will grow stronger, and there will be increased production from the Marysville, Ohio, plant. Gruet also picked Honda, because of the overall strength of its lineup.

Nissan was also mentioned. Kirnan believes the new 240-SX, the restyled Maxima, the redesigned 300-ZX and the Axxess station wagon will contribute to a rebound. And that's not counting the late-year launch of the Infiniti models.

Still another Japanese maker got a nod. Luckey believes Mitsubishi will gain because of its new, U.S.-built Eclipse and its expanding dealer network.

Other nameplates mentioned were Hyundai and Subaru, both of which will have new four-door sedans on the market (Sonata and Loyale).

Knight: Rising interest rates will have an impact on consumer confidence

Losses in share, imports

There was no clear consensus on a single manufacturer here. But if the winners are going to be from Asia, the Europeans may be in for another rough year.

"There are so many little ones, they don't add up to one big guy at all," said Davis.

Luckey: Imported trucks may drop 50,000 units, to 550,000 sales

Yugo received a few mentions, as did Volkswagen.

Gruet, after a thoughtful pause, picked Mercedes. He believes the most expensive end of the market will weaken first in a down year.

"Mercedes demand held up well in 1988, so it may be more susceptible in 1989" he said. Its 190 series could also feel the pinch from Toyota's Lexus and Nissan's Infiniti entries when they arrive this fall.

Other companies mentioned included Sterling, Porsche, Isuzu, Mitsubishi, Mazda and Subaru.

Interest rates

Most analysts were in agreement on interest rates. They believe rates will climb a bit at the start of the year and reach a peak around the second quarter. As the economy slows down, the Federal Reserve will be able to loosen its grip on the money supply and rates will begin to fall, they said.

U.S. economic growth

The economy will slow down in 1989, according to the analysts. Growth, as measured by gross national product, will average about 2.56 percent, a significant drop from a stronger-than-expected 1988. And U.S. exports, rather than consumer spending, are expected to fuel the growth.

Said Knight: "Paine Webber's forecast for 1989 is not a death and degradation scenario." She's looking at a 2.8 percent growth rate. A primary factor will be rising interest rates, which she believes will have an impact on consumer confidence.

Kirnan is bullish about the manufacturing sector. The nation's export competitiveness will be significantly enhanced if the dollar falls below the 120-yen mark, he said.

Consumer confidence

On this subject, the analysts generally agreed: Consumers will be keeping a closer watch on their pocketbooks in the coming year.

A chief cause is the anticipated rise in borrowing costs and consumer prices. "Interest rates and inflation rates historically hurt buying attitudes," said Luckey.

The analysts believe consumers will be watching to see what kind of steps the Bush administration takes to reduce the budget deficit.

Pochiluk: Automakers will resort to "serious incentives" to entice buyers into showrooms

Pochiluk believes consumer confidence is clearly heading down. Consequently, manufacturers will resort to "serious incentives" to entice buyers into showrooms.

Automotive News Staff Reporters Louise Kertesz, Dutch Mandel and Philly Murtha in Detroit contributed to this report.

1989 Calendar Year Forecasts

	Wendy Beale *Smith Barney*	**Bernard Campbell** *Data Resources*	**Arthur Davis** *Prescott Ball & Turben*	**Jean-Claude Gruet** *Salomon Brothers*	**David Healy** *Drexel Burnham Lambert*	**Maryann Keller** *Furman Selz Mager Dietz & Birney*	**Jack Kirnan** *Kidder Peabody*	**Ann Knight** *Paine Webber*	**Michael Luckey** *Michael Luckey Consulting Group*	**William Pochiluk** *Autofacts Inc.*
Total Motor Vehicle Sales in U.S.	14.9 million	15.35 million	14.9 million	15.2 million	14.81 million	15.1 million	15.3 million	14.8 million	14.8 million	15.07 million
New Car Sales in U.S.	9.8 million	10.2 million	9.8 million	10.2 million	9.85 million	10.1 million	10.3 million	10.0 million	10.0 million	10.0 million
New Truck Sales in U.S.	5.1 million	5.15 million	5.1 million	5.0 million	4.96 million	5.0 million	5.0 million	4.8 million	4.8 million	5.07 million
% Import Car Sales	28.6%	30.07%	29.07%	27.9%	27.5%	28.7%	27.2%	30.0%	30.0%	30.4%
% Import Truck Sales	Below 12.0%	11.0%-12.0%	10.02%	10.4%	10.5%	11.1%	—	16.6%	11.45%	14.1%
Biggest New-Car Market Share Gainer, Big 3	GM	GM	None	Ford	Ford	GM	GM	GM	GM	GM and Ford
Biggest New-Car Market Share Loser, Big 3	Chrysler	Chrysler	None	Chrysler	GM	Chrysler	None	Ford and Chrysler	Ford and Chrysler	Chrysler
Biggest New-Car Market Share Gainer, Imports	Honda and Mistubishi	Honda and Toyota	Toyota	Honda	—	Toyota	Nissan	Korean makes	Toyota	Toyota and Nissan
Biggest New-Car Market Share Loser, Imports	—	Yugo	Many makes to lose small share	Mercedes	—	—	Mitsubishi, Mazda, Subaru, Isuzu	German makes	Volkswagen	Yugo, Volkswagen, Sterling, Isuzu
U.S. Economic Growth 1989 (GNP)	3.1%	2.4%-2.5%	2.0%-2.5%	3.0%	3.2%	—	1.3%	2.8%	2.5%	2.5%
Interest Rates 1989	Slight rise; peak at midyear	10.5% average for prime	Stable	Higher	Higher	—	10.7% average for prime	9.5% average for prime	Moderately higher	10.0% average for prime
Unemployment Rate 1989	5.2%	5.5%	5.3%	5.2%	4.9%	—	5.8%	5.3%	6.0%	5.5%
[illegible]	Slightly weaker	[illegible]	Weaker	Slightly weaker	—	—	[illegible]	Slightly weaker	Weaker	[illegible]
European Car Sales	Down 4%	Down 3%-6%	Flat	Down 4%	Flat	Down 3%-5%	Down about 5%	Down 3%-6%	—	—

'88 car build tops '87 by a whisker

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Domestic automakers built 1,880,687 cars in the final quarter of 1988, 26.38 percent more than the third quarter's 1,488,090 and 7.87 percent above the year-ago quarter's 1,743,515.

The updated car production estimate for calendar-year 1988 stands at 7,101,953, slightly higher (0.10 percent) than the 1987 calendar year total of 7,094,992.

December's car output totaled 567,492, down 12.15 percent from November's 645,987 but 16.32 percent above the year-ago month's 487,877.

Automakers scheduled production of 116,612 cars last week, 10.70 percent more than the year-ago week's 105,338, when several plants were down for an extended holiday due to bloated inventory. Last week was shortened by the holiday.

Companies split last week's targeted production as follows: General Motors, 47.58 percent; Ford Motor Co., 28.79 percent; Chrysler Motors, 11.15 percent; Honda of America Manufacturing, 4.91 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.29 percent; New United Motor Manufacturing Inc., 2.57 percent; Nissan Motor Manufacturing Co. U.S.A., 1.33 percent and Diamond-Star Motors, 0.38 percent.

Truckmakers assembled 1,032,183 units in last year's fourth quarter, 10.26 percent more than the third quarter's 936,140 and 6.45 percent more than the year-ago quarter's 969,680.

The updated truck estimate for the 1988 calendar year is 4,133,886, 6.53 percent above the 3,880,342 built in 1987.

December production of 317,999 trucks was 11.36 percent below November's 358,746 but 11.39 percent above the year-ago month's 285,494.

Last week's scheduled truck output of 63,298 dropped 18.38 percent from the year-ago week's 77,551.

Canada cars up 26% for 1988

Canadian car production for the fourth quarter of last year totaled 225,433, up 21.23 percent from the third quarter's 185,957 but down 6.45 percent from the year-ago quarter's 240,983.

The updated calendar-year car estimate now stands at an 1,027,361, an increase of 26.84 percent over the 809,943 built in 1987.

December car output of 59,799 declined 24.37 percent from the November total of 79,071 and dropped 18.44 percent from the year-ago month's 73,323.

Truck output for the fourth quarter was 247,025, a gain of 28.39 percent over the third quarter's 192,399 and 25.29 percent more than the year-ago quarter's 197,158.

The updated calendar year truck production estimate is 933,838.

December's truck production of 71,174 was 21.98 percent below November's 91,224 but 23.83 percent above the year-ago month's 57,476.

U.S. CAR	Week Ended Jan. 7, 1989	Week Ended Jan. 9, 1988	Week Ended Dec. 24, 1988	Dec. Total	Jan. 1 to Jan. 7, 1989	Jan. 1 to Jan. 9, 1988
Alliance	0	0	0	0	0	0
Total Eagle	0	0	0	0	0	0
Horizon	0	1,509	803	5,004	0	1,509
Sundance	1,700	2,000	2,747	9,420	1,700	2,000
Reliant	0	0	1,833	8,198	0	0
Acclaim	1,000	0	998	3,306	1,000	0
Caravelle	0	0	0	29	0	0
Gran Fury	0	232	177	718	0	232
Total Plymouth	2,700	3,741	6,558	26,675	2,700	3,741
LeBaron K	0	0	0	0	0	0
LeBaron J	1,500	0	2,566	10,790	1,500	0
LeBaron GTS	100	157	235	904	100	157
N. Yorker E-Class	0	0	0	0	0	0
N. Yorker C-Class	2,000	1,081	2,419	9,071	2,000	1,081
Fifth Avenue	0	1,298	576	3,126	0	1,298
Total Chrysler	3,600	2,536	5,796	23,891	3,600	2,536
Omni	0	1,434	787	4,984	0	1,434
Daytona	1,500	0	2,208	7,649	1,500	0
Shadow	1,500	2,010	2,122	8,981	1,500	2,010
Aries	0	0	1,771	7,572	0	0
Dodge 600	0	0	0	0	0	0
Dynasty	2,600	1,328	2,869	11,126	2,600	1,328
Lancer	100	208	192	748	100	208
Spirit	1,000	0	1,204	4,323	1,000	0
Diplomat	0	296	152	1,085	0	296
Total Dodge	6,700	5,276	11,305	46,468	6,700	5,276
CHRYSLER MOTORS	13,000	11,553	23,659	97,034	13,000	11,553
Escort	6,967	7,719	9,651	32,331	6,967	7,719
Mustang	2,762	4,357	4,207	14,965	2,762	4,357
Tempo	3,046	4,497	3,952	13,343	3,046	4,497
Taurus	6,688	6,943	8,888	30,093	6,688	6,943
Thunderbird	3,153	2,878	2,734	10,485	3,153	2,878
Total Ford Div.	22,616	26,394	29,432	101,217	22,616	26,394
Lynx	0	0	0	0	0	0
Topaz	1,156	1,654	1,489	5,321	1,156	1,654
Cougar	3,141	2,892	2,773	8,787	3,141	2,892
Sable	2,321	1,764	2,944	10,333	2,321	1,764
Total Mercury	6,618	6,310	7,206	24,441	6,618	6,310
Continental	1,447	702	1,514	5,764	1,447	702
Mark VII	725	627	748	2,872	725	627
Lincoln	2,171	3,323	2,274	8,650	2,171	3,323
Total Lincoln	4,343	4,652	4,536	17,286	4,343	4,652
Total L-M Division	10,961	10,962	11,742	41,727	10,961	10,962
FORD MOTOR CO.	33,577	37,356	41,174	142,944	33,577	37,356
Skyhawk	858	0	965	3,806	858	0
Skylark/Somerset	1,294	1,102	1,588	5,557	1,294	1,102
Century	2,592	1,179	3,383	11,540	2,592	1,179
Regal (rwd)	0	0	0	0	0	0
Riviera	519	0	637	2,236	519	0
Electra	1,997	1,719	2,496	8,399	1,997	1,719
LeSabre (fwd)	2,321	2,319	2,901	9,686	2,321	2,319
LeSabre (rwd)	172	204	184	804	172	204
Reatta	219	0	276	921	219	0
Total Buick	9,972	6,523	12,430	42,953	9,972	6,523
Cimmaron	0	254	0	0	0	254
Eldorado	612	0	751	2,635	612	0
Seville	464	0	569	1,991	464	0
Brougham (rwd)	852	0	1,049	3,470	852	0
Deville (fwd)	3,616	3,208	4,520	15,884	3,616	3,208
Allante	60	0	75	255	60	0
Total Cadillac	5,604	3,462	6,964	24,235	5,604	3,462
Cavalier	5,498	6,409	6,214	23,986	5,498	6,409
Camaro	2,076	0	2,460	8,437	2,076	0
Celebrity	3,584	2,845	4,315	14,699	3,584	2,845
Corsica/Beretta	5,028	4,352	9,358	32,372	5,028	4,352
Monte Carlo	0	0	0	0	0	0
Caprice	2,744	4,260	3,494	11,805	2,744	4,260
Corvette	360	258	450	1,530	360	258
Total Chevrolet	19,290	18,124	26,291	92,829	19,290	18,124
Calais	2,546	3,102	3,212	10,762	2,546	3,102
Firenza	0	0	0	0	0	0
Cutlass Ciera	1,340	0	1,663	5,654	1,340	0
Cutlass Supreme	0	0	3,604	10,793	0	0
Toronado	260	0	319	1,124	260	0
88 (fwd)	2,687	3,455	3,359	11,141	2,687	3,455
88 (rwd)	220	246	181	846	220	246
Olds 98	1,798	1,419	2,246	7,222	1,798	1,419
Total Oldsmobile	8,851	8,222	14,584	47,542	8,851	8,222
Sunbird	2,421	2,076	2,761	10,618	2,421	2,076
Grand Am	3,912	4,673	4,800	19,061	3,912	4,673
Firebird	1,308	0	1,574	5,419	1,308	0
Grand Prix	0	0	3,914	7,288	0	0
Pontiac 6000	1,652	36	2,378	8,127	1,652	36
Bonneville	2,377	1,935	2,971	9,153	2,377	1,935
Safari/Parisienne	96	24	107	390	96	24
Fiero	0	0	0	0	0	0
Total Pontiac	11,766	8,744	18,505	60,076	11,766	8,744
GENERAL MOTORS	55,483	45,075	78,774	267,635	55,483	45,075
DIAMOND-STAR	446	0	382	1,382	446	0
HONDA	5,720	6,250	7,608	25,669	5,720	6,250
Civic	1,920	1,423	2,418	8,392	1,920	1,423
Accord	3,800	4,827	5,190	17,277	3,800	4,827
MAZDA†	3,832	572	4,730	17,472	3,832	572
NISSAN	1,554	1,335	2,031	7,359	1,554	1,335
NUMMI	3,000	3,197	2,780	7,997	3,000	3,197
Corolla	2,000	1,183	1,981	6,461	2,000	1,183
Nova	1,000	2,014	799	1,536	1,000	2,014
VOLKSWAGEN	0	0	0	0	0	0
Golf/GTI	0	0	0	0	0	0
Jetta	0	0	0	0	0	0
Total Cars, U.S.	116,612	105,338	161,138	567,492	116,612	105,338
Total Cars, Canada	13,061	22,486	16,147	59,799	13,061	22,486
U.S., Canada Cars	129,673	127,824	177,285	627,291	129,673	127,824
U.S., Canada Cars and Trucks	209,558	221,472	277,591	1,016,464	209,558	221,472

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended Jan. 7, 1989	Week Ended Jan. 9, 1988	Week Ended Dec. 24, 1988	Dec. Total	Jan. 1 to Jan. 7, 1989	Jan. 1 to Jan. 9, 1988
Eagle	0	0	0	0	0	0
Premier	0	1,440	0	3,081	0	1,440
CHRYSLER MOTORS	0	1,440	0	3,081	0	1,440
Escort	0	0	0	0	0	0
Lynx	0	0	0	0	0	0
Tempo	3,094	4,236	3,327	11,337	3,094	4,236
Topaz	816	2,002	1,782	5,893	816	2,002
Crown Victoria	2,190	2,812	2,986	9,958	2,190	2,812
Grand Marquis	2,154	2,636	2,876	9,778	2,154	2,636
FORD MOTOR CO.	8,256	11,686	10,873	36,965	8,256	11,686
Celebrity	174	633	180	733	174	633
Cutlass Ciera	3,297	4,290	3,428	13,022	3,297	4,290
Cutlass Supreme	0	0	0	0	0	0
Grand Prix	0	0	0	0	0	0
Pontiac 6000	0	1,139	0	0	0	1,139
Regal	0	2,761	0	0	0	2,761
GENERAL MOTORS	3,471	8,823	3,608	13,755	3,471	8,823
Civic	1,190	—	1,505	5,386	1,190	—
Accord	0	—	0	0	0	—
HONDA	1,190	435	1,505	5,386	1,190	435
VOLVO	144	98	163	612	144	98
Total Cars, Canada	13,061	22,486	16,147	59,799	13,061	22,486

U.S. TRUCK★	Week Ended Jan. 7, 1989	Week Ended Jan. 9, 1988	Week Ended Dec. 24, 1988	Dec. Total	Jan. 1 to Jan. 7, 1989	Jan. 1 to Jan. 9, 1988
Caravan	2,000	1,614	2,206	8,549	2,000	1,614
Dakota	1,200	3,081	2,394	9,153	1,200	3,081
Mini-Ram Van	100	260	173	643	100	260
Pickups	1,200	1,528	2,398	9,149	1,200	1,528
Total Dodge	4,500	6,483	7,171	27,494	4,500	6,483
Cherokee	2,200	3,820	3,760	14,446	2,200	3,820
Commanche	300	982	707	2,773	300	982
Grand Wagoneer	200	0	350	1,190	200	0
Pickups	0	0	0	0	0	0
Wagoneer	100	310	205	758	100	310
Total Jeep	2,800	5,112	5,022	19,167	2,800	5,112
Voyager	1,900	1,538	1,894	7,105	1,900	1,538
Total Plymouth	1,900	1,538	1,894	7,105	1,900	1,538
CHRYSLER MOTORS	9,200	13,133	14,087	53,766	9,200	13,133
Aerostar	3,813	3,895	5,074	17,846	3,813	3,895
Bronco	1,739	1,252	1,663	6,560	1,739	1,252
Bronco II	1,810	2,970	2,887	10,651	1,810	2,970
Econoline	3,928	4,943	5,220	18,349	3,928	4,943
Heavy trucks	1,046	1,324	1,293	4,620	1,046	1,324
Light trucks	9,047	9,209	11,243	42,017	9,047	9,209
Ranger	4,946	6,518	7,213	26,610	4,946	6,518
Total Ford Div.	26,329	30,011	34,593	126,653	26,329	30,011
FORD MOTOR CO.	26,329	30,011	34,593	126,653	26,329	30,011
Astro	2,495	3,533	3,518	12,021	2,495	3,533
Blazer	559	536	525	1,987	559	536
Mediums/Heavies	0	434	0	1,317	0	434
P-Model	0	969	0	2,332	0	969
Pickups	6,956	5,856	8,677	32,398	6,956	5,856
S-10	4,170	5,083	1,958	18,505	4,170	5,083
S-10 Blazer	2,635	1,392	3,466	13,704	2,635	1,392
Sportsvan/Van	306	1,679	0	0	306	1,679
Suburban	1,542	1,252	1,551	5,681	1,542	1,252
Total Chevrolet	18,663	20,734	19,695	87,945	18,663	20,734
Jimmy	153	94	139	607	153	94
Mediums/Heavies	0	708	0	1,968	0	708
P-Model	0	42	0	153	0	42
Pickups	2,212	1,795	2,871	10,065	2,212	1,795
S-15	801	1,052	391	3,584	801	1,052
S-15 Jimmy	734	79	1,158	3,791	734	79
Safari	624	822	863	3,038	624	822
Suburban	455	694	492	2,105	455	694
Vandura/Rally Vans	86	601	0	0	86	601
Total GMC	5,065	5,887	5,914	25,311	5,065	5,887
GENERAL MOTORS	23,728	26,621	25,609	113,256	23,728	26,621
NAVISTAR	0	1,785	1,437	6,117	0	1,785
NISSAN	1,841	3,251	2,436	8,857	1,841	3,251
AM GENERAL*	360	450	450	1,530	360	450
MISCELLANEOUS*	1,840	2,300	2,300	7,820	1,840	2,300
Total Trucks, U.S.	63,298	77,551	80,912	317,999	63,298	77,551

CANADIAN TRUCK	Week Ended Jan. 7, 1989	Week Ended Jan. 9, 1988	Week Ended Dec. 24, 1988	Dec. Total	Jan. 1 to Jan. 7, 1989	Jan. 1 to Jan. 9, 1988
Caravan	2,730	3,001	2,893	11,483	2,730	3,001
Mini-Ram Van	170	216	167	684	170	216
Ram Wagon	528	0	625	2,207	528	0
Ram Van	1,352	0	1,824	6,057	1,352	0
Total Dodge	4,780	3,217	5,509	20,431	4,780	3,217
Voyager	2,220	2,781	2,092	8,596	2,220	2,781
Total Plymouth	2,220	2,781	2,092	8,596	2,220	2,781
Wrangler	680	724	1,326	4,396	680	724
Total Jeep	680	724	1,326	4,396	680	724
CHRYSLER MOTORS	7,680	6,722	8,927	33,423	7,680	6,722
FORD MTR. (lt. trks.)	2,736	3,466	3,591	11,864	2,736	3,466
Light trucks	2,913	2,551	3,604	13,486	2,913	2,551
Vans	1,246	1,084	1,595	5,454	1,246	1,084
Total Chevrolet	4,159	3,635	5,199	18,940	4,159	3,635
Light trucks	1,287	1,456	1,056	4,527	1,287	1,456
Vans	509	593	345	1,598	509	593
Total GMC	1,796	2,049	1,400	6,125	1,796	2,049
GENERAL MOTORS	5,955	5,684	6,599	25,065	5,955	5,684
NAVISTAR	216	225	277	822	216	225
Total Trks., Canada	16,587	16,097	19,394	71,174	16,587	16,097
U.S., Canada Trks.	79,885	93,648	100,306	389,173	79,885	93,648

★—Includes minivan production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
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Chrysler to revamp engineering

Castaing directs reorganization

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Francois Castaing, the new Chrysler Motors vice president of vehicle engineering, will reorganize Chrysler's engineering department by the end of this month in an effort to make the department more efficient.

Castaing and Chrysler's top engineers have been holding formal discussions on how to logically organize the 6,000-person engineering department. Sources familiar with the restructuring said the structure of the department, as well as individual responsibilities, are under review.

The company is said to be working quickly to finalize a reorganization plan within two weeks. Several reorganization plans are being considered, and rumors of early retirements, dismissals and structural changes are running rampant within the engineering department, sources said. These could not be confirmed, and a spokesman for Castaing declined comment.

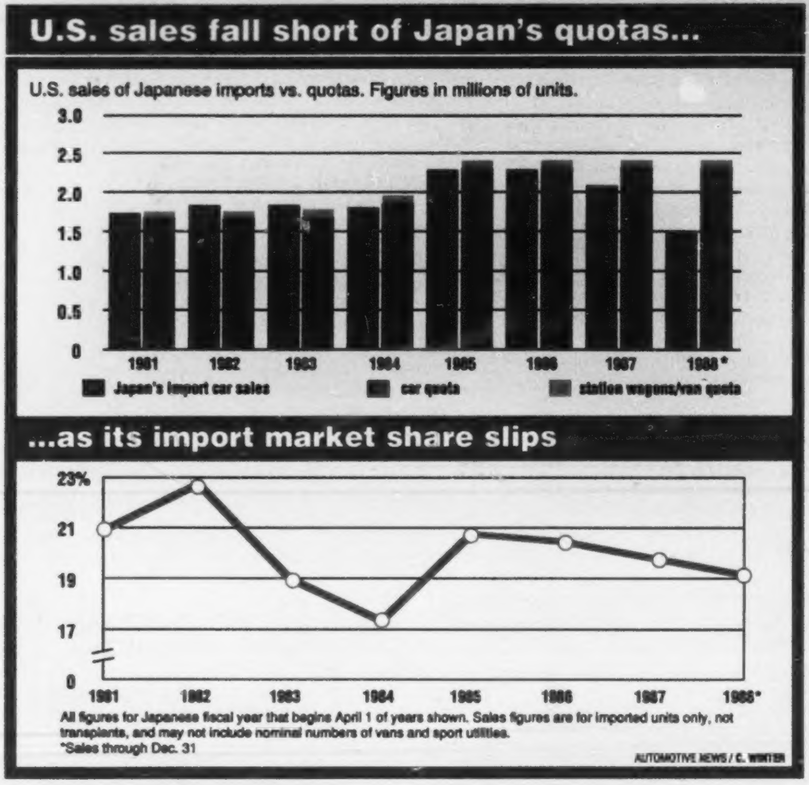
One top engineer said those working in the department had been anticipating a reorganization since Castaing took Chrysler's top engineering post in October 1988. The French-born, former American Motors vice president replaced John D. Withrow, who retired.

"We are in the process of doing a reorganization in the aftermath of changing management; there are a new string of people that have different views," said one engineering supervisor, who spoke on the condition of anonymity.

There have been signals of the impending change. Chrysler engineers received a Christmas card from Castaing last month expressing his desire to return the company's engineering department to the automotive industry's best, according to one recipient of the holiday greeting.

There has been heightened attention to Chrysler's product and engineering competitiveness in the last year. The change was prompted by a blue-ribbon panel of technical experts, which had warned that Chrysler was becoming a truck and airplane company and neglecting its core car-making business. Dealers have pressed for new products and engine families.

The departments that report directly to Castaing include automotive research and technical systems, car body and chassis engineering, car electrical and electronic systems engineering, car powertrain engineering, car engineering operations, car development and program management and the Liberty development program.



U.S. sales fall short of Japan's quotas...

U.S. sales of Japanese imports vs. quotas. Figures in millions of units.

...as its import market share slips

All figures for Japanese fiscal year that begins April 1 of years shown. Sales figures are for imported units only, not transplants, and may not include nominal numbers of vans and sport utilities.
*Sales through Dec. 31

AUTOMOTIVE NEWS / C. WINTER

Japan keeps quotas for '89

U.S. limit stays at 2.3 million; trade balance noted

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

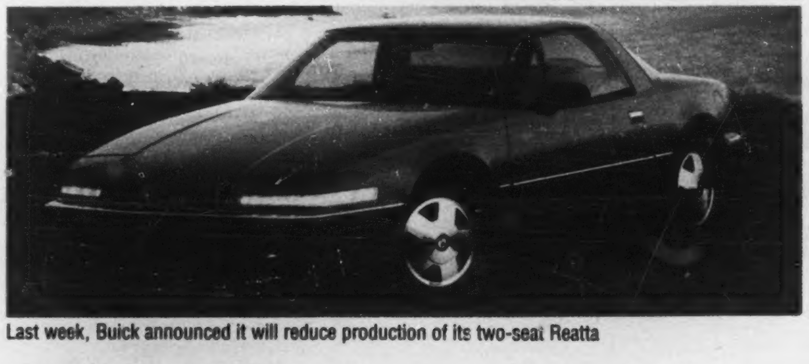
TOKYO — Japan's Ministry of International Trade and Industry said it has decided to extend its voluntary export restraints on passenger-car shipments to the United States for another year, keeping them at the current 2.3 million.

MITI said the quotas have been extended because it has not yet determined whether Japan's downward trend in exports to the United States is an established fact. In the quota year ended March 31, 1988, exports were 85,851 units under the limit, the first shortfall since restraints were adopted in 1981, when shipments were inexplicably off by one unit.

Industry reaction bowed to the political inevitability of the decision, putting it in the context of the overall trade picture.

However, Japanese automakers feel the

see QUOTAS, page 48



Last week, Buick announced it will reduce production of its two-seat Reatta

2 MANY?

Sporty market crowded with cars, not buyers

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

Automakers rushing headlong into the expensive two-seater and 2+2 market segments are finding themselves in the company of many other fish in an overpopulated pond.

Buick last week announced cuts in Reatta production. Cadillac continues its struggle to sell Allante. European and Japanese manufacturers have suffered a year-long sales slide. Meanwhile, new entries — including one from Chrysler Motors and Maserati and another from Volkswagen, both of which were unveiled this month — are jumping

see TWO-SEATERS, page 45

Imports win suspension of MPV duty

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Under pressure from importers, dealers and at least one foreign government, the U.S. Treasury last week imposed a temporary suspension on a Customs Service ruling that would subject multipurpose vehicles to a 25 percent tariff.

Dealers and importers are seeking a 90-day suspension in order to press their cases for relief from the Customs determination.

Robert McElwaine, president of the American International Automobile Dealers Association, said he and other dealer representatives have been invited to a Tuesday meeting at Treasury to discuss the suspension.

Customs has also been told to warn importers they may be required to pay the 25 percent tariff following the suspension and should be prepared to post a bond to cover tariff obligations.

The Motor Vehicle Manufacturers Association, the Big 3 and the UAW supported the original Customs Service ruling, and all criticized the temporary suspension.

Chrysler Corp. Chairman Lee Iacocca was outraged by the decision and accused importers of using their dealers and lobbyists to turn the decision around.

"If the treasury caves in to this pressure in its final review, it would be an absolute outrage," Iacocca said in a prepared statement. "It would be a national disgrace. It would rip off the U.S. Treasury to the tune of approximately $500 million a year.

"I have been saying for years that Japan is dictating U.S. trade policy," he said. "This proves it."

In an earlier letter to Treasury Secretary Nicholas Brady, Iacocca supported the Customs ruling and urged him to "resist pressure from foreign manufacturers and their governments and their influential lobbyists to reverse the decision."

A trade lawyer representing the Automobile Importers of America said he could not remember a gov-

see TARIFF, page 47

Chevy boss says Ford will win again in '89

By Michelle Krebs and David Versical
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — Ford Division won the sales battle from Chevrolet for an unprecedented second straight year and is likely to remain in the No. 1 spot again in 1989.

Chevrolet General Manager Robert D. Burger, who will retire by July when he turns 65, predicted his division will not beat Ford in the 1989 calendar year but that it will close the gap — even though the Ford advantage widened in 1988. Burger said he is willing to bet Chevy will surpass Ford in 1990.

In 1988, Chevrolet sold 2,834,107 vehicles against Ford's 3,119,886. In 1988, the sales gap between the

see SALES, page 46

SALES BATTLE

	Chevrolet	Ford
Cars		
1988 ...	1,479,616	1,596,671
1987 ...	1,500,398	1,416,636
Total Trucks		
1988 ...	1,354,491	1,523,215
1987 ...	1,191,848	1,453,225
Light Trucks		
1988 ...	1,336,407	1,462,087
1987 ...	1,173,675	1,398,969
Total Vehicles		
1988 ...	2,834,107	3,119,886
1987 ...	2,692,246	2,869,861

INSIDE:
Yugo director quits for State Dept. post Page 2
Highest and lowest turn to incentives Page 3
There's something new at Chrysler, Nissan Page 45

NEWSPAPER

Yugo board member quits for State Dept. post

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Lawrence S. Eagleburger, a Yugo America board member, has resigned his board seat to accept an expected nomination as deputy secretary of the U.S. State Department.

Eagleburger, who served as U.S. ambassador to Yugoslavia from 1977 to 1981, was one of five board members for the company, a subsidiary of Global Motors that imports the Yugo subcompact from Yugoslavia.

"We're pleased that we had a person of such high quality on our board," said Anthony T. Ciminera, Yugo America executive vice president for product planning.

"He was a real asset to us, especially with his ability to speak Serbo-Croatian. He was liked and respected in Yugoslavia, and he was able to get us straight answers," Ciminera said.

The resignation comes at a troubled time for the New Jersey-based company, which is experiencing falling sales and new-product delays. Meanwhile, Yugoslavia itself is embroiled in political and economic turmoil.

Negotiations were expected to begin this week that could change Global's ownership, with the Yugoslavian automaker reportedly buying a substantial share of the U.S. firm.

The negotiations reportedly involve Global Motors; Mabon Nugent, a New York investment firm; and Zavodi Crvena Zastava, the parent company of Zastava Yugo Automobili, which makes the Yugo car.

Mabon, Nugent led a group of private investors that bought out Global Motors founder Malcolm Bricklin last April for some $40 million — about $20 million for Bricklin's 70 percent interest, plus another $20 million for operating funds and product development.

A Mabon, Nugent spokesman said last week that the investment firm and its affiliates own about 33 percent of Global Motors, representing an investment of approximately $10.5 million.

Mabon, Nugent and Global Motors have refused to identify the other investors.

"Mabon, Nugent has really nothing to say at this point," said spokesman Jim Fingeroth. He did not confirm or deny the reported negotiations for Global Motors.

A U.S. Commerce Department spokesman said last week that the Yugoslavian manufacturer is operating in a difficult economic environment. Economic problems marked by strikes and protests forced the resignation of Prime Minister Branko Mikulic and his cabinet last month, followed by the resignation last week of government and Communist Party leaders in Montenegro, one of Yugoslavia's six autonomous republics.

"The economic problems that caused the government to resign are the same ones Yugo has faced," said Jeremy Keller, Yugoslavia desk officer for the Commerce Department.

Keller said the Yugo plant, located about 100 miles south of Belgrade, is in an area that has seen "plenty of strikes and unrest." Zastava itself has apparently remained stable through the unrest but the protests are only a symptom of a more widespread economic shakeup, Keller said. The poor state of the economy has made parts sourcing difficult.

"The problems they (Zastava) are facing are purely economic, as opposed to any protests or unrest," Keller said.

"I've heard reports that they have trouble getting bits and pieces from their suppliers, so they have half-completed Yugos stacked up at the plant," he said.

The introduction of new models also has been slow, Keller said. Yugo was to have introduced a convertible as a 1988 model, but as of last week Yugo America had only two prototypes of the convertible in North America.

A letter sent by Yugo America last fall sought to reassure dealers that "hard-currency projects with the West — such as the Yugo America project — are high on Yugoslavia's list of economic priorities."

Ciminera said that Yugo America won't comment on domestic Yugoslavian politics, though he said Zastava enjoys a "protected position" within the economy.

Keller pointed out that Yugoslavia, which is a non-aligned nation, enjoys Most Favored Nation status as a trading partner, and the Commerce Department officially encourages trade between the two countries.

Meanwhile, President-elect George Bush last week announced his intention to nominate Eagleburger as deputy secretary of state, which would make him second in command behind James Baker, Bush's choice for secretary of state.

Prior to his nomination, Eagleburger was president of Kissinger Associates, a consulting firm headed by former Secretary of State Henry Kissinger. Eagleburger was a top adviser to Kissinger during the Nixon administration.

He joined the Yugo America board in February 1985, the year the Yugo was introduced in America.

Eagleburger retired from the State Department in May 1984, after 27 years as a Foreign Service officer.

VW retains sales crown in Europe

Fiat says race is too close to call

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — In a photo finish, Volkswagen AG apparently edged Fiat Auto S.p.A. for the European car-sales crown by only 1,500 units, unofficial industry figures show.

It is the fourth year in a row VW has come out on top.

The overall market in Western Europe soared to record heights in 1988, finishing just a shade under 13 million units, according to industry estimates compiled by Automotive News.

The total grew 4.6 percent to 12,989,900 compared with 12,413,400 in 1987, the previous record.

Fiat was in first place for 11 months, surrendering the lead to VW in December. In selling 1,929,900 Volkswagens to Fiat's 1,928,400, the West German maker edged its competition out by less than a tenth of a point in market share.

Fiat is not yet conceding, however. In Fiat's figures released late last week, the company said it sold 1,930,000 cars, which would be a higher than industry estimates of VW results.

VW has yet to release its figures.

Europe's other big winners in 1988 were Peugeot S.A. and BMW, both of which substantially boosted market share.

The Japanese were a relatively quiet presence in the marketplace. Combined, Japan automakers closely mirrored the overall market growth in 1988 and then dipped during December to finish with a rate of increase under the market.

West Germany again was Europe's biggest national market by a wide margin even though it was the only major country to suffer a decline in 1988.

VW figures include the corporation's Volkswagen, Audi and Seat brands. Fiat numbers reflect Fiat, Lancia, Alfa Romeo and Ferrari. Ford was once again the best-selling single brand in Europe.

The widely forecast drop in Europe's four-year boom still hasn't emerged. Sales dipped in October but increased in November and December. Last month, volume climbed 4.9 percent over December 1987, rising to 926,200.

VW is now benefiting from improved supplies of its new Passat mid-range car, which had a slower-than-anticipated production start-up curve. Passat demand has been strong, and Golf remained Europe's best-selling car in 1988. Combined Golf/Jetta sales in 1988 totaled 819,700 units.

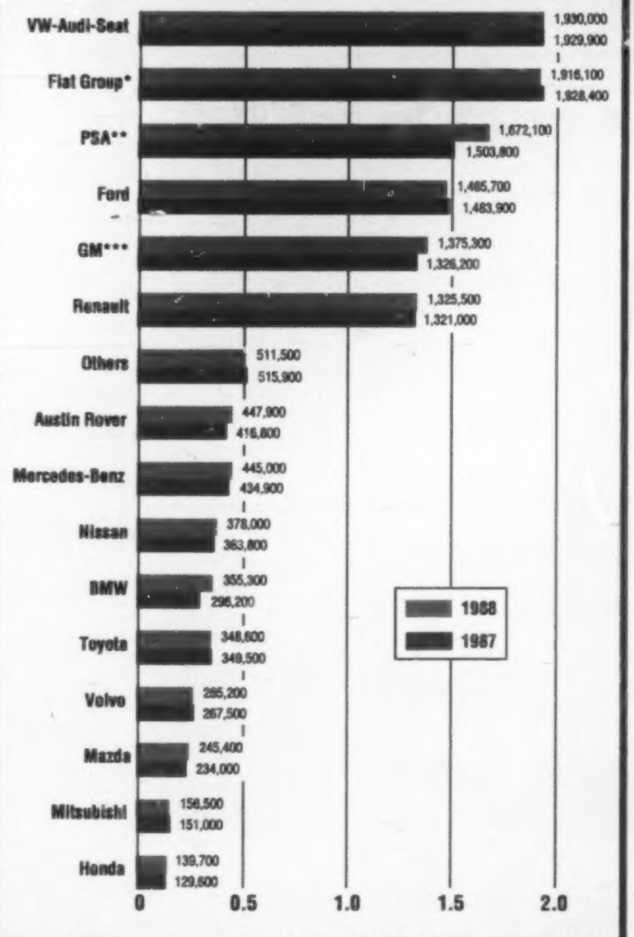
Altogether, VW claimed 14.9 percent of the European market and boosted unit sales 3.9 percent. The marque's sales rose only 1.7 percent to 1,282,300 in 1988. Audi, though struggling in the German domestic market, did well elsewhere in Europe and finished with a gain of 5.6 percent at 371,900.

VW Group received a big boost from Seat. Seat sales rose 12.7 percent to 275,700 with help from the continuing Spanish boom and in-

see EUROPE, page 47

European sales

Comparison of European vehicle manufactures sales tor 1987 and 1988 shown in millions of units.



* Includes Alfa Romeo ** Peugeot, Citroen, Talbot *** Opel, Vauxhall, Isuzu, GM-U.S./Canada

AUTOMOTIVE NEWS / K.B. OHOLSTON

Customs finds 'sham,' ups Nissan steel duty

By Lindsay Chappell
and Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTERS

U.S. Customs has ruled that Nissan Motor Manufacturing Corp. must begin paying a higher duty on steel it imports for U.S. truck assembly.

The transplant operation will be paying between $350,000 to $400,000 more in import duty to manufacture trucks in Smyrna, Tenn., as a result of the decision.

After considering the matter for more than two years, Customs informed Nissan that its method of handling imported rolled steel coil to qualify for reduced duty payments constitutes a "sham transaction," and ordered the company to begin paying duty at a higher rate.

The decision means that Nissan must now pay a duty of between 4 percent and 6.5 percent for imported steel it uses for truck production in Tennessee, rather than the 3.1 percent duty it had been paying.

Estimates are that the plant consumes between $11 million and $12 million worth of imported steel a year to produce 100,000 pickup trucks. At that rate, the Customs order to increase the duty payments would boost the operation's annual tariff costs from approximately $350,000 to about $720,000.

The U.S. government protects the steel industry through a system of voluntary quotas.

"Sham" transactions were possible because Nissan's plant is covered by a foreign-trade subzone. When Nissan first began manufacturing trucks in Smyrna, the transactions were allowed under the laws covering the zones.

Nissan would import steel coil duty-free to its subzone at the Tennessee plant, a commodity that normally carries an 8 percent duty, and stamp it into chassis and body parts. It then moved the components to a site at the plant where there was no subzone status. The company then claimed the components had entered into U.S. commerce, paid the lower duty on the parts and then brought the components back to the assembly line as a domestic product, exempt from further duty payment.

Revisions in trade subzone practices in 1986 prohibit the practice, however. Those procedures only allow importers to reduce the duties they pay on imported materials if the finished product actually enters U.S. commerce.

When the regulations were revised in 1986, the company requested a ruling on its practice. It was answered last month, one week before its year-end plant shutdown.

The holiday season timing meant that company officials didn't learn of the government decision until the plant reopened early this month. By that time, about 2,400 pickup trucks had been assembled in noncompliance with the Customs decision. As a result, the company was assessed at the 25 percent tariff applied to imported trucks.

"I take great exception to this reference to our activity being a 'sham' operation," said Nissan general counsel Gail Neuman. "The entire transaction was originally approved by the Foreign Trade Zone Board. We're the ones who raised the issue in the first place."

Neuman acknowledged that the annual cost of the ruling to the manufacturer would be in the six-figure range, but said Nissan would not contest the decision.

"In the long term, this will have no effect on us," Neuman said. "We have been increasing our use of domestic steel for the past several years, completely divorced from this issue, and we will continue increasing until we use entirely domestic steel. About 45 percent of our steel already comes from the U.S.

"Depending on when the domestic producers are able to come up to the standards to meet our specifications, our plan is to eventually use only domestic steel."

She said Nissan hopes to use only domestic steel by the time it begins production of its third vehicle at the Smyrna plant in 1991. The facility currently manufactures pickup trucks and Sentra sedans.

"In the meantime, we will not contest the ruling and we will pay the higher duty," she said.

Starcraft launches new lease program for van conversions

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

In what is believed to be the first such program in the van-conversion industry, Starcraft Corp. will begin on Feb. 1 to offer its own Starcraft Lease program to the 1,000 dealers handling its products.

The program is designed to reduce monthly lease payments. It will be administered and underwritten by Auto Use, the Andover, Mass.-based subsidiary of Bill DeLuca Enterprises, which operates four East Coast dealerships. The dealerships are Bill DeLuca Chevrolet, Haverhill, Mass.; William Pontiac, Haverhill; Woodworth Chevrolet-Cadillac, Andover; and Village Buick, Andover.

Auto Use currently has about 15,000 vehicles out on lease through 400 dealers, said Michael Cook, company president.

Don Cuzzocrea, Starcraft chairman, said its program grew out of Bill DeLuca Chevrolet's experience with leasing Starcraft vehicles. The dealership found the vehicles retained better residual, or trade-in, values than allowed by banks or financing institutions, including automotive financing arms like General Motors Acceptance Corp.

Most leasing institutions don't fully credit the conversion portion of the vehicle, frequently worth $5,000 or more, in their assessment of its resale value, he said.

"The advantages of our program, as we see them, are that because the leasing people (Auto Use) are familiar with Starcraft vans, they're willing to give a little better terms, to give a higher residual value and better trade-in value for the vehicle 60 months down the road," he said.

"The key thing is that it's strictly voluntary for the dealer. It's just an extra profit source for him to finance and sell the vehicle. We're not forcing him to take our program, and there's no risk for the dealer," he said.

Auto Use currently will advance more than a vehicle's list price — if necessary — on the cars it leases, providing the margin to customers who might be "out of equity on the trade-in," for example, Cook said.

"Dealers should be able to quote a better payment and quicker payment to the customer," he said.

Customized vans tend to be rather expensive, often costing $20,000 or more.

"The payments for purchasing them are very substantial," Cook said. "The more expensive the vehicle, the greater the attraction of leasing because of the differential between buy payments and lease payments. This is an alternative way to finance to meet people's budgets easier."

Auto Use typically disposes of vehicles by wholesaling or retailing them, sometimes through its own dealerships. It rarely runs them through auctions.

"We think there's an awfully strong future in leasing," said Cuzzocrea.

Starcraft, in its overall van-conversion operations, is emphasizing lower-priced models in 1989 in response to competition from small, low-overhead conversion companies.

Its general goal is to "put more of our product into consumer hands at a better price," Cuzzocrea said.

"Our new program is just one more exclusive plus we can offer the dealer what the little guy (small converter) can't. When you compare us to small converters, they don't have parts catalogs, service manuals, brochures, training programs and now — leasing," he said.

Michael H. Erdman: on Chevy's front line AUTOMOTIVE NEWS/JOE WILSSENS

Mr. Chevy Marketing

Erdman's policies draw praise and fire

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

When Chevrolet Marketing Manager Mike Erdman finds spare time, he hunts wild ducks and pheasant in remote sections of Northern Michigan.

But lately, Erdman has been stalking bigger game, namely Ford Motor Co. and a host of import competitors.

The arsenal he has prepared includes streamlined field operations to help the branches respond quicker to the market, a mandatory fee paid by dealers to boost Chevy's advertising presence and a marketing staff organized in teams, each assigned to one specific vehicle line. Erdman's product ammunition includes the Geo line, which is sending Chevrolet on a new path in selling its imports and joint-venture models, and a family of vehicles aimed at unseating Ford Taurus.

The candid, chain-smoking marketing chief knows that if Chevrolet's aim is off, the prey will not fall. It will only come on stronger.

"Incumbent on the strategy is execution; there are no latitudes for mistakes any more," said Erdman, who took the reigns as Chevrolet's general marketing manager in May 1988.

Although he is not considered to be among the frontrunners for the job that Chevrolet General Manager Robert Burger will exit with retirement this year, Erdman has been on the front line of many controversial and daring moves the division has executed recently in an attempt to regain former glory.

When Erdman joined Chevrolet as a parts clerk in 1962, the division sold about one of every three cars, when 59 car nameplates competed in the United States. In 1988, Chevrolet sold about one of every seven cars in the same market with 43 brands. But perhaps most galling to Erdman is the fact that Chevrolet sold fewer cars and trucks than arch-rival Ford Division for the last two years.

"The nature of Mike Erdman is, I don't like to be in second place to anyone doing anything; (Ford) didn't get into first place overnight, so you are not going to take them out of first place overnight, either," Erdman said, leaning over his desk for emphasis.

The pressure to regain sales leadership makes Erdman's job as Chevrolet's chief marketing strategist one of the toughest in the industry.

Chevrolet dealers and observers say Erdman's no-nonsense, straightforward approach could be just what General Motors' top-volume car and truck division needs.

"Mike doesn't much care for talking about doing things; he's a doer," said Sean K. Fitzpatrick, vice chairman and director of creative services of Lintas:Campbell-Ewald, Chevrolet's advertising agency for all regions except the West Coast.

"He's doing things now that should have been done a long time ago at Chevrolet. He's the Vince Lombardi of automotive marketing — he stresses the basics," Fitzpatrick said.

"When I think of Mike Erdman, I think of a guy that's a part of the new Chevrolet," said John Bergstrom, chairman of the Chevrolet National Dealer Council and owner of Bergstrom Chevrolet in Neenah, Wis.

"He's not the typical 1960s and 1970s we-sing-off-the-same-song-sheet Chevrolet. He's a symbol of what the automotive industry is going to be like in the 1990s," Bergstrom said, noting Erdman's tendency to listen intently before making a decision.

Part of readying Chevrolet for the

see ERDMAN, page 46

Ford slices price-leader loan rates

By Laura Clark and Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTERS

Citing consumer concern over rising interest rates, Ford Motor Co. last week announced a round of low-interest loans on its lowest-priced cars and trucks.

Cadillac, meanwhile, announced lease incentives on its most expensive models.

Ford's new incentive program is the first national low-interest loan program it has offered in 16 months. The program began Jan. 11 and ends March 2.

Low-interest loans are available on 1988-1989 Ford Escort, Festiva and Ranger models: 4.9 annual percentage rate for 24 months; 6.9 APR for 36 months; 8.9 APR for 48 months; and 9.9 APR for 60 months.

On 1988-89 Mercury Tracer models, buyers can receive 4.9 percent APR for 24 months; 5.9 APR for both 36-month and 48-month loans; and 7.9 APR for 60 months.

Ford is also offering California buyers of 1988-89 Tracers a 3.9 APR on 24-month loans.

As an alternative to the low-interest-rate loans, customers can receive the following rebates: $300 on Festiva L; $400 on Festiva L Plus and LX; $500 on Escort; $500 on 1989 Rangers equipped with automatic transmissions; $750 on 1988 Rangers and 1989 Rangers equipped with manual transmissions (excluding Ranger S); and $750 on Tracer.

Although low-interest loans are not included on the following models, rebates are being offered: $3,000 on all Merkur XR4Ti models; $2,000 on 1988 Scorpio (retail purchase only); $1,000 on 1988 Ford Thunderbird Turbo Coupe; $1,000 on 1988 Mercury Cougar XR-7; $600 on 1988 Thunderbird, Cougar and Bronco II; and $600 on Mercury Topaz and Sable.

Also, there is a $500 rebate on all Ford Tempo models, standard-length Ford Aerostars and F-250, F-350 and F-Super Duty trucks equipped with manual transmissions; $500 on Taurus L, GL and LX models; $400 on all Mustang models equipped with 2.3-liter engines; and $400 on Mustangs equipped with V-8 engines sold in California.

There is no dealer participation cost for the new Ford incentive program. Consumers must take delivery of the vehicles before the March 2 deadline.

Cadillac launched a new lease program covering its top-of-the-line cars.

Special lease rates, which have terms of up to 48 months, are available on new 1988 and 1989 Seville, Eldorado and Brougham models. The program expires March 31.

The program also covers 1989 demonstrator models with less than 5,000 miles and 1989 supplier-program purchases.

Cadillac said it will support the new lease program with major print and television advertising.

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Trotman climbs; Halstead heads Ford Europe

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — For the second time in less than a year, Ford Motor Co. has transplanted the head of its European operations to an upper-level post in the United States.

Alexander J. Trotman, chairman of Ford of Europe, will become executive vice president — operations, North American automotive operations, on Feb. 1.

The move positions yet another executive closer to the top of a company that is grooming potential successors to Vice Chairman Harold Poling and Chairman Donald E. Petersen. They are due to retire in 1990 and 1991, respectively. In the last 15 months, Ford has named three new executive vice presidents, bringing the ranks directly below Petersen and Poling to seven.

Trotman

Halstead

L. Lindsey Halstead, 58 will take over for Trotman. Halstead, who until recently had been vice president of Latin American and Asia-Pacific operations, was put on special assignment at Ford of Europe Dec. 1, in apparent preparation for his new job.

Trotman, 55, assumes a post that has existed on the company charts but has been vacant for nearly a decade, a spokesman said. He will be responsible for sales, manufacturing, truck operations and car product development. He will report to another executive vice president, Louis R. Ross.

Trotman became chairman of Ford of Europe last March when his predecessor, Kenneth Whipple, came to the United States as executive vice president overseeing the Ford financial services group. Before that, Trotman was president of Ford of Europe for four years.

A native of Great Britain, he joined Ford of Britain in 1955. In 1969 he came to the United States and held jobs in marketing, product planning and truck operations. He is a U.S. citizen.

Halstead, who joined Ford in 1952, brings a good deal of international experience to his new position. He has been general manager of Ford of Mexico and director-president of Ford of Brazil.

In another senior executive move, Ford announced last week that Frederick Z. Herr, vice president — product assurance, will retire March 1 at the age of 63.

Besides Trotman, Ross and Whipple, Ford executive vice presidents are Stanley A. Seneker, chief financial officer; Philip E. Benton Jr., president, Ford automotive group; John A. Betti, diversified products operations; and Allan D. Gilmour, international auto operations.

Light trucks roll to 5th consecutive record year

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Compact vans and full-sized pickups were the big driving forces in 1988 behind the light-truck market's fifth consecutive sales record.

However, all industry segments except small pickups had some sales gain in the year. Light-truck sales totaled 4,872,633 units.

Calendar 1988 was the big turnaround year for full-sized pickups whose sales shot up 10.14 percent to 1,329,579 units.

Reasserting themselves as the industry's largest segment, they captured 27.29 percent of the light-truck market, up from a 25.86 percent share in calendar 1987.

Compact pickups, which had previously led the industry, dropped like a rock.

Once the Japanese yen began soaring, imported pickups, which created and drove this segment during its formative years, lost a good deal of their appeal.

Compact pickup sales of 1,310,487 in calendar 1988 were off 6.69 percent from the previous year. The segment's market share dropped to 26.89 percent from 30.08 percent in 1987.

Compact vans continue to be the busiest segment, pulling ahead of compact sport utilities in both volume and growth.

The two had run neck-and-neck in 1987, but in 1988, minivan sales soared to 818,741, up 18.99 percent.

Minivans accounted for 16.80 percent of light-truck industry sales in 1988, up from a 14.74-percent share in 1987.

The minivan total would have been 22,802 units stronger if Mazda's MPV, Mitsubishi's Van/Wagon, Toyota's Van and Volkswagen's Vanagon were included. These makers categorize those vehicles as cars, even though they belong in this truck segment.

TRUCK SALES UP IN NEARLY EVERY SEGMENT

	1988	1987	% Change	% Market
Big pickups	1,329,579	1,207,152	+10.14	27.29
Compact pickups	1,310,487	1,404,431	− 6.69	26.89
Big vans	479,838	471,862	+ 1.69	9.85
Compact vans	818,741	688,085	+18.99	16.80
Big sport-utilities	213,356	206,057	+ 3.54	4.38
Compact sport-utilities	720,632	690,896	+ 4.30	14.79
TOTAL LIGHT TRUCKS	4,872,633	4,668,463	+ 4.37	100.00

Compact sport-utility sales climbed to 720,632, up only 4.30 percent from the year earlier. They captured 14.79 percent of the light-truck market, almost equal to their 14.80 percent share in 1987.

This segment, too, was stymied because of a slide in import sales. Suzuki, which had been a major sparkplug on the import side, suffered sharply declining sales in 1988, as a result of both the controversy surrounding the safety of its Samurai and higher prices triggered by the strong yen.

Toyota's switch to reporting 4Runners as cars also clouded the segment's performance. The 4Runners, which Toyota reported as part of its truck sales last year, dropped to 7,723 from 31,424 in 1987. However, the 4Runners that it calls cars had sales of 20,880, up from 3,635 in 1987.

Toyota also sold another 6,024 Land Cruisers, a larger sport-utility, which it excluded from its truck sales.

Sales of big sport-utilities increased 3.54 percent in 1988, to 213,356 vehicles. The segment's market share of 4.38 percent held closely to the 4.41 percent share of the previous year.

Full-sized vans, which were production capacity-constrained, scored only a 1.69-percent sales increase to 479,838 units.

The segment's market share of 9.85 percent was off from a 10.11-percent share in 1987, as its increase in sales failed to match that of the entire light-truck industry.

NISSAN

Dealers-owned firm will sell insurance

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — Nissan Motor Corp. in U.S.A. and Rollins Burdick Hunter, a Chicago-based insurance brokerage, are forming a "captive" business insurance company that will be wholly owned and operated by Nissan dealers.

A first for the auto industry, the new company is scheduled to begin operations by April. Nissan hopes it will give dealers greater control over the cost of many of their insurance coverages, such as property, liability and workers' compensation, said Thomas D. Mignanelli, Nissan Motor executive vice president.

"Over the years, one of the most uncontrollable elements of (dealers') operating budgets has been the cost of insurance," he said. "Dealer insurance premiums undergo huge price swings from year to year. By participating in their own insurance risks, the dealers eventually should be able to stabilize the cost of their insurance."

Nissan and Rollins Burdick Hunter will send representatives to the National Automobile Dealers Association convention Jan. 28-31 in New Orleans.

Ninety percent of Nissan's 1,100 dealers said they wanted to do something about their insurance costs, said Charles Small, vice president of the insurer's Rollins Burdick Hunter Direct Group. Seventy-five percent said they were interested in investing in a captive operation.

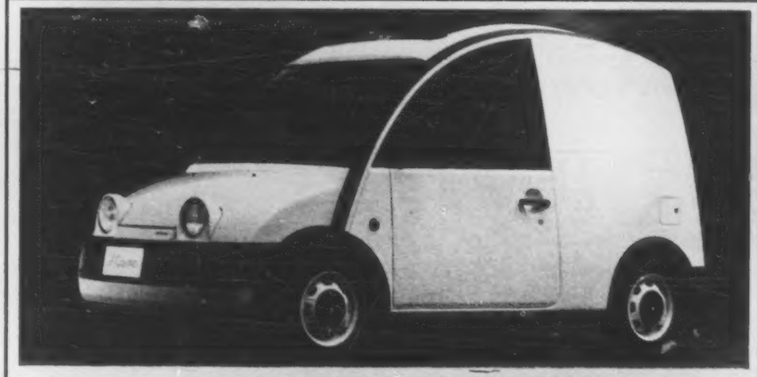
"Nissan dealers realized the insurance companies put them in the same category as other franchise owners," said Small. "By sharing in the insurance risk, they will begin to develop a keener interest in loss control and begin to stabilize their insurance costs."

Under the plan, insurance coverage will be offered through Reliance Insurance Co. The Nissan captive firm will work with Reliance to develop underwriting and loss-control guidelines and will re-insure a portion of each policy issued to participating dealers.

Nissan Motor Corp. will advance the expenses incurred in connection with the startup venture and is to be reimbursed from the capital raised.

The stock in the holding company for the captive insurance firm will be offered by prospectus only.

Nissan dealers and their affiliate franchises will be eligible to invest in the new company, as will franchised dealers for Infiniti, Nissan's new upscale division. Nissan dealers will be able to use the insurance to cover other franchises they hold.



S-Cargo and Pao debut
Two vehicles shown as concept cars at the 1987 Tokyo Motor Show have been launched in Japan. S-cargo will cost between $9,760 and $10,640, while the Pao is priced from $11,080 to $12,380. Production numbers haven't been fixed, but Nissan said it will take S-Cargo orders for two years and Pao for three months.

Sakaino named U.S. Isuzu chief

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

WHITTIER, Calif. — Kozo Sakaino has been named president of American Isuzu Motors, succeeding Masashi "Gene" Suzuki.

Sakaino

Sakaino, 47, has been senior vice president — manufacturing relations for American Isuzu and is considered a marketing specialist.

After serving two years as president of the U.S. sales arm of Isuzu Motors, Suzuki is being transferred back to the Japanese parent company. His new duties were not announced, but are expected to be in manufacturing, where the bulk of his professional background has been.

Sakaino said 1989 and 1990 will be challenging for American Isuzu.

"Isuzu needs to develop specific new products for the U.S. market if we are to successfully compete through the 1990s," Sakaino said.

Sakaino's primary focus will be on American Isuzu's regional marketing needs and national priorities and communicating product requirements to Japan "in a manner that is both credible and fundamentally efficient," he said.

Sakaino and Jack Reilly, senior vice president and general manager, are known to agree that Isuzu's future marketing success lies in increased regional emphasis rather than continued centralization.

Sakaino, with his experience in coordinating American Isuzu's marketing efforts with the production side of the Japanese company, will help prepare American Isuzu Motors for the opening this fall of the Subaru-Isuzu joint-venture assembly plant in Lafayette, Ind. That plant will provide pickup and Trooper II models for Isuzu's U.S. unit.

While giving Isuzu two production sources, the startup phase of the new operation will require deft balancing of sourcing, increased volume and satisfying dealers that have invested heavily in anticipation of higher vehicle availability.

Sakaino is a graduate of Tokyo's Keio University. He is a 25-year Isuzu veteran with a variety of overseas assignments. He was appointed Isuzu's chief representative to Indonesia in 1975, when sales were less than 30 units a month. When he left two years later, annual sales were 25,000.

He later was reassigned to Indonesia as chief representative of a joint-venture operation with General Motors.

As manager of Asian development in 1984, he had market development responsibilities for Malaysia, Indonesia, Hong Kong and New Guinea. In 1985, his last position before taking U.S. duty, Sakaino was assigned to Isuzu's overseas development team, concentrating on new ventures in Australia, India, Taiwan and Great Britain.

Penske acquires GM's overseas diesel business

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

The bond between auto entrepreneur Roger Penske and General Motors grew stronger last week as Penske exercised rights to acquire GM's overseas heavy-duty diesel engine business for his Detroit Diesel Corp.

Terms of the agreement were not disclosed.

Detroit Diesel has formed a trading company called Detroit Diesel Overseas Distribution Corp., and overseas subsidiaries in Singapore and Switzerland formerly owned by GM have been reorganized into wholly owned subsidiaries of Detroit Diesel.

Additionally, two subsidiaries have been formed in Switzerland — Detroit Diesel Suisse SA, which will handle sales in Switzerland, and Detroit Diesel Europe SA, which will handle European sales.

With a combined workforce of 60, the two European subsidiaries will be responsible for diesel engine sales in 16 countries.

Prior to the Detroit Diesel acquisition, some 75 persons were employed by the predecessor GM overseas operation. According to a Penske spokesman, the "10 or 15 who are not part of the new group have either taken retirement" or have moved to another GM company. He said none were laid off.

Through the overseas trading company, Detroit Diesel will expand the role of its newly acquired Australian distributor, Detroit Engine and Turbine Co., from a sales and service organization to an authorized importer and engine modifier, as well. That will allow sales to Australia's original-equipment manufacturers. The Australian unit will retain its 650-member workforce.

"The sales we make will increase two ways," said Paul A. Moreton, Detroit Diesel Corp. vice president of international sales. He said as its own overseas distributor, Detroit Diesel will no longer pay GM a licensing fee, as it did in 1988, thereby reducing costs.

Moreton said Detroit Diesel is heavily targeting overseas sales as a growth area in the coming year, and to help that along, it will increase the number of heavy-duty-engine models available in those markets.

In 1988, Detroit Diesel had $840 million in sales, and this year's projections are up 17.5 percent, Moreton said. That projected growth is partially based on an effort to concentrate on markets that previously received little attention — diesel generators and marine and pleasure craft businesses.

Pacific Power, a wholly owned subsidiary of Detroit Diesel based in Singapore, will be run by John Cousins, a 15-year veteran with Detroit Diesel and Allison.

The acquisition of GM's heavy-duty-engine overseas distribution system is the third cog in a GM-Penske wheel. Following the sale of 60 percent of Detroit Diesel Allison Division to Penske Transportation of Wilmington, Del., in 1987, Penske exercised an option to purchase an additional 20 percent in the newly named Detroit Diesel Corp.

The second option allowed Penske to buy from GM its Rochester Products Division, a group that included Rochester fuel injectors for heavy-duty trucks. That transaction was completed in November 1988.

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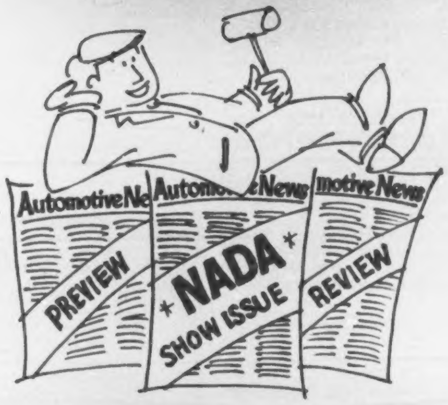

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Chrysler Motors

Jan. 17 — Florida Auto Auction of Orlando, Ocoee, Fla.; Hatfield Auto Auction, Hatfield, Pa.; Arena Auto Auction, Chicago; American Auto Auction, Walpole, Mass.; Greensboro Auto Auction, Greensboro, N.C.; Nashville Auto Auction, Nashville, Tenn.; Portland Auto Auction, Portland, Ore.; and Riverside Auto Auction, Riverside, Calif.

Jan. 18 — A.D.E. of Birmingham, Birmingham, Ala., and Butler Auto Auction, Gibsonia, Pa.

Jan. 19 — Northway Exchange, Clifton Park, N.Y.; Aptco Auto Auction, Taylor, Mich.; Indianapolis Auto Auction, Indianapolis; Ark-La-Tex Auto Auction, Shreveport, La.; Omaha Auto Auction, Omaha, Neb.; and Southwest Auto Auction, Phoenix, Ariz.

Jan. 20 — Manheim Auto Auction, Manheim, Pa.

Ford Motor Co.

Jan. 17 — Greater Chicago Auto Auction, Chicago; Harrisonburg Auto Auction, Harrisonburg, Va.; and Bay Cities Auto Auction, Hayward, Calif.

Jan. 18 — Northway Auto Auction, Clifton Park, N.Y.; Concord Auto Auction, Acton, Mass.; Aptco Auto Auction, Taylor, Mich.; and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

Jan. 19 — Auto Auction of Billings, Billings, Mont.; Greensboro Auto Auction, Greensboro, N.C.; Texas Hobby Auto Auction, Houston; Minneapolis Auto Auction, Plymouth, Minn.; and Skyline Auto Exchange, Fairfield, N.J.

General Motors

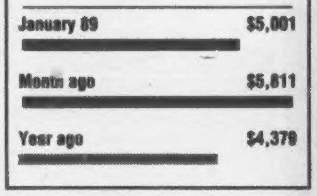
Jan. 17 — Southern Auto Auction, East Windsor, Conn., and Dallas Auto Auction, Grand Prairie, Texas

Jan. 18 — Atlanta Auto Auction, Atlanta; Puget Auto Auction, Auburn, Wash.; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Omaha Auto Auction, Omaha, Neb.; Southern Auto Auction, Fontana, Calif.; and Mississippi Auto Auction, Hattiesburg, Miss.

Jan. 19 — Mid Ark Auto Auction, North Little Rock, Ark.; Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, St. Louis; and Utah Auto Auction, West Bountiful, Utah

Jan. 20 — Minneapolis Northstar Auto Auction, Shakopee, Minn.

Used Car Sales
Auction Averages



Model Breakdown
Auction Averages

	JAN. 1989	DEC. 1988	NOV. 1988
1989 ...	$10,300	—	—
1988 ...	$7,036	$9,894	$9,514
1987 ...	$6,522	$7,686	$7,330
1986 ...	$5,208	$4,874	$5,997
1985 ...	$4,636	$4,747	$5,077
1984 ...	$3,519	$3,723	$3,721
1983 ...	$2,696	$2,776	$2,948
1982 ...	$2,239	$2,343	$2,228
Overall Average	$5,001	$5,824	$5,204

NEW MODELS

Chrysler TC is $30,000 — and no extras

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

INDIAN WELLS, Calif. — After years of delays, the Chrysler TC by Maserati has officially joined the luxury sport coupe market in the United States.

Chrysler TC, a combination convertible/hardtop two-seater designed and engineered by Chrysler Motors and Maserati S.p.A., is being introduced at "$30,000, fully equipped and very competitive," said Joseph A. Campana, vice president of Chrysler-Plymouth Division.

"All equipment is standard. There are no extra-cost options," he said. "Buyers need only select color and choice of drivetrain."

The 1989 Chrysler TC is built by Maserati in Milan, Italy, and imported for sale by 318 specially franchised Chrysler dealers in the United States.

The car is first being supplied to 50 dealers in California, and to other major U.S. markets over the next few months. All Chrysler TC dealers will have cars by summer, Campana said at the car's launch here.

After California, dealers on the East Coast — New York to Miami — will get cars, followed by dealers in the Central United States.

Campana said Chrysler will build "roughly 3,500 TCs in the first model year, which ends in September, and we will sell them all." He also predicted that Chrysler would "sell out the plant" in the second model year when Maserati produces between 4,000 and 5,000 TCs.

The TC is built on a 93.3-inch wheelbase, measures 175.8 inches long overall and has a curb weight of 3,200 pounds. The car is 68.5 inches wide and 51.9 inches high.

The front-wheel-drive TC features an electronic fuel-injected, intercooled, four-cylinder, single-overhead cam 2.2-liter turbo engine producing 160 horsepower at 5,200 rpm. A 16-valve double-overhead cam version of the engine produces 200 hp at 5,500 rpm. The 16-valve engine is offered only with a Getrag five-speed manual transaxle, while the turbo is equipped with a three-speed automatic.

An anti-locking braking system developed by Teves is standard and used in conjunction with four-wheel disc brakes.

The car also features a handcrafted Italian leather interior, Chrysler-Infinity sound system with power antenna, automatic temperature control system, six-way power reclining bucket seat, tilt-steering column and power exterior mirrors that are electrically heated.

Chrysler TC by Maserati has a removable top

Other standard features include automatic speed control, an illuminated entry system and remote control switches to open the hood, trunk, fuel filler door and tonneau cover. The exhaust system is stainless steel with chrome tips.

Side mirrors, door handles and side moldings are the same color as the body, which is available in exotic red, royal Cabernet and light yellow.

The folding top is fully lined, manually operated and stowed beneath the metal tonneau cover. With the soft top in the up position and latched at the windshield header, an electrically operated mechanism pulls down on the rear bow to make the fabric taut.

The molded removable hardtop is provided at no extra cost. The hardtop has beveled glass opera windows and an electrically heated rear-window defroster.

The TC interior features a wraparound instrument panel and hooded instrumentation pod with circular analog gauges. Instrumentation includes an electrically driven speedometer-odometer, which eliminates cables and is said to improve cluster removal and service. A padded leather center armrest serves both front seat occupants.

Behind the front seats is a fully carpeted, lockable storage compartment. It contains a minispare tire, tool kit and an umbrella in a clip holder.

The passenger compartment features leather seats and side panels.

The car is covered by a 5-year/50,000-mile limited warranty, Chrysler's Crystal Key luxury car care program. The powertrain warranty extends to 7 years/70,000 miles, while corrosion protection against exterior body-panel perforation is 7 years/100,000 miles.

"The warranty details are simple and straightforward," Campana said. "The owner takes care of normal maintenance, adjustments and wear items. Chrysler takes care of everything else. Everything. No exceptions, no deductibles."

Campana said the entire Chrysler line will benefit from the prestige ruboff of selling the TC.

" 'Made in Italy' says something prestigious and special about a sports car," he said. The name Maserati means something prestigious and special as well, he added.

"We're going to position TC as a unique new Chrysler image car with the attributes and craftsmanship of high-priced European luxury convertibles.

"The word 'unique' is important," Campana said. "We're not positioning this car on top of Mercedes, priced at $64,000.

"We are being realistic about that. Frankly, we learned some lessons from the (Cadillac) Allante experience. We are positioning the TC as a car that is totally made in Italy."

In reference to the TC's pricing, Clark Vitulli, Chrysler general marketing manager, said, "This is not a volume car for us, not a profit car. We're building the TC not for what it will make us, but where it will take us."

Vitulli said one of the biggest surprises of the Chrysler TC is its $30,000 price.

"We are pricing the TC under virtually every competitor in the price segment — less than half the price of Mercedes 560-SL ($64,230) and almost half the price of Allante ($57,183)," Vitulli said.

"While the Reatta appears to be priced lower, Reatta is available in hardtop only. They will not have a convertible until late 1989. Even then, it will remain, of course, a domestically produced car."

Campana said Chrysler will use the "rifle shot rather than a shotgun approach" in TC advertising.

"A broad advertising approach would not be very effective with this type of car. We will begin with regional advertising on the West Coast and eventually spread eastward," he said.

No national television advertising is scheduled. The main advertising thrust will be in upscale print media.

AXXESS

Nissan's 1990 MPV set for sale in March

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

CARSON, Calif. — Nissan will begin selling the Axxess, a newly designed multipurpose vehicle, in March as the first entry in its 1990 lineup.

The Axxess will debut Jan. 30 at the Nissan Los Angeles Golf Tournament.

Said to offer the utility of a van, but in a smaller package delivering the performance of a sedan, the Axxess will replace both the Stanza and Maxima wagons in Nissan's line.

"We see Axxess as an upscale, modern alternative to the traditional sedan/wagon or minivan," said Robert J. Thomas, Nissan Division general manager. "It was designed to compete among the mid-sized wagon, multipurpose vehicle and compact bus segments."

Thomas predicted the market will be receptive to the Axxess and projected annual sales of 18,000 for the 1989 and 1990 model years.

Axxess buyers are expected to be married, 30- to 44-year-old college-educated professionals from all income categories, he said.

Axxess offers one trim level available with a choice of front- or all-wheel drive. Nissan expects fwd to take 85 percent of the model mix.

The all-wheel drive works full time, using a viscous coupling providing automatic torque transfer between the front and rear axles and between the rear wheels. The system is designed to improve traction on wet and snow-covered roads and to reduce wheel spin for cornering and acceleration.

A full-time, all-wheel-drive Nissan Axxess also will be offered

The Axxess has the same 12-valve, 2.4-liter, inline four-cylinder engine found in the Nissan 240-SX. It has a fully independent suspension wrapped in an aerodynamic 0.36-drag-coefficient body. The engine features an electronic multi-point fuel injection system and produces 138 horsepower at 4,400 rpm.

The seats can be arranged to carry cargo or to haul five adults.

Axxess is said to be the only vehicle with sliding doors on both sides. Its high ceiling, low, flat floor and single rear liftgate can accommodate up to 800 pounds of cargo.

Nissan said it has certified Axxess to meet all car safety regulations. Standard features include motorized passive seat belts up front, outboard three-point seat belts in back, 5-mph bumper, side-door beams, roof reinforcement, shift interlock system and a high-mounted brake light.

Additional standard equipment includes power rack-and-pinion steering, power door locks, reclining front bucket seats with head restraints and armrests, carpet, cargo tonneau cover, intermittent windshield wipers, rear window wiper and defroster, remote tailgate and fuel filler releases and AM/FM stereo cassette with four speakers and in-glass rear window diversity antenna.

The Axxess is 171.9 inches long, 66.5 inches wide and 64.6 inches high. Front track is 57.5 inches and rear track is 56.3 inches. Wheelbase is 102.8 inches for the fwd model and 102.4 for the all-wheel-drive version.

The fwd model weighs 2,877 pounds, while the all-wheel-drive model weighs in at 3,146 pounds.

[illegible]

	[illegible]	[illegible]	[illegible]
Buick Reatta	[illegible]	[illegible]	[illegible]
Cadillac Allante	[illegible]	[illegible]	[illegible]
Porsche	[illegible]	[illegible]	[illegible]
Mercedes-Benz 560-SL	[illegible]	[illegible]	[illegible]
Toyota MR2	8,044	[illegible]	[illegible]
Nissan 300-ZX	[illegible]	[illegible]	[illegible]
Mazda RX-7	27,814	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

TWO-SEATERS

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into the water.

"Everybody is rushing to this area of two-seaters and two-plus-twos, which is going to be growing but not to the extent that everybody is going to be a winner," said Thomas O'Grady, Integrated Automotive Resources, Wayne, Pa.

"Everybody realized the segment was growing, they drew up plans to get into it, and some of them don't belong there," he said. "Some don't have the power and clout, the technical expertise or the marketing capability to stay in and fight it out."

Nevertheless, O'Grady noted, two-seaters and 2+2s — particularly those in the $20,000 to $30,000 range — can accommodate the needs of only a limited number of buyers.

Last week, Buick announced it will reduce production of its two-seat Reatta. The move will result in the layoff of 100 workers, and reduce production from 56 to 42 cars a day starting Feb. 13. Some layoffs will occur Jan. 20 when the plant is shut down for installation of a new paint process and some new tooling for the Reatta convertible, which will be introduced in the fall.

Buick officials said their sales forecasts may have been overly optimistic in light of the fact that the convertible won't be ready until fall, about a year after it was originally intended. Buick's research of potential buyers seeking an expressive car like the Reatta shows that they often want a convertible. Buick expects at least a third of Reatta sales to be convertibles.

Despite the production cut, Buick is still shooting for 7,000 to 8,000 sales in the 1989 model year. Buick could approach its goal if it sustains the sales rate of the first quarter of the model year, in which 1,755 Reattas were sold.

In addition, Buick is boosting Reatta advertising to launch levels, said Jay Qualman, Buick general director of advertising. Buick backed off its launch level of advertising — estimated at $10 million annually — when the car became an instant success by surpassing sales expectation in the 1988 model year.

Meanwhile, Cadillac continues to struggle to sell its Allante. Sales in calendar 1988 were up 22 percent over 1987 sales. However, December Allante sales were off 55 percent from the previous year, and if that trend continues, Cadillac won't make its 1989 model year target of 3,200. Cadillac closed the year with 262 days' supply of the $50,000-plus, ultra-luxury model.

Nevertheless, Cadillac plans no change in production schedules, though a year ago, when inventories climbed, Cadillac did halt production for nearly two months.

Because of increased prices resulting from the weak dollar, European and Japanese manufacturers offering expensive two-seaters and sport coupes also are finding them a tough sell. Virtually all of those importers saw sales of their entries in the segment dive during 1988, and December was a particularly poor month for many.

Porsche sales dropped 33 percent in 1988 from the year before. Sales of the Mercedes-Benz 560-SL held steady in 1988 from 1987, though they took a 27 percent drop in December compared with December 1987. Likewise, sales of two-seaters and 2+2s from Toyota, Nissan and Mazda were off substantially in 1988 compared with 1987.

Against that backdrop, Chrysler last week introduced its $30,000 luxury sports convertible, the TC by Maserati, after several false starts. Chrysler's goal is to sell 3,500 for the model year and to sell 4,000 to 5,000 in the next model year.

Meanwhile, in preparation for next spring's introduction of its supercharged Corrado sport coupe, VW is showing the car at this winter's major U.S. auto shows.

Japanese makers request tax break for bigger minicars

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Japan's minicar makers want to think big and are petitioning the government to allow them to build larger and more powerful minis without having to pay higher taxes.

The Japan Automobile Manufacturers Association is petitioning the Ministry of Transport to extend the limit on engine size from the current maximum of 550 cubic centimeters to between 650 cc and 690 cc. They also are seeking an increase in overall length from 126 inches to between 128 and 130 inches, and width from 55 inches to 57 inches.

Honda President Tadashi Kume said the petition simply reflects current demand in the minicar market where consumers are showing an increasing interest in options such as air conditioning and automatic transmission. Kume said the proposal for larger dimensions is reasonable.

However, the petition comes at a time when the companies that specialize in minicars are facing what they fear might be a sharp downturn in their segment after Japan's tax reform bill takes affect in April.

At that time, the staggered luxury tax system that has largely favored small cars will be replaced with a flat commodity tax. The change is expected to benefit larger cars, particularly those over 2 liters, which have been restricted under the current tax system.

In addition, the annual auto tax also will be lowered, particularly on engine sizes between 2 liters and 3.5 liters. Those engines had been taxed at much higher rates than smaller engines under the current system. BMW, which has led the way in arguing for a change in the tax rates on larger cars, expects the new rates to have a strong impact on sales.

While changes in the tax laws are expected to promote the sale of large cars, it only underscores an overall trend to larger cars in the Japanese market. Last year, sales of cars displacing more than 550 cc rose 14 percent, but minis grew only 4 percent.

Analyst Stephen Usher, Kleinwort Benson, does not see much of a future in the minimarket, even with an increase in dimensions. He said the 1-liter market has become a much more attractive alternative.

Even Honda, which insists there is still a market for the mini in Japan, is not forecasting any upward trend. "Sales may not increase," Kume said. But he said there would be no serious cutback.

Many companies are forecasting 2 percent to 3 percent growth for the domestic market in 1989, based largely on the boost expected from the tax reform. Although some companies are outlining much higher individual goals.

Usher calls the 2 percent to 3 percent forecast conservative. He looks for growth of at least 4 percent to 5 percent, and perhaps much higher. The companies that will benefit the most will be those already in the luxury and large-car segments, he said.

Analyst Koji Endo, Nomura Securities, said there may be 2 percent to 3 percent growth for calendar year 1989. But for the fiscal year, beginning in April when the tax reform takes affect, he said the increase could hit double digits.

Some pent-up demand might also be anticipated following the funeral for Emperor Hirohito. Ever since September, when the emperor became seriously ill, companies have exercised some restraint, reducing advertising and postponing sales campaigns.

Now dealerships are anticipating moves to cut prices, to boost sales — particularly in March — when a turndown is expected just prior to the tax change. BMW is the only company to publicly announce price cuts because of the shift in sales that the tax reform is supposed to induce.

Japanese makers are reluctant to follow suit. Some dealers have been advised not to be the first. But any move to reduce prices is expected to spread quickly.

EUROPE

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creased gains in other markets.

Fiat's run at first place was helped by Alfa Romeo. Alfa sales rose 14.9 percent to 214,800. Its new 164 sedan is a hit in Italy and was introduced in other European markets in the second half of 1988. Fiat brand climbed 9.7 percent to 1,445,300. Lancia/Ferrari sales were 268,300, up 4.2 percent in 1988.

Some observers believe Fiat is in position to take over first place in 1989. The Italian company introduced its Golf-fighter, the Tipo subcompact, in 1988 and is expected to boost Tipo output closer to capacity limits in 1989 and market the new car aggressively.

Peugeot S.A., including Peugeot and Citroen, improved the most among Europe's six big-volume producers in 1988. Sales rose 11.2 percent for the year to 1,672,100 with the aid of a healthy French market. Peugeot S.A. boosted market share from 12.1 percent in 1987 to 12.9 percent last year, the biggest gain of any manufacturer.

The main reason for the performance is the success of Automobiles Peugeot's 405 compact, introduced in mid-1987. Only capacity limits seemed to restrain the 405 as Peugeot-brand sales rose 14.2 percent. It was the biggest leap of any single marque other than BMW's new-5-series-led 19.9 percent leap to 355,300 units. BMW's share rose to 2.7 percent share from 2.4 percent in 1987.

Ford built to capacity all year — except for its Scorpio big car — but couldn't make up sales lost during a lengthy strike in the United Kingdom last February. Volume declined 1.2 percent to 1,465,700 units and, with the European market booming, share tumbled from 12 percent to 11.3.

General Motors gained 3.7 percent for the year to 1,375,300 units, good for a 10.6 percent share. GM gained in the second half after a third shift was added in April at its plant in Zaragoza, Spain, putting more Opel Corsa/Vauxhall Nova small cars into dealers' hands.

GM also was helped by the new Vectra/Cavalier compact launched last fall. GM December sales rose 10 percent to 100,300 units.

Renault was sixth in 1988 with a market share of 10.2 percent on sales of 1,325,500, a gain of only 0.3 percent. Despite introducing its new R-19 replacement for the slow-selling R-9/11 twins, Renault was flat in a French market that was up more than 5 percent.

The Japanese, who are in the midst of sensitive discussions with European officials over import levels in the pre- and post-1992 market unification eras, took pains not to be disruptive in 1988. Japanese makers finished with combined sales of 1,445,700 cars, an 11.1 percent market share — down from 11.3 — and a volume gain of 3 percent. December sales dropped 16.1 percent to 83,400.

Nissan once again was tops in Europe among the Japanese, with sales of 378,000 cars.

West Germany nearly equaled its record 2.91 million sales in 1987. Europe's biggest market finished at 2,803,500 in 1988, a decline of 3.8 percent. German sales were off 11 percent last month to 220,000 units.

The French market recorded a strong December to move into second place ahead of the United Kingdom and Italy with sales of 2,217,800, a gain of 5.3 percent. December sales were up 23.5 percent to 258,000.

Sales in the United Kingdom grew 10 percent in 1988 to 2,215,600 units. However that market is widely expected to flatten out this year. December volume was up only 0.4 percent to 91,600.

Italy cracked the 2-million barrier for the first time, finishing at 2,184,000, an increase of 10.5 percent. Spain topped one million for the first time, rising 14.4 percent to 1,058,600, the third straight year of dramatic growth.

Economic woes in Denmark and Norway caused those markets to suffer in 1988. Norway was down 41.2 percent to 67,700 car sales, and Denmark dropped 28.8 percent to 87,800.

The biggest growth was registered in Portugal, which is sharing the economic robustness of its Iberian neighbor, Spain. Portuguese sales rose 66.4 percent to 206,000 units last year.

NEW-CAR SALES BY COUNTRY IN EUROPE

Country	Jan-Dec. 1988	Pct. Change from 1987
West Germany	2,803,500	− 3.8
France	2,217,800	+ 5.3
United Kingdom	2,215,600	+10.0
Italy	2,184,000	+10.5
Spain	1,058,600	+14.4
Netherlands	482,700	−13.3
Belgium-Luxembourg	462,400	+ 5.1
Sweden	340,700	+ 7.8
Switzerland	321,800	+ 6.8
Austria	251,700	+ 3.5
Portugal	206,000	+66.4
Finland	172,900	+14.8
Denmark	87,800	−28.8
Norway	67,700	−41.2
Ireland	61,300	+13.0
Greece	55,300	+ 9.5
Total	[illegible]	+ 4.5

TARIFF

FROM PAGE 1

ernment decision catching the import industry more off-guard. He said:

"This has sent shock waves through the industry, and I think its impact will be felt way beyond Customs. I don't think you can overturn years and years of trade policy without a decision being made at the highest reaches of government and that's where this will end up."

The decision to suspend the controversial ruling came after a meeting last Thursday between Brady and West German Finance Minister Gerhard Stoltenberg. Although Brady and Stoltenberg met to discuss a range of economic issues, Stoltenberg brought up the tariff matter out of concern for Volkswagen AG's sale of Vanagon models in the United States, sources said. The Vanagon is one of 21 imported van and sport-utility vehicles affected by the ruling.

Earlier in the week, the National Automobile Dealers Association, the American International Automobile Dealers Association and Automobile Importers of America had asked the Treasury Department to suspend the Customs ruling.

Most affected importers are taking a cautious approach, typically holding off pricing decisions until they get a definitive answer from the U.S. Treasury on how the duty applies to them, but the prospects include squeezed dealer and importer margins and higher sticker prices.

Many echoed Toyota Motor Sales' prepared statement:

"It's too early to assess whether or not prices will be increased. At this point, the exact number of vehicles that will be affected hasn't been determined. Naturally, we're disappointed with Customs' announcement but will abide with the new ruling."

But at least two companies acknowledged that ultimately, if the ruling stands, there will be an impact on prices.

"The Trooper II is our most profitable and best-selling model," said Jack Reilly, senior vice president and general manager of American Isuzu Motors. "If the ruling stands, we'll have to look at handling it three ways — swallowing some of the price increase, raising the manufacturer's suggested retail price and squeezing dealer margins."

Reilly's comments echoed those of Jules Clavadetscher, director of product development for Nissan Motor Corp. in U.S.A.:

"I'm not saying we would reduce dealer margins on the Pathfinder and van, but we would have to take a look at it. It's still too early to tell what our response will be."

Perhaps the hardest hit by the ruling is Range Rover which, at $35,800, is the highest-priced vehicle affected by the ruling.

Company officials acknowledged that the duty could be in the $5,000 to $6,000 range, although they have not calculated it exactly, pending clarification.

"We don't think this will affect our customers too much," said a spokesman, who noted that the typical Range Rover buyer has a household income in the $150,000 to $200,000 bracket.

Others were confused as to whether it applied to them.

Laforza Automobiles, the Hayward, Calif., importer that will begin marketing a $43,800 sport-utility vehicle in March that will compete against Range Rover, so far has no idea how much duty will be levied on its vehicle.

"We're going to seek an immediate clarification from Customs," said Robert Stallsmith, Laforza president. "So far, there is no indication that any of it applies to us, but we simply have to know."

Laforza's chassis and bodywork is assembled in Turin, Italy, by Pininfarina, but final assembly has begun at C&C Inc. in Brighton, Mich., where a U.S.-built Ford 5-liter V-8, transmission and transfer case and some accessories are added.

Laforza is hastily documenting the exact amount of U.S.-sourced parts and labor to accompany its request to the U.S. government. Even if the 25 percent duty applies only to the Italian parts and labor, it would amount to several thousand dollars per unit, Stallsmith acknowledged.

In Europe, Volkswagen AG said it "will not accept" the U.S. Commerce Department's decision to slap a 25 percent tariff on the company's Vanagon model and is preparing a court challenge.

However, if the ruling stands, one option is not to sell the upcoming replacement for the Vanagon in the United States, according to Rolf Hartermann, VW sales director for commercial vehicles.

Last year, VW sold 5,416 Vanagons in the United States. The peak was 18,000 in 1985.

"We are not willing to accept this decision because we don't think we fall under this act," Hartermann said.

His argument mirrors that of other importers caught up in the decision — in that their multipurpose vehicles are used primarily to transport people, not cargo. Yet, those vehicles are generally certified to light-truck safety and fuel-economy standards and are exempt from passenger-car passive-restraint rules.

"We are a bit astonished, for instance, that the Range Rover or the Mazda MPV are included in the list of vehicles affected by that extra tax," Hartermann said.

Hartermann said tariff charges are being deposited in a special account.

Hartermann said VW does not plan joint legal action with other manufacturers.

If the new Customs standard is not changed, Hartermann said he could not rule out a decision not to export the next-generation van to the United States. The front-wheel-drive Type 2 replacement is expected early next year, according to VW sources at the Brussels Truck Show.

Meanwhile, VW hasn't decided whether to raise prices on its Vanagon.

McElwaine, president of the American International Automobile Dealers Association, said importers and dealers asked for the delay in the ruling last week. "This was a body-blow to the import automobile industry. It increases costs for multipurpose vehicles from a low of $2,500 per vehicle to a high of $5,000," McElwaine estimated.

"We are doing everything we can do to see that this does not take effect," he said. The suspension of the Customs Service order was necessary, he said, so "we can present rational arguments against this ruling and we would like the Customs Service to hold public hearings."

"We don't think the Customs Service has the right to make a major trade policy decision without advance notice or public hearings," he added.

McElwaine said the association has not urged dealers to aid in overturning the decision, although some dealers have reportedly written members of Congress complaining of the high tariff. McElwaine said dealers may be asked to voice their concerns once a decision is made on postponement.

NADA Executive Vice President Frank McCarthy said, "We can't believe the Customs Service realizes the full impact of this ruling." He said NADA "will do everything in its power to see that this decision is overturned."

Automotive News Staff Reporters Jesse Snyder and Francis J. Gawronski in Los Angeles and Richard Johnson in Frankfurt, West Germany, contributed to this report.

QUOTAS

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restraints are meaningless and should be dropped because the effects of the exchange rate as well as the growth of transplant operations have made the 2.3 million limit on car exports difficult to achieve.

Shipments of 1,479,604 units between April and November 1988 were down 10.4 percent from the same period a year earlier. Most of that decline is attributed to companies delaying shipments to clear out inventories of old models in order to bring in higher numbers of new models introduced in the fall.

MITI Minister Hiroshi Mitsuzuka said the restraints will be kept in place until it is certain that lower export figures will be maintained.

Analyst Koji Endo of Nomura Securities said some increase in exports is expected, if only to counter an expected turndown in Japanese domestic market sales as buyers await the lower tax rates on cars that are slated to go into effect in April.

Honda Motor Co. is forecasting a 6 percent increase in overall exports, including a 4 percent increase to the United States for the 1989 calendar year. Honda said it will be able to increase shipments between the first of the year and the end of the quota year in March as the result of a decrease in shipments during the last half of 1988.

Shoichiro Toyoda, president of Toyota Motor Corp., which could also benefit from an increase in exports, said the decision to extend the quotas could not be helped, since it was made in consideration of U.S.-Japan trade relations.

Most auto leaders, commenting on MITI's decision, said it was necessary to avoid further friction on the trade issue. The most negative comment came from Suzuki Motor Co. which, like other companies that are left with a small allotment under the current arrangement, has more to lose by the extension. Suzuki President Osamu Suzuki said the restraints support a gap between Japanese automakers in the U.S. market.

Mitsuzaka held out the option of canceling quotas in mid-year if a strong downward trend in exports is determined. But most analysts, who see MITI passing up what might be the best opportunity for eliminating restraints, do not really expect a reversal so soon.

The decision is viewed widely as a comment on the total trade issue. The announcement of the extension followed a government forecast for strong economic growth in 1989 that includes only a slight cutback in exports.

Reaction in the United States was varied.

Robert M. McElwaine, president of the American International Automobile Dealers Association, said, "Our association had just sent a letter to MITI asking that the quotas be terminated. In our view, there is absolutely no justification for their continuation.

"Japanese manufacturers will fail to reach the existing quotas for the second year in a row in 1989. The voluntary export restraints serve no other function than to distort the new-car marketplace at a time when domestic manufacturers are having their most profitable year in history."

"Even with all the talk about the Japanese taking it off, it's really not unexpected," said Jimmy Payton, president of the National Automobile Dealers Association. "I thought they would do it. With all of the automobiles that are being built here today, it is meaningless anyway. I'm not sure that they are going to use all the 2.3 million they have for 1988."

UAW President Owen Bieber said, "We are pleased that Japan responded to the concerns raised by UAW and others in agreeing to renew the (restraints) for another year. At the same time, we are disappointed that they did not respond to our proposal to adjust the (total) downward so as to make allowance for the growth of low-U.S.-content 'transplant' assemblies."

A spokesman for Ford Motor Co. in Washington said, "We're pleased the Japanese government has recognized that some form of restraint is necessary until the serious imbalance in U.S.-Japan trade is corrected.

"The present agreements between the United States and Japan on automobiles, semiconductors, textiles, steel and other products should remain in place until Japan's trade surplus has declined substantially. In addition, Japan must further open its markets to U.S. goods and continue to stimulate its domestic market."

Rep. John Dingell, R-Mich., chairman of the House Energy and Commerce Committee, said that while the decision is good news, he feels the quota number is fixed so high it doesn't have much meaning.

"There is sufficient cheating so that the actual figure isn't all that important," he said "Japanese manufacturers have done everything they can to get around it. They'll call cars anything from trucks to wagons, to perambulators, if it will help them beat the system."

A spokesman for Chrysler Corp. said the company welcomed the continuation of restraints, adding they should "stay in place until there is a major reduction in the automotive trade imbalance."

General Motors called the extension "mostly symbolic. The voluntary export restraints are not constraining shipments from Japan and are not expected to, under current market circumstances. The consensus among auto analysts is that auto imports from Japan will fall considerably short of the 2.3 million limit in 1989."

Automotive News Staff Reporter Geoff Sundstrom in Washington contributed to this report.

Saturn seeks 1,000 line workers

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

NASHVILLE, Tenn. — Saturn Corp. will hire 1,000 people for its Spring Hill, Tenn., auto plant this year, bringing its total workforce to 1,500.

In comments addressed to the Maury County (Tennessee) Chamber of Commerce last week, Saturn President Richard G. "Skip" LeFauve indicated for the first time that annual production costs for the new Saturn car will be approximately $1.8 billion a year at full production.

The new-employee hiring campaign will shift its focus from workers with powertrain and foundry backgrounds to those with general assembly backgrounds.

Recruitment coordinator Bob Pearson said the hiring process will accelerate now because the pool of applicants with assembly backgrounds is larger.

Pearson said the company already has 9,000 applications on file, and is confident of filling the next 1,000 openings exclusively from GM rank and file.

INVENTORIES

Stronger sales reduce days' supply of cars

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Following strong year-end car sales, 1989 opened with the combined days' supply of domestic and imported cars slightly below the figures for Dec. 1 and Jan. 1, 1988.

Continued incentives and an 11.70 percent December sales gain kept domestic-car inventories at normal levels for this time of year.

Import-car stocks crept up in December, although the average days' supply remained stable. Makes with stocks equal to a supply of 130-200 days included Isuzu, Audi, Volkswagen, Sterling, Yugo and all Big 3 captives except General Motors' Pontiac LeMans.

Dealers queried by Automotive News had varied opinions of their stock levels. "We have adequate inventories. We probably have a 50-day supply and should have 75-days' worth in a couple of weeks," said Tony Cueva, general sales manager of Fairfax (Va.) Chrysler-Plymouth.

"At this time, they are off balance. We are high in low-end autos — Festivas and Escorts. We have a no-day supply of Thunderbird Super Coupes and we have three Taurus SHO models," said James Hoffer, general manager of Jordan's Automall (Ford-Toyota-Volvo), Mishawaka, Ind.

On Jan. 1, combined stocks of U.S.-built and imported cars were 2,250,831, equal to a 67-day supply. That was 12,126 units higher than a month earlier when there were 2,238,705 unsold domestic and import cars, equal to a 71-day supply.

Combined car stocks, however, were 4.62 percent or 109,075 units slimmer than last Jan. 1, when there were 2,359,906 cars, representing a 73-day supply.

The Jan. 1 stockpile of U.S.-built cars totaled 1,585,922 units, representing a lean 67-day supply. That compares with 1,611,631 last month, equal to a 73-day supply.

Domestic-car stocks were 5.75 percent below a year ago on Jan. 1 when there were 1,682,600 cars, representing an inflated 79-day supply because of lower December deliveries in 1987.

Import-car stocks totaled 664,909, representing a 66-day supply on Jan. 1. A month earlier, there were 627,074 unsold imported cars on hand, also equal to 66 days.

Last year on Jan. 1, there were 677,306 imported cars in stock, representing a slimmer 61-day supply because of stronger sales.

Among the seven U.S. carmakers, General Motors, Honda and Mazda reduced their combined domestic and import-car inventories from Dec. 1.

GM's car stocks, including captives, totaled 894,303, equal to a 75-day supply. That was down 3.61 percent from 927,814 on Dec. 1, which equaled 83 days' worth of selling. A year ago, GM's inventories were an inflated 1,002,457, equal to a 94-day supply.

Although Ford reported slightly heftier combined car inventories of 514,500 units on Jan. 1, the total represented a slimmer 70-day supply than last month when there were 512,550 cars on hand representing a 79-day supply. On Jan. 1, 1988, Ford's inventory was 439,621, a 70-day supply.

Chrysler Motors' better sales pace in December could not reduce its stocks on Jan. 1. Including captives, Chrysler had 299,403 unsold cars in stock, equal to 85 days' worth. A month earlier, the total was 277,475, representing 81 days' worth. The latest inventory figure was significantly lower than a worrisome 351,774-car total, or 101 days' worth, on Jan. 1, 1988.

Honda whittled down its U.S.-produced and import car stocks from last month. On Jan. 1, Honda's lean import and U.S.-built stocks totaled 32,674, equal to a slim 13-day supply. A month earlier, Honda reported 34,846 unsold cars, representing 16 days' worth. A year ago, Honda had 30,755 cars, an 11-day supply.

Toyota and Mazda reduced their import-car stocks but had more unsold U.S.-built cars on Jan. 1. than a month earlier.

On Jan. 1, Toyota's combined car stocks were 52,128, equal to 20 days' worth. A month ago it had 48,794, a 19-day supply.

Mazda, on the other hand, reduced its combined car stocks to 44,431 cars, equal to a 57-day supply, down from 47,384, or 54 days, on Dec. 1.

Nissan had more unsold cars on Jan. 1 than on Dec. 1. Domestic and import-car stocks totaled 119,619 on Jan. 1, equal to an 80-day supply. On Dec. 1, Nissan had 115,481 unsold cars, representing a 71-day supply. Last January, however, Nissan began the year with an even fatter 115-day supply.

The import car and truck stockpile on Jan. 1 grew to 821,907, up from 787,528 a month ago, but the days' supply remained at 67.

At the beginning of last year, the import-vehicle stockpile total of 675,372 was 21.70 percent leaner.

Import-truck stocks edged up to 156,998 on Jan. 1, equal to a 68-day supply, vs. 156,454 on Dec. 1, a 67-day supply.

DOMESTIC DAYS' SUPPLIES

	Jan. 1, 1989	Dec. 1, 1988	Jan. 1, 1988
Alliance	—	—	103
Eagle	—	—	66
Premier	166	129	—
Total Eagle	166	129	171
Horizon	134	136	48
Sundance	79	81	66
Turismo	—	—	137
Reliant	84	47	90
Acclaim	42	32	—
Caravelle	120	100	80
Gran Fury	43	45	128
Total Plymouth	76	62	80
LeBaron K	94	81	134
LeBaron J	79	73	108
LeBaron GTS	164	146	144
Fifth Avenue	196	152	92
New Yorker C	44	70	48
New Yorker E	177	143	164
Total Chrysler	71	82	104
Omni	126	107	58
Shadow	67	66	83
Charger	—	—	124
Daytona	118	92	110
Aries	53	44	96
Lancer	246	211	163
Spirit	29	79	—
Diplomat	52	75	156
Dynasty	38	40	60
Dodge 600	118	94	92
Total Dodge	65	67	91
CHRYSLER MTRS.	73	72	64
Escort	84	93	94
Mustang	79	85	91
Tempo	55	64	44
Taurus	59	66	61
Thunderbird	57	136	86
Probe	78	65	—
Crown Victoria	74	75	58
Total Ford Div.	69	77	60
Lynx/Tracer	165	156	95
Topaz	38	69	58
Sable	77	81	67
Cougar	54	138	112
Grand Marquis	61	50	46
Total Mercury	76	84	74
Continental	29	36	21
Lincoln	45	62	53
Mark VII	124	102	60
Total Lincoln	48	58	50
Total L-M Division	66	76	66
FORD MOTOR CO.	68	77	66
Skyhawk	167	144	117
Somerset/Skylark	116	114	150
Century	72	79	97
Regal	91	110	60
LeSabre	63	77	91
Reatta	177	158	—
Electra	101	92	53
Riviera	66	68	110
Total Buick	65	92	94
Cimarron	28	46	132
Allante	262	194	196
Seville	56	52	53
DeVille	42	43	40
Brougham	58	60	150
Eldorado	78	77	50
Total Cadillac	51	51	79
Chevette	—	—	83
Geo Prizm/Nova	94	172	275
Cavalier	48	70	48
Camaro	75	78	136
Celebrity	82	67	98
Corsica/Beretta	99	114	145
Monte Carlo	51	91	178
Caprice	64	76	73
Corvette	110	104	98
Total Chevrolet	71	85	100
Firenza	—	110	87
Calais	104	95	107
Cutlass Ciera	65	59	68
Cutlass Supreme	92	92	144
Olds 88	95	78	101
Olds 98	70	61	61
Toronado	107	110	87
Total Oldsmobile	83	76	86
Fiero	64	129	175
Pontiac 1000	—	—	88
Sunbird	52	52	82
Firebird	116	115	103
Grand Am	39	62	80
Pontiac 6000	70	69	77
Grand Prix	100	111	45
Bonneville H	92	97	78
Paris./Safari	107	105	95
Total Pontiac	67	80	84
GENERAL MTRS.	73	81	91
HONDA	12	15	9
MAZDA	69	58	51
NISSAN	56	66	62
TOYOTA	20	13	16
VOLKSWAGEN	—	—	148
DOM. TOTAL	67	73	79
Subcompact	50	52	53
Compact	56	59	67
Intermediate	72	82	90
Standard	68	70	74
Specialty	117	[illegible]	[illegible]

IMPORT DAYS' SUPPLIES

	Jan. 1, 1989	Dec. 1, 1988	Jan. 1, 1988
Chevrolet	141	195	141
Chrysler/Mitsubishi	169	131	174
Acura	65	49	24
Daihatsu	63	67	-
Honda	14	18	13
Isuzu	186	174	71
Mazda	55	64	58
Mitsubishi**	105	85	106
Nissan	86	72	125
Subaru	79	69	65
Toyota	19	20	18
JAPAN	56	55	54
Audi	159	153	182
BMW	86	73	87
Mercedes-Benz	31	45	36
Merkur	180	170	172
Porsche	80	95	133
VW	131	139	96
GERMANY	95	98	87
Alfa Romeo	125	144	52
Festiva	136	136	134
Hyundai	66	75	41
Jaguar	38	34	23
Peugeot	95	90	58
Pontiac	75	82	159
Eagle/Renault	224	210	133
Saab	81	60	74
Sterling	155	105	89
Volvo	94	51	164
Yugo	146	133	130
Other Countries	90	36	81
Total Import Cars	66	66	61
Isuzu	103	111	145
Mazda	79	88	67
Mitsubishi**	107	87	67
Nissan*	47	56	98
Range Rover	21	34	18
Suzuki	99	297	57
Toyota	37	30	31
Chrysler	153	140	142
Total Imp. Trucks	68	74	70
Total Imp. Vehicles	67	67	63

*Includes domestic trucks

**Automotive News Estimates

Car output 33% above 1988 week

By K[illegible]ny Boyer
AUTOMOTIVE NEWS STAFF REPORTER

U.S. carmakers scheduled production of 154,455 cars during the second week of the new year.

It was 38.14 percent more than the prior week's 111,810 and 33.59 percent above the year-ago week's 115,618.

Production during the year-ago week output was weakened by downtime at several plants for inventory adjustment.

So far this year, 266,265 cars have been assembled, 22.91 percent more than the 216,636 completed last year at this point.

Last week's estimated production was shared as follows: General Motors, 48.00 percent; Ford Motor Co., 27.11 percent; Chrysler Motors, 12.82 percent; Honda of America Manufacturing, 4.89 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.12 percent; New United Motor Manufacturing Inc., 1.94 percent; Nissan Motor Manufacturing Co. U.S.A., 1.78 percent; and Diamond-Star Motors, 0.34 percent.

Truck output was scheduled at a hardy 92,329 last week, 34.56 percent more than the previous week's 68,618 and 12.11 percent more than the year-ago week's 82,359.

Year-to-date, 160,947 trucks have been built, slightly less (0.08 percent) than the 161,074 units built last year at this point.

A fire broke out at a GM parts plant in Flint, Mich., last Monday. The fire halted output last Wednesday at the company's Willow Run, Mich., plant, which builds the Pontiac Bonneville and Olds 88. It also stopped production last Wednesday and Thursday at the Wentzville, Mo., car facility, which builds the Buick Electra, Olds 88 and Olds 98. The fire also affected output at GM's Fort Wayne, Ind., and Pontiac, Mich., truck plants last Wednesday.

GM will cut output of its two-seat Buick Reatta next month due to slow sales and to prepare the Lansing, Mich., plant for output of the Reatta convertible model, scheduled to be introduced later this year.

Chrysler added a second shift at its Brampton, Ontario, plant last week. About 400 workers were added to increase output of the Jeep Wrangler by 132 units daily.

Trucks exceed cars in Canada

Last week, Canadian truckmakers were scheduled to build more units than the automakers.

Scheduled production of 20,685 trucks was 25.91 percent more than the previous week's 16,428 and 13.77 percent more than the year-ago week's 18,181.

Year-to-date, 37,113 trucks have been built, 6.44 percent above the 34,869 completed last year at this point.

Auto output was estimated at 18,744, 48.89 percent more than the previous week's 12,589 but 17.54 percent below the year-ago week's 22,732.

So far this year, 31,333 cars have been assembled, 32.06 percent fewer than the 46,120 built at the same time last year.

U.S. CAR	Week Ended Jan. 14, 1989	Week Ended Jan. 16, 1988	Week Ended Jan. 7, 1989	Jan. to Date	Jan. 1 to Jan. 14, 1989	Jan. 1 to Jan. 16, 1988
Horizon	0	1,482	0	0	0	2,909
Sundance	2,800	2,017	2,261	5,061	5,061	3,900
Reliant	0	683	0	0	0	300
Acclaim	1,200	0	914	2,114	2,114	0
Caravelle	0	438	0	0	0	250
Gran Fury	0	211	0	0	0	432
Total Plymouth	4,000	4,831	3,175	7,175	7,175	7,791
LeBaron K	0	0	0	0	0	0
LeBaron J	2,600	0	2,084	4,684	4,684	0
LeBaron GTS	200	151	218	418	418	257
N. Yorker C-Class	2,700	1,478	2,237	4,937	4,937	2,281
Fifth Avenue	0	1,296	0	0	0	2,548
Total Chrysler	5,500	2,925	4,539	10,039	10,039	5,086
Omni	0	1,456	0	0	0	2,834
Daytona	2,600	0	2,099	4,699	4,699	0
Shadow	2,800	2,084	2,156	4,956	4,956	3,910
Aries	0	954	0	0	0	650
Dodge 600	0	212	0	0	0	200
Dynasty	3,400	1,658	2,989	6,389	6,389	2,628
Lancer	200	229	193	393	393	456
Spirit	1,300	0	1,106	2,406	2,406	0
Diplomat	0	325	0	0	0	596
Total Dodge	10,300	6,898	8,543	18,843	18,843	11,276
CHRYSLER MOTORS	19,800	14,654	16,257	36,057	36,057	24,153
Escort	9,061	9,599	6,801	15,862	15,862	17,318
Mustang	4,588	4,635	2,960	7,548	7,548	8,996
Tempo	3,988	4,032	3,077	7,065	7,065	8,505
Taurus	8,496	8,371	6,568	15,064	15,064	15,259
Thunderbird	3,281	2,801	2,266	5,547	5,547	5,768
Total Ford Div.	29,414	29,518	21,672	51,086	51,086	55,838
Topaz	1,524	1,497	1,142	2,666	2,666	3,169
Cougar	3,277	2,889	2,266	5,543	5,543	5,771
Sable	2,964	2,105	2,326	5,290	5,290	3,885
Total Mercury	7,765	6,491	5,734	13,499	13,499	12,825
Continental	1,563	883	1,449	3,012	3,012	1,346
Mark VII	784	487	721	1,505	1,505	1,132
Lincoln	2,345	2,930	2,173	4,518	4,518	6,216
Total Lincoln	4,692	4,100	4,343	9,035	9,035	8,694
Total L-M Division	12,457	10,591	10,077	22,534	22,534	21,519
FORD MOTOR CO.	41,871	40,109	31,749	73,620	73,620	77,357
Skyhawk	324	1,057	874	1,198	1,198	1,030
Skylark/Somerset	269	655	2	271	271	1,752
Century	3,455	1,692	2,595	6,050	6,050	2,81[illegible]
Riviera	630	0	475	1,105	1,105	0
Electra	1,999	1,708	1,608	3,607	3,607	3,441
LeSabre (fwd)	0	2,393	0	0	0	4,719
LeSabre (rwd)	220	0	176	396	396	204
Reatta	280	0	220	500	500	0
Total Buick	7,177	7,505	5,950	13,127	13,127	13,960
Cimmaron	0	312	0	0	0	550
Eldorado	741	0	539	1,280	1,280	0
Seville	562	0	411	973	973	0
Brougham (rwd)	1,225	0	853	2,078	2,078	0
Deville (fwd)	4,520	3,568	2,926	7,446	7,446	5,808
Allante	75	0	60	135	135	0
Total Cadillac	7,123	3,880	4,789	11,912	11,912	7,358
Cavalier	9,250	6,986	7,064	16,314	16,314	13,384
Camaro	2,505	0	2,027	4,532	4,532	0
Celebrity	4,490	3,690	3,606	8,096	8,096	6,575
Corsica/Beretta	9,215	4,394	6,347	15,562	15,562	3,117
Caprice	3,750	3,178	2,759	6,509	6,509	7,468
Corvette	450	450	360	810	810	698
Total Chevrolet	29,660	18,698	22,163	51,823	51,823	36,240
Calais	464	1,637	0	464	464	4,652
Firenza	0	530	0	0	0	530
Cutlass Ciera	1,685	0	1,343	3,028	3,028	0
Cutlass Supreme	3,630	1,739	0	3,630	3,630	0
Toronado	315	0	228	543	543	0
88 (fwd)	4,006	3,473	3,221	7,227	7,227	6,922
88 (rwd)	310	330	182	492	492	590
Olds 98	2,162	1,549	1,683	3,845	3,845	2,845
Total Oldsmobile	12,592	9,258	6,637	19,229	19,229	15,739
Sunbird	2,468	2,207	2,039	4,507	4,507	4,365
Grand Am	4,800	4,856	3,892	8,692	8,692	9,473
Firebird	1,590	0	1,260	2,850	2,850	0
Grand Prix	4,060	0	0	4,060	4,060	0
Pontiac 6000	2,210	50	1,677	3,887	3,887	99
Bonneville	2,345	1,921	1,842	4,187	4,187	3,880
Safari/Parisienne	115	0	94	209	209	24
Fiero	0	0	0	0	0	0
Total Pontiac	17,588	9,034	10,804	28,392	28,392	17,818
GENERAL MOTORS	74,140	48,375	50,343	124,483	124,483	91,115
DIAMOND-STAR	512	0	372	884	884	0
HONDA	7,550	7,245	5,656	13,206	13,206	13,645
Civic	2,460	1,720	1,971	4,431	4,431	3,086
Accord	5,090	5,525	3,685	8,775	8,775	10,559
MAZDA†	4,826	716	3,483	8,309	8,309	1,246
NISSAN	2,756	1,340	1,596	4,352	4,352	2,675
NUMMI	3,000	3,179	2,354	5,354	5,354	6,447
Corolla	1,700	1,159	1,351	3,051	3,051	3,433
Nova	1,300	2,020	1,003	2,303	2,303	3,014
VOLKSWAGEN	0	0	0	0	0	0
Golf/GTI	0	0	0	0	0	0
Jetta	0	0	0	0	0	0
Total Cars, U.S.	154,455	115,618	111,810	266,265	266,265	216,636
Total Cars, Canada	18,744	22,732	12,589	31,333	31,333	46,120
U.S., Canada Cars	173,199	138,350	124,399	297,598	297,598	262,758
U.S., Canada Cars and Trucks	286,213	238,890	209,445	495,658	495,658	458,701

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended Jan. 14, 1989	Week Ended Jan. 16, 1988	Week Ended Jan. 7, 1989	Jan. to Date	Jan. 1 to Jan. 14, 1989	Jan. 1 to Jan. 16, 1988
Premier	1,275	1,574	0	1,275	1,275	3,058
CHRYSLER MOTORS	1,275	1,574	0	1,275	1,275	3,058
Tempo	4,037	4,426	2,883	6,920	6,920	3,624
Topaz	1,723	1,337	1,017	2,740	2,740	3,376
Crown Victoria	2,899	2,870	2,084	4,983	4,983	5,792
Grand Marquis	2,861	2,698	2,050	4,911	4,911	5,418
FORD MOTOR CO.	11,520	11,331	8,034	19,554	19,554	23,210
Celebrity	196	552	173	369	369	1,303
Cutlass Ciera	3,720	4,280	3,285	7,005	7,005	8,550
Lumina	45	0	10	55	55	0
Pontiac 6000	0	1,225	0	0	0	2,360
Regal	158	3,088	0	158	158	6,377
GENERAL MOTORS	4,119	9,145	3,468	7,587	7,587	18,590
Civic	1,650	0	962	2,612	2,612	—
Accord	0	0	0	0	0	—
HONDA	1,650	568	962	2,612	2,612	1,065
VOLVO	180	114	125	305	305	189
Total Cars, Canada	18,744	22,732	12,589	31,333	31,333	46,120

U.S. TRUCK☆	Week Ended Jan. 14, 1989	Week Ended Jan. 16, 1988	Week Ended Jan. 7, 1989	Jan. to Date	Jan. 1 to Jan. 14, 1989	Jan. 1 to Jan. 16, 1988
Caravan	2,300	1,746	2,116	4,416	4,416	3,114
Dakota	2,000	3,199	1,446	3,446	3,446	6,181
Mini-Ram Van	200	267	183	383	383	460
Pickups	2,000	1,599	1,443	3,443	3,443	3,028
Total Dodge	6,500	6,813	5,188	11,688	11,688	12,783
Cherokee	3,300	3,796	2,437	5,737	5,737	7,420
Comanche	600	1,023	481	1,081	1,081	1,982
Grand Wagoneer	300	344	265	565	565	300
Pickups	0	0	0	0	0	0
Wagoneer	100	351	121	221	221	610
Total Jeep	4,300	5,504	3,304	7,604	7,604	10,312
Voyager	2,200	1,505	2,021	4,221	4,221	2,838
Total Plymouth	2,200	1,505	2,021	4,221	4,221	2,838
CHRYSLER MOTORS	13,000	13,822	10,513	23,513	23,513	25,933
Aerostar	5,009	4,419	3,770	8,779	8,779	8,296
Bronco	1,857	1,279	1,645	3,502	3,502	2,547
Bronco II	2,730	3,572	1,929	4,659	4,659	6,446
Econoline	5,244	4,985	3,863	9,107	9,107	9,895
Heavy trucks	1,308	1,336	1,048	2,356	2,356	2,591
Light trucks	11,727	9,446	8,234	19,961	19,961	18,680
Ranger	7,458	7,093	4,785	12,243	12,243	14,183
Total Ford Div.	35,333	32,732	25,274	60,607	60,607	62,630
FORD MOTOR CO.	35,333	32,732	25,274	60,607	60,607	62,630
Astro	3,508	3,134	2,556	6,064	6,064	6,873
Blazer	508	621	525	1,033	1,033	1,100
Mediums/Heavies	0	640	0	0	0	1,880
P-Model	0	1,082	0	0	0	1,850
Pickups	9,350	5,551	9,825	19,175	19,175	12,246
S-10	6,815	4,833	3,723	10,538	10,538	10,147
S-10 Blazer	4,220	1,387	2,916	7,136	7,136	2,907
Sportsvan/Van	2,673	1,323	130	2,803	2,803	2,916
Suburban	1,398	1,377	1,202	2,600	2,600	2,004
Total Chevrolet	28,472	19,828	20,877	49,349	49,349	42,834
Jimmy	139	193	151	290	290	347
Mediums/Heavies	0	740	0	0	0	2,153
P-Model	0	67	0	0	0	150
Pickups	2,970	2,36[illegible]	3,461	6,431	6,431	3,885
S-15	1,299	1,503	1,259	2,558	2,558	2,475
S-15 Jimmy	1,191	404	681	1,872	1,872	364
Safari	877	632	634	1,511	1,511	1,607
Suburban	412	1,0[illegible]	831	1,243	1,243	1,588
Vandura/Rally Vans	758	193	4	762	762	1,742
Total GMC	7,646	8,184	7,021	14,667	14,667	14,291
GENERAL MOTORS	36,118	28,012	27,898	64,016	64,016	56,925
NAVISTAR	1,870	1,796	887	2,757	2,757	3,585
NISSAN	3,258	3,247	1,846	5,104	5,104	6,501
AM GENERAL*	450	450	360	810	810	900
MISCELLANEOUS*	2,300	2,300	1,840	4,140	4,140	4,600
Total Trucks, U.S.	92,329	82,359	68,618	160,947	160,947	161,074

CANADIAN TRUCK	Week Ended Jan. 14, 1989	Week Ended Jan. 16, 1988	Week Ended Jan. 7, 1989	Jan. to Date	Jan. 1 to Jan. 14, 1989	Jan. 1 to Jan. 16, 1988
Caravan	3,282	2,810	2,723	6,005	6,005	5,805
Mini-Ram Van	210	216	172	382	382	429
Ram Wagon	690	568	559	1,249	1,249	600
Ram Van	1,660	1,383	1,413	3,073	3,073	1,290
Total Dodge	5,842	4,977	4,867	10,709	10,709	8,124
Voyager	2,652	2,606	2,188	4,840	4,840	5,396
Total Plymouth	2,652	2,606	2,188	4,840	4,840	5,396
Wrangler	968	948	680	1,648	1,648	1,551
Total Jeep	968	948	680	1,648	1,648	1,551
CHRYSLER MOTORS	9,462	8,531	7,735	17,197	17,197	15,071
FORD MTR. (lt. trks.)	3,648	3,472	2,717	6,365	6,365	7,114
Light trucks	3,579	3,092	2,757	6,336	6,336	5,841
Vans	1,523	1,233	1,132	2,655	2,655	2,409
Total Chevrolet	5,102	4,325	3,889	8,991	8,991	8,250
Light trucks	1,581	1,160	1,332	2,913	2,913	2,766
Vans	622	467	542	1,164	1,164	1,218
Total GMC	2,203	1,627	1,874	4,077	4,077	3,984
GENERAL MOTORS	7,305	5,952	5,763	13,068	13,068	12,234
NAVISTAR	270	226	213	483	483	450
Total Trks., Canada	20,685	18,181	16,428	37,113	37,113	34,869
U.S., Canada Trks.	113,014	100,540	85,046	198,060	198,060	195,943

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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New transaxle redesigned by Chrysler

Clutch failure tied to seal rings

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER
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HIGHLAND PARK, Mich. — Chrysler Motors has had to replace its new four-speed electronic transaxle in an estimated 5,000 vehicles, representing three percent of retail deliveries of the vehicles equipped with the transaxle, and is completing tests to correct a design defect in the highly touted transmission.

Affected vehicles are those ordered with a V-6 engine and equipped with the A604 four-speed transaxle as standard or optional. The vehicles include Plymouth Grand Voyager, Dodge Grand Caravan, Plymouth Voyager LE, Dodge Caravan LE, Chrysler New Yorker and Dodge Dynasty.

A design defect in the transaxle that was introduced on 1989 models has caused internal fluid leakage leading to clutch failure. Chrysler said the failures "appear to be more frequent with lower mileage vehicles — less than 5,000 miles."

Chrysler said an estimated 150,000 A604 units have been retailed since production began in midsummer at the company's transmission plant in Kokomo, Ind.

A production change in the logic of the transmission's electronic controller was completed in December. That change instructs the transaxle to avoid the clutch drag condition associated with the fluid leakage by maintaining third gear until the transmission is able to complete the shift to fourth gear.

In addition, Chrysler is currently testing a design change in the transmission's seal rings to prevent the fluid leakage.

"A design change in the seal rings to prevent fluid leakage already has been completed and testing is underway," a Chrysler spokesman said. "Testing will be completed in a matter of weeks and the production fix should be implemented a couple of weeks thereafter."

Chrysler has delayed the launch of the Plymouth Acclaim LX sedan until the design change has been implemented. The Acclaim LX carries the A604 as standard equipment and is a top-of-the-line model in Chrysler's new line of A-body family sedans launched this year.

Although national advertising for the LX has already broken, Chrysler said last week that the launch — which was initially scheduled in January — is now expected in March.

In addition, the companion Dodge Spirit ES, which went into production last week, cannot be

see CHRYSLER, page 43

HIDDEN IMAGE/HANS G. LEHMANN

Grettenberger: Proposed LSS model could do battle with the Lexus and Infiniti

Cadillac watches Japanese

Will offer import fighters if Lexus, Infiniti score

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Cadillac is prepared to introduce one or two models aimed directly at the Japanese luxury makes if those new lines prove successful.

Cadillac General Manager John Grettenberger said if a marked shift of customers to Toyota's Lexus and Nissan's Infiniti occurs, the General Motors' flagship division could launch a model or two that would compete head-on with the luxury imports that debut next fall.

"If they draw people who are currently willing to pay $27,000 to $28,000 for what they consider to be a car that meets their needs and if they get them to move that dramatically, we'd be crazy not to come out there, as we certainly could, with a couple of competing entries of our own," Grettenberger said.

He added that the corporation has not blessed such a strategy for Cadillac but, in the meantime, the division is laying the groundwork.

The Cadillac import fighters, Grettenberger said, would be models "with an entirely different appeal to a different type of luxury car buyer."

He said: "There are people we're not reaching today as sufficiently as I would like. I believe the luxury car imports from Japan as well as Europe have a place in the market, and there are a lot of people who have been going to those cars because the domestic makes — Lincoln and Cadillac — just don't offer them what they really want. So we're looking very seriously at a program that would bring us a new type of Cadillac."

Grettenberger said the proposed LSS model could do battle with the Lexus and Infiniti. The LSS, short for Luxury Sport Sedan, is likely to be powered by the GM-Lotus-developed North Star engine. The engine is a 32-valve V-8 with a double-overhead cam on each cylinder bank. Both Lexus and Infiniti will be fitting their large sedans with such high-powered V-8s. Spy photographs have shown the aerodynamic design of the LSS differs significantly from Cadillacs now being built.

Still categorized as a project, the LSS has not received official corporate approval to go into production, Grettenberger said. However, GM sources say approval is expected within six months. The earliest it could be brought to market is 1992.

"I love it. It's a great project," Grettenberger said. "And the business case is getting better and better as we go along. It will definitely be a different type of Cadillac, if it comes to pass, than we've ever seen before. It will appeal to a different segment of the market and will broaden our base, giving us some opportunity to reach those people who are going to expensive luxury imports."

In addition, Grettenberger said Cadillac is considering adding a model that would go head-to-head with the BMW 735.

"We do not offer right now a car that can

see CADILLAC, page 43

Bricklin plan: ownership of 1,000 deals

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Malcolm Bricklin this week will till his favorite fertile ground — the National Automobile Dealers Association convention — this time with a plan to create the first national dealership chain comprised of 1,000 points.

The master deal maker, who brought Subaru and Yugo to America, has apparently won the confidence of Wall Street for his $2 billion undertaking.

The linchpin for the chain of dealerships is a "closing booth" — a mystical room that combines a pinch of hocus-pocus with a splash of Disneyesque imagineering to create an atmosphere where customers will have oodles of fun then spend $14,000 or thereabout on a new car.

Bricklin Motors, a Delaware corporation with headquarters either in Denver or New York (the site has yet to be determined), will acquire 80-percent positions in 10 megadealerships in various metropolitan markets by year-end, Malcolm Bricklin said in a telephone interview.

Under Bricklin's scenario, each dealer will retain a 20-percent stake in his dealership and purchase 2 to 4 percent of Bricklin Motors with a small portion of the dealer's proceeds from the sale of his dealership to the Bricklin holding company.

According to Bricklin's financial people, the initial 10 dealers will convene at a round table — a sort of automotive Camelot — with equal responsibility for managing Bricklin Motors and acquiring dealerships in their zones until there are 1,000 by Year 3.

But Malcolm Bricklin, who is chairman of Bricklin Motors and who will retain controlling interest of the company, pledges without a trace of humility to own the 1,000 dealerships by the end of 1989.

He said that although Bricklin Motors will acquire only profitable dealerships brought to it by the round-table dealers, individual round-table members can purchase failing dealerships on their own, turn them around then sell them to the holding company.

Charles A. Ramos, president of New York-based investment banking firm Printon Kane Capital Corp., is financial advisor for Bricklin Motors. He said banks will provide bridge financing for the first few acquisitions. High-yield or junk bonds will be sold to pay off the debt. The banks will then continue the line of credit.

The holding company would float junk bonds when it accumulated a number of dealerships so the aggregate size is sufficient to go into the junk bond market.

No registration statements have yet been filed with

see BRICKLIN, page 45

Nissan's Pathfinder might be built in Smyrna, Tenn.

Nissan may produce Pathfinder in U.S. if 25% tariff is upheld

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Nissan Motor Co. will consider building its Pathfinder sport-utility vehicle in the United States if a U.S. Customs decision to levy a 25 percent duty on multipurpose vehicles is upheld.

Nissan President Yutaka Kume, in answer to questions on alternatives to the tariff, said local production at the company's Tennessee assembly plant was a possibility.

Last year, Nissan sold 29,614 Pathfinders as cars in the United States. If the recent Customs determination is allowed to stand, multipurpose vehicles like the Pathfinder, which are certified to truck safety and emission standards, would be affected by a 25 percent duty on imported trucks.

see TARIFF, page 44

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Perkins in line for Chevy chief

By Michelle Krebs and Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — General Motors announced Friday that the chief of Toyota's newly created luxury division would join Chevrolet as the heir apparent for the division's top job.

J.C. "Jim" Perkins, who most recently was senior vice president of Lexus Division, was named to the newly-created position of assistant general manager. The move positions him to succeed Robert D. Burger, who must retire by July when he turns 65.

Perkins, who resigned Friday from Toyota, reports directly to Burger. His new job is effective immediately.

While it is true that Perkins enjoyed a 24-year career at GM, the fact he is coming from a four-year stint at Toyota Motor Sales U.S.A. brands him as an outsider and sends a clear message that it is not business as usual in terms of the lines of succession at GM.

It also shows Chevrolet means business in battling the imports by hiring on a senior member of Japan's General Motors.

Perkins

Burger will leave Chevrolet with GM's top-volume division trailing Ford Division in sales for an unprecedented two years running. Burger said it is unlikely Chevy will surpass Ford in 1989.

Born in Waco, Texas, the 53-year-old Perkins spent his formative years in the central Texas city.

Perkins joined Chevrolet in 1960 and continued with the division for 22 years, including a short stint on the corporate marketing staff as well as two years as Buick's general sales manager.

In 1984, Perkins left Detroit for Toyota. He was named a group vice president of sales, marketing distribution and planning for Toyota.

Perkins was named to head the Lexus division last May reporting directly to Robert McCurry, Toyota's executive vice president, sales and operations.

Financial problems plague maker of Vixen motor home

Vixen looks for help

Motor home maker seeks sale or merger

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Vixen Motor Co. of Pontiac, Mich., is skating on thin financial ice again and is looking for a suitor that will pull it to safety.

The company officially shut down its operations as of today and is devoting all its energies to finding a merger partner or a buyer.

It has been steadily trimming its production and workforce for a month, according to Al Dryer, Vixen president.

In September, Vixen employed nearly 100 people. Its employee count was down to 30 last week and, as of today, it has a skeleton staff of only 13, Dryer said.

Officials said they have talked to several interested parties.

Robert Gillow, Vixen chairman and owner of Action Oldsmobile in Livonia, Mich., characterized the talks as "very serious negotiations."

However, there doesn't appear to be an imminent deal.

Industry sources named Fleetwood, Thor Industries and Coachmen Industries as likely suitors. None has a small motor home in Vixen's size category.

Fleetwood, however, hasn't made an acquisition in a long time. Thor was built from acquisitions. Coachmen has been working on a small motor home for a long time, but apparently without too much success because no one has ever seen it.

Vixen has about 90 days to find a buyer, according to Gillow. After that, it will have to find a new infusion of cash to resume production.

"If someone with expressed interest who was working toward that interest" were found, the deadline could be delayed, Gillow said.

He said the state of Michigan pension fund and the Detroit Police and Firemen's Fund, which own about 71 percent of the company, have been "very supportive in wanting the company to continue."

"They've indicated they would help in any way possible" to ensure Vixen's continued operation, Gillow said.

He added that no matter what deal might be struck, the two investors will lose a substantial portion of their investment.

Vixen is healthier than it was a year ago. Under a reorganization plan last year, it basically converted all outstanding debt, including that of former suppliers, into equity. It currently owes only $2.5 million of new money supplied by the Michigan and Detroit pension funds, Dryer said.

The city of Pontiac also still owns the land and building in which it is operating, worth about $6 million.

Dryer said the company met its sales and financial targets in September, churning out its first profitable month. With the onset of winter, however, its retail sales dried up.

"We've exhausted the majority of our working capital to keep the operation running. We thought that, rather than starting up again, we should focus on a merger and sale," Dryer said.

In its search for a buyer, the company has enlisted the aid of Jim McTevia & Associates of Detroit, a firm specializing in mergers and acquisitions.

Court fight looms on 25% MPV tariff

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — A court battle over the classification of multipurpose vehicles seems assured regardless of how the Treasury Department rules on the issue.

Top representatives of domestic manufacturers and import dealers made that clear last week as Treasury announced that a final decision on whether to classify multipurpose vehicles as cars or trucks may not be made for several weeks.

The uproar stems from a U.S. Customs Service ruling that defines multipurpose vehicles (vans and sport-utilities) as light trucks, making them subject to a 25 percent import duty. The Treasury Department has suspended that ruling temporarily.

The domestic industry presented its position in a letter to Treasury Secretary Nicholas Brady. It was signed by General Motors Chairman Roger Smith, Ford Motor Co. Chairman Donald Petersen, Chrysler Corp. Chairman Lee Iacocca and Motor Vehicle Manufacturers Association President Thomas Hanna.

They wrote, "If the U.S. Customs Service ruling is reversed or substantially revised, we believe it will cause substantial harm to the U.S. motor vehicle industry, deprive the U.S. Treasury of several hundred million dollars in anticipated tariff revenues and unleash a long battle in the courts and Congress to restore a clear and consistent rule."

Robert McElwaine, president of the American International Automobile Dealers Association, said the import auto industry would also go to court to fight an unfavorable decision. He hinted that foreign governments may appeal an adverse ruling to the General Agreement on Tariffs and Trade, an international trade panel of which the United States and most other industrial nations are members.

The West German, British and Japanese governments have expressed their dissatisfaction with the ruling to the Bush administration, sources said.

Although a court appeal would put the final outcome of the controversy in doubt for some time, the edge would still go to the domestic automakers because Treasury has thus far required importers to post a bond to cover the 25 percent tariff.

A spokesman for Range Rover of North America said the bond requirement would probably result in a price hike since "we cannot price our vehicles in the expectation that we will not have to pay the duty."

Following meetings with Treasury officials last Monday and Tuesday, both import and domestic manufacturer representatives claimed progress in advancing their cases.

Domestic manufacturers and the UAW asked Treasury to stand by the Jan. 4 Customs Sevice ruling. Import manufacturers, the American International Automobile Dealers Association and the National Automobile Dealers Association asked that the decision be overturned so that classification rests on "the condition of the vehicle as imported."

That would mean that multipurpose vehicles could be classified as either cars or trucks, depending on how they are equipped when they enter the United States.

At least some dealers disagree with the position adopted by NADA, however.

Speaking on behalf of the Chrysler-Plymouth Council of Washington State, Jack H. Childress said last week he had been asked by his members to announce that "NADA does not represent all dealers on this issue."

Childress said the Chrysler dealers of Washington are "100 percent behind Lee Iacocca on the classification of multipurpose vehicles and I would estimate that 50 percent of the dealers in my state support the domestic manufacturers' position."

Robert McCurry, executive vice president of Toyota Motor Sales U.S.A., faulted the Customs decision last week in a prepared statement.

He said, "It was issued without warning, without observing normal customs procedures, during a congressional recess and between two presidential administrations. Government rulings of this sort should not be issued in the dead of night. Fairness and the American way re-

see MPV, page 44

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4 Pepe dealerships back on auction block

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

CAMDEN, N.J. — Four of 10 Pepe dealerships are on the auction block again, as two of the buyers in an earlier U.S. Bankruptcy Court auction failed in their bids.

The dealerships, owned by Richard T. Pepe and his wife, Virginia, were initially auctioned last October.

The chain, one of the state's largest dealership groups, filed for Chapter 11 protection from creditors last August, citing $54 million in assets against more than $50 million in liabilities, including about $26.9 million owed to General Motors Acceptance Corp.

The Pepes admitted in documents submitted to the court that the dealership group grew too big too fast in 1987 and 1988. They opened seven dealerships with 18 franchises in only 14 months, at a cost of more than $22 million.

The Pepe dealerships and real estate fetched more than $30 million in less than two hours of bidding, but the bids were subject to the approval of the court and of the respective franchisors.

One of the high bidders — partners Richard Catena and Richard Rediker, withdrew their bid, while the other, Bergen County dealer William Perretti Sr. was rejected.

As a result, the four dealerships are back on the auction block with a second auction scheduled for Feb. 3.

The dealerships up for sale are Pepe Lincoln-Mercury-Sterling-Merkur in Millville, N.J.; Pepe Toyota, which is on the same property as the Lincoln-Mercury outlet; Pepe Oldsmobile-Pontiac-GMC Truck in Millville; and Pepe Nissan-Yugo in Vineland, N.J.

Perretti had been the high bidder for Pepe Toyota and Pepe Lincoln-Mercury, with a bid of $10 million; and for Pepe Nissan-Yugo, for $1.7 million. He had also bid unsuccessfully for Pepe Oldsmobile-Pontiac-GMC Truck.

However, attorneys for both sides said Nissan, Toyota and Lincoln-Mercury turned down Perretti's bids, reportedly because of a civil complaint that state Attorney General W. Cary Edwards filed against Perretti alleging consumer fraud.

That suit, according to the attorney general's office, seeks to revoke Perretti's license to do business, claiming that used cars at two of his dealerships, Paramus Chrysler-Plymouth and Wild Bill's Paramus Dodge, lacked required documentation and that salesmen allegedly misrepresented used cars as "executive cars" driven only by Chrysler executives.

The attorney general's office said that Perretti has also signed several consent agreements with the state concerning advertising practices.

Catena and Rediker, who have Chevrolet, Honda and Acura franchises in New Jersey, were the high bidders for the Olds-Pontiac-GMC Truck dealership, at $1.9 million.

However, that bid was withdrawn. Catena confirmed the withdrawal, but would not elaborate.

One of the bidders in the first auction, Sam DiFeo Jr., said last week he would consider bidding on the dealerships at the upcoming auction.

The DiFeo Automotive Group has some 25 franchises, including Mitsubishi, Hyundai, Isuzu, Oldsmobile, Pontiac, Ford, Buick, Subaru, Toyota, Mazda, Sterling and Volkswagen in Jersey City.

LEGAL BRIEFS

New York governor signs car renter's bill of rights

ALBANY, N.Y. — Gov. Mario Cuomo has signed into law what amounts to a car renter's bill of rights. It prohibits the sale of collision-damage waivers by car rental companies doing business in New York state.

The Fair Practices Act for Car Renters limits a renter's liability for most damage to no more than $100.

"The bill's detailed consumer protections and its mandatory insurance coverage make this legislation unlike any other law of its type in the country," said Cuomo.

The new law takes effect April 1.

The legislation is a result of public hearings and a growing number of consumer complaints about the car rental industry, particularly collision-damage waivers.

"In reality, the collision-damage waiver has become little more than a form of bait and switch advertising," said state Attorney General Robert Abrams.

"Consumers are initially told of a low car rental rate, but when they appear at the counter to rent a car, the agent tells them that to avoid potential liability for damage to the car — which can exceed $10,000 — they can purchase, at additional cost, a waiver of this liability," he said.

Abrams said the cost for the insurance-liability waiver has grown to about $10 per day, which generates high profits for the car rental companies. The state insurance department said the real cost of the insurance for the rental car companies can be less than $1 a day.

In recommending that Cuomo sign the bill, Abrams had said its provisions "are important consumer protections in an industry that has presented significant problems all across the country."

Cuomo said, "The question of whether to purchase a collision-damage waiver is very confusing to many consumers, especially in the high-pressure atmosphere of a car rental counter."

Among other things, the bill also makes it illegal for a car rental company in New York to advertise a rental rate that does not include mandatory charges, such as fuel costs and airport access fees.

The rental companies also are prohibited from putting a hold on a customer's credit card for anything more than the actual cost of the rental.

Companies that ignore the law will be subject to fines of at least $500, but not more than $1,000, for each violation.

While the new law will limit a renter's liability for car damage to $100 in most cases, that is not the case when the damage results from irresponsible behavior.

Such behavior includes drunken driving, using the car in "any organized speed racing competition," or having an accident with the vehicle during the commission of a felony.

— **The Associated Press**

Florida says all fees should be listed in ads

TAMPA, Fla. — In an opinion issued in response to complaints from car buyers, the Florida attorney general said dealers' fees for handling paperwork should be included in the advertised price of a car.

Handling fees run as high as $300 at some dealerships, said Roger Whitley, president of the Tampa New Automobile Dealers Association. He said the fees are charged for typing invoices, changing the title and billing the customer.

"We do not include that in the price. I don't think any dealers around town do," Whitley said. "If you look at the bottom of ads, it says, 'Sales tax, licenses, handling charges additional.' "

Attorney General Bob Butterworth, however, said the costs must be included in the advertised price of the car or truck. He said an advertisement includes stickers on the window and prices written across the windshield of a car.

The only costs the dealer does not have to specify are state and local taxes, registration and title and tag fees — expenses required by the government, not the seller.

While the opinion does not carry the force of law, it serves as a guideline for prosecutors about how the law applies.

Kent Perez, assistant attorney general in the consumer section, said the advertisements come under the state Deceptive and Unfair Trade Practices Act, which carries a fine of up to $5,000 for each violation.

Butterworth issued his opinion after two buyers complained to the state attorney's office in Pensacola's First Judicial Circuit that the advertised price of vehicles they wanted to buy did not match the actual price.

Assistant State Attorney Jerry Allred said that one north Florida customer, for example, found a $99.50 fee tacked onto the $4,995 price of a Chevrolet El Camino truck. The fee was for inspecting and cleaning the car, interest on the loan the dealer took out to buy the vehicle for resale and for processing paperwork.

The dealers argued that their advertisements were truthful because they mentioned there were extra charges without specifying the amount, Allred said.

Allred said his office is sending a copy of Butterworth's opinion to all the dealers in its four-county jurisdiction.

"Any future complaints we'll have to examine . . . on a case-by-case basis," he said.

Meanwhile, the Tampa car dealers' group is considering a code of ethics for automobile advertising that would require the organization's members to add the handling fee to the advertised price of the vehicle.

— **The Associated Press**

Colorado prohibits heavily tinted glass

DENVER — A new Colorado law banning tinted windows in motor vehicles that allow less than 27 percent of light through them went into effect Jan. 1.

According to the law, front windshields must allow 70 percent light transmittance.

Darker tints can be used on the rear window and the rear side windows, but in such cases the front side windows must allow 70 percent light transmittance.

Violators face a $50 fine.

The Colorado State Patrol plans to enforce the new law like any other traffic violation, said Trooper Mark Anello. Cars may be pulled over if the tint is believed to be too dark, and troopers will carry a demonstration card that is a bit darker than the allowed tint to use as a gauge, he said.

The law's sponsor, Rep. Dick Bond, D-Greeley, said there are two reasons the law is necessary. The main one is that a motorist needs to see other drivers for safety reasons, he said.

The other is the protection of police who may not be able to see a car's occupants through the tinted glass when they approach the car.

— **The Associated Press**

SIZE CLASS SHARES, 1988

	Total Sales	Pct. of Total
SUBCOMPACT	2,503,582	23.64
COMPACT	2,755,112	26.01
INTERMEDIATE	3,725,413	35.18
STANDARD	1,404,496	13.26
SPECIALITY	202,523	1.91
TOTAL	10,591,126	100.00

IMPORT SALES BY MODEL

	Dec. 1988	Dec. 1987	12 Mos., 1988	12 Mos., 1987
ACURA	9,830	10,439	128,238	109,470
Integra	3,804	4,597	57,468	54,757
Legend	6,026	5,842	70,770	54,713
ALFA ROMEO	359	432	4,476	6,300
Milano	249	264	2,325	2,903
Spider	110	168	2,151	3,397
AUDI	1,306	1,836	22,943	41,322
4000S	2	58	218	9,043
4000CS Quattro	0	40	77	2,929
5000S	54	504	5,333	17,356
5000CS Turbo	11	131	308	3,604
5000CS Turbo Quattro	7	380	1,017	5,082
80	319	256	5,702	550
90	397	366	6,106	768
100/200	366	0	2,429	0
100/200 Quattro	144	0	877	0
Coupe GT	6	101	278	1,990
BMW	7,169	6,744	73,359	87,839
3 Series	3,381	4,410	36,672	57,772
5 Series	2,264	957	18,628	15,983
635CSi	119	49	1,863	1,944
7-Series	1,119	1,062	13,308	10,028
M3	110	203	1,675	1,121
M5	68	33	547	403
M6	108	30	666	588
CHEVROLET	9,012	11,616	116,435	137,211
Spectrum	5,255	5,538	68,347	76,852
Sprint	3,757	6,078	48,088	60,359
CHRYSLER MOTORS	8,988	8,649	128,512	0
Colt	4,919	5,092	79,885	79,367
Conquest	492	599	9,873	11,590
Medallion	767	1,847	14,712	13,991
Summit	1,525	0	4,603	0
Vista	1,285	1,355	19,439	29,380
DAIHATSU	823	0	11,460	0
FORD Festiva	5,738	3,712	69,167	26,750
HONDA	33,008	40,496	265,122	312,218
Civic/CRX	7,933	17,479	97,962	134,719
Accord	19,646	11,968	114,619	104,791
Prelude	5,429	11,049	52,541	72,708
HYUNDAI	21,352	19,345	264,282	263,610
ISUZU	1,522	3,790	24,520	39,587
I-Mark	1,295	3,239	17,310	32,300
Impulse	227	551	7,210	7,287
JAGUAR	2,040	2,848	20,727	22,919
XJ6	1,629	2,353	15,944	17,539
XJS	411	495	4,783	5,380
MASERATI	17	90	733	932
MAZDA	17,668	18,649	224,719	206,354
323	6,610	6,961	90,822	76,212
626	4,483	5,044	66,354	74,439
MX-6	231	1,970	8,031	10,445
929	1,724	2,232	25,981	6,913
RX-7	2,016	2,442	27,814	38,345
MPV	2,604	0	5,717	0
MERCEDES BENZ	6,647	7,762	83,727	89,918
190	1,161	1,274	16,740	17,545
260E	427	556	6,370	6,160
300	1,530	2,032	21,165	23,456
300 SE	734	0	5,331	0
300SDL Turbo	0	117	90	6,035
300SEL	329	579	4,826	906
420SEL	678	1,136	8,500	14,945
560SEL	636	698	5,829	6,346
560SL	828	1,139	11,844	11,825
560SEC	166	202	1,652	1,785
Tourist	158	27	1,380	915
MERKUR	782	636	15,261	14,301
XR4Ti	333	400	5,745	9,123
Scorpio	449	236	9,516	5,178
MITSUBISHI	5,483	5,185	69,975	67,954
Starion	154	257	3,016	5,084
Cordia	410	506	5,919	4,499
Tredia	2	180	477	4,972
Mirage	722	1,593	11,997	15,185
Galant	1,748	763	20,625	10,856
Precis	2,197	1,454	21,613	20,658
Van/Wagon	250	432	6,328	6,700
NISSAN	31,183	29,664	360,745	409,476
Sentra	10,820	10,343	137,398	116,266
Pulsar	1,211	2,992	44,317	61,765
Stanza	2,310	5,220	46,638	67,604
Maxima	8,772	5,957	74,451	93,269
200SX/240SX	4,617	1,234	31,900	30,085
300ZX	995	2,032	19,357	33,566
Hawaii	2,458	1,886	6,684	6,921
PEUGEOT	492	954	4,704	9,422
PONTIAC LeMans	6,501	2,910	54,037	35,564
PORSCHE	1,227	1,281	15,737	23,632
924S	128	105	2,321	2,975
944	337	319	3,722	6,336
944S	87	39	544	1,876
944 Turbo	213	105	1,880	2,588
911 Coupe	152	304	2,962	4,157
911 Turbo	77	103	1,104	1,541
911 Cabriolet	87	150	1,777	2,192
928S	146	156	1,427	1,967
SAAB	2,700	3,103	38,490	45,105
900	453	627	6,593	9,831
900S	604	858	9,982	14,357
900 Turbo	653	748	9,331	9,120
9000S	251	274	3,596	3,715
9000 Turbo	724	573	8,262	7,341
Tourist	15	23	726	741
STERLING	382	911	8,822	14,171
SUBARU	12,747	15,324	155,944	175,864
Hatchback	326	809	5,327	8,377
3-Door	636	1,159	9,105	14,541
4-Door Sedan	3,758	2,564	34,389	39,397
XT	809	1,160	14,077	17,901
Station Wagon	4,701	7,630	65,733	82,408
Justy	2,517	2,002	27,313	13,240
SUZUKI	280	0	524	0
TOYOTA	57,007	72,679	616,529	583,809
Corolla	15,425	18,807	159,040	119,447
Tercel	11,867	11,142	104,655	100,590
Celica	4,935	7,156	66,331	79,333
Supra	1,431	2,619	19,596	29,907
Camry	18,415	23,447	212,423	186,633
Cressida	2,200	1,944	14,195	21,968
Land Cruiser	447	810	6,024	5,008
Van	416	918	5,341	12,892
4Runner SR 5	1,493	1,458	20,880	3,635
MR2	378	1,215	8,044	15,847
Hawaii	0	3,163	0	8,549
VOLKSWAGEN	10,115	11,662	143,861	130,641
Cabriolet	569	545	12,791	13,563
Jetta	3,508	4,864	51,036	52,553
Golf/GTI	1,584	0	10,901	0
Vanagon	424	718	5,416	10,656
Quantum	202	304	3,031	6,722
Scirocco	264	326	3,754	6,971
Fox	3,564	4,905	56,932	40,176
VOLVO	5,604	4,010	98,497	106,539
240 Series	2,426	1,611	41,837	49,107
740 Series	2,629	1,728	42,642	41,360
760 Series	485	560	11,688	14,109
780	51	45	1,681	511
Tourist	13	66	649	1,452
YUGO	1,531	2,840	31,546	48,81[illegible]
IMPORT TOTAL	261,513	287,811	3,065,992	3,144,048

*Volkswagen has reported sales of U.S.-built Golf and GTI models as imports after June 30, 1988.

Compiled by Karen [illegible]

New training center to help Jaguar play catch up

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

A spate of new automotive technology combined with a force of unprepared technicians has prodded Jaguar Cars to step up its U.S. service training efforts.

The British carmaker has opened the first of three planned regional technical training centers in Atlanta in an effort to rapidly expand and improve its service network.

Jaguar officials said the new facility is sorely needed and will effectively double its annual service training program.

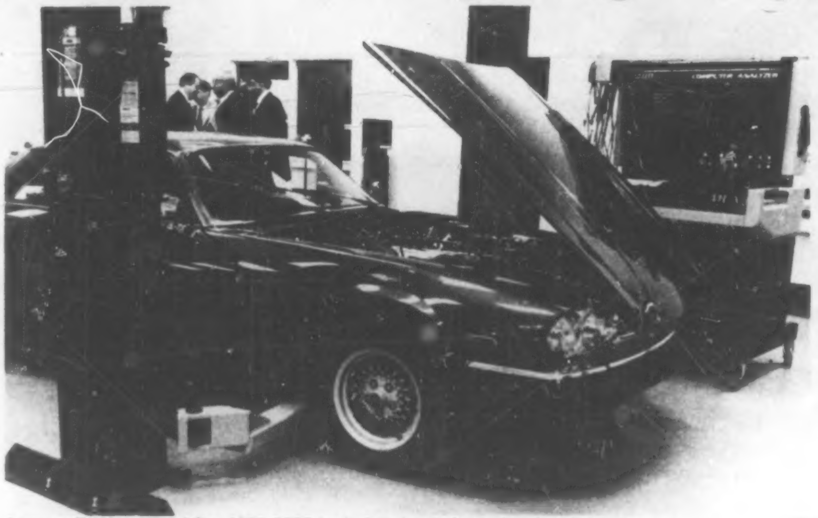
The center will provide Jaguar dealers with 45 weeks of additional training classes a year. Two concurrent week-long classes of eight technicians each will be conducted 45 weeks of the year.

"Sales have increased very rapidly for us since 1980, and now we need to accelerate our training program very, very quickly," said Michael H. Dale, senior vice president, sales and marketing. "Obviously, we weren't doing enough training before. Now we're playing catch up. We have a lot to do."

Until now, all service training was conducted at the company's Leonia, N.J., headquarters, and in the Jaguar Western zone office in Brisbane, Calif. The expansion plans call for a larger West Coast center to be opened in April near Los Angeles, replacing the Brisbane facility, and for a third center to open early next year at the new corporate headquarters now under construction in Mahwah, N.J.

"We are doubling our training effort with this facility," Dale said. "It will mean that we can take every single technician in the Jaguar network and train him for an extra week every year."

Jaguar officials candidly acknowledge that the car's belated but sudden move into on-board computer technology left service personnel around the country in the dark. The appearance of a new on-board eight-computer network in 1988 models came as a shock to many, since prior models contained no computer electronics at all.


Jaguar will recommend Sun MCA 3000 to dealers for their service departments

The revisions seem to have changed the composition of the technician body because many older service personnel are resisting learning the new technology.

"Very little about the Jaguar has changed over the years. Now, suddenly, it's a very different car," said Bill B. Burris, service training manager for the company. "We're finding that we're losing the older technicians. The technology is going beyond them. When it comes to the black boxes, they're lost, and they're not coming in for training."

To address the problem, training classes in the Jaguar program are making greater use of computerized system analyzers, the increasingly common diagnostic devices that give service personnel readouts on engine and on-board computer functions. New classrooms are equipped with the specially designed Jaguar Diagnostic Systems, and technicians are instructed both in how to read the car's own on-board analysis and how to use the diagnostic equipment to spot errors in the on-board computer readouts.

Training in electronics and introductory technical classes are the two classes requested most frequently by the company's dealers, especially since the car — in Burris' words — "went from '60s technology to '80s technology in two years."

The week-long classes are divided into 30 percent theoretical and 70 percent hands-on training in adjacent shop areas.

"We've put together a curriculum that brings Jaguar up to industry standards," he said. "For instance, we'll be training our people to qualify for the Automotive Service Excellence program for the first time."

Special attention at the new centers was given even to such minor details as "non-disruptive" wallpaper and expensive wood paneling in the center foyers to enhance the prestige of the training program, he said.

The company also recently began recommending that its dealers purchase the $30,000 Sun Computer Analyzer, an IBM-PC-based diagnostic system that allows technicians to analyze more than 3,500 different models of cars and trucks.

A Sun representative said the newly designed system, an MCA 3000 that is capable of communicating 1,000 diagnostic messages, has not yet been adopted by any Jaguar dealers, although two are in use in Jaguar's training centers — one in the Atlanta area and one in New Jersey.

The system will be recommended to dealers as part of a new national equipment program unveiled last week. The list of 16 tool and service machinery suppliers is Jaguar's first national program.

The service program, which will go into effect in early March, will be expanded during the next few months as more equipment is selected, according to Sheila Woolsey, service equipment and literature manager. The company said it did not yet have an estimate of the program's total cost to dealers.

Dale said that changes in Jaguar's U.S. dealer body during the past several years gave a sense of urgency to improving and expanding its training and service support. Half of the company's dealers have changed since 1980, and their number has declined by 40 percent. In the past two years, the remaining 142 dealers have invested more than $200 million in new facilities, according to the company. "There's clearly a sense of change within our operations," Dale said.

Shop volume up for year; month dips

By Wes Raynal
AUTOMOTIVE NEWS STAFF REPORTER

Service and parts volume at new-car dealerships increased for the first 10 months of 1988, but dipped from year-ago figures in October.

In October, overall shop volume fell 0.5 percent from the same month in 1987, according to the Automotive News Service Index. Shop volume for the first 10 months of 1988 was up 3.4 percent.

The number of repair orders written dropped 5.1 percent from the year-ago figure in October and slipped 0.7 percent for the first 10 months of 1988. Still, gross profit for the first 10 months rose 6.8 percent, but fell 2.9 percent in October from the same month a year earlier.

Several dealers attributed the year-to-date increase to the colder weather:

"Our volume normally goes up at this time of year because customers bring their cars in for winterizing, and we tow more broken-down cars at this time of year," said a service manager in the Northwest.

A service manager in the Midwest also attributed his increase to the weather, saying the number of customers needing winterizing prompted him to hire an additional technician to handle the increase in volume.

Labor sales (customer paid and warranty) rose 2.2 percent in October over the same period a year ago, but fell 2.5 percent for the first 10 months of 1988.

Parts sales (customer paid and warranty) rose 6.1 percent in October compared with October 1987, and 6.7 percent for the first 10 months of the year.

Parts sales (including over-the-counter sales and accessories) fell 2.8 percent in October 1988 compared with the year-ago figure. However, those sales grew 6.6 percent for the first 10 months of 1988.

The volume of over-the-counter parts and accessories (not including repair-order sales) declined 8.6 percent in October from the year-ago figure, but rose 6.6 percent for the first 10 months of 1988.

In October's survey, service managers commented on whether manufacturers improved the engine layout on 1989 models.

A service manager in the East said that while accessibility has improved somewhat over previous models, the starter on General Motors' Quad 4 engine is "very inaccessible."

SERVICE INDEX
99.5*

	Oct., '88 vs. Oct., '87	10 mos., '88 vs. 10 mos., '87
Gross Profit on All Labor and P&A Sales	−2.9%	+6.8%
Repair Orders Written	−5.1%	−0.7%
Total Labor Sales (Customer & Warranty)	+2.2%	−2.5%
Shop Parts Sales (Customer & Warranty)	+6.1%	+6.7%
Sales of All P&A	−2.8%	+6.6%

* Survey by Automotive News shows that dealers' service and parts business in October 1988 was 99.5 percent of business in October 1987. Service business in the first 10 months of 1988 was 103.4 percent of business in the corresponding period in 1987.

FORD WINS: *Court rules Autolite divestiture did not include trademarks*

By Helen Kahn
SENIOR CORRESPONDENT

WASHINGTON — Ford Motor Co. can continue to use certain of its trademarks — the Ford oval, "speeding car" and "Motorcraft" — because they are not covered by the 1970 consent agreement in which Ford sold its Autolite battery-making division.

The trademark ruling came in Ford Motor Co. vs. Summit Motor Products, a federal district court case in New Jersey.

The litigation started in 1984 when Ford sued Summit Motor Products Corp. of New Brunswick, N.J., and other aftermarket parts makers for infringing and counterfeiting trademarks and copyrights. Ford was countersued by Altran Corp , an aftermarket parts maker based in Deer Park, N.Y.

In the early 1960s, the Justice Department challenged Ford's acquisition of part of Electric Autolite. In 1970, the case was settled by a consent agreement that ordered Ford to divest itself of Autolite.

The question raised in the recent case was whether other names and logos were part of the Autolite operation — and hence could be used by aftermarket distributors — or whether they were Ford's alone.

Altran charged that Ford developed its "speeding car" and made it part of the Autolite trademark before divestiture but had concealed that act from the government and the court. Altran charged that all three trademarks were "improvements, betterments, replacements and additions" to the Autolite trademark and should have been divested by Ford when it sold the division to Bendix Corp.

Judge Nicholas H. Politan ruled that Altran did not have standing to sue because it had not been a party to the agreement ordering divestiture. Even if Altran had standing, it would still have lost its case since the three trademarks in question are not mentioned in the decree, Politan ruled.

The decree does mention the trademark Autolite. For Altran to win its case, it would have had to show that Ford had concealed ownership of the three trademarks for the 18 years before and after the decree, Politan said. In fact, Ford used the "speeding car" with Autolite since 1968 and the Justice Department knew that Ford had used the three trademarks as early as 1971 — one year after the decree.

SHOP TALK

WES RAYNAL

Rolls-Royce updates painting process

After 15 years without upgrading its painting processes, Rolls-Royce will open a new $18 million paint plant at its Crewe, England, works in July.

The new facility will end the practice of pushing partially prepared bodies outside to make space in the cramped shop.

Bodies-in-white will be transported in a covered overhead conveyor to the new paint plant. A Rolls-Royce spokesman said paint quality "will be to the standard the customer is used to," but will be achieved with fewer worker-hours.

The epoxy primer will be applied in an electro-cathodic tank, which will make the coating more resistant to stone chipping.

The shop will switch to an acrylic topcoat that will be used on almost all colors except black, which will still use cellulose.

Undercoating techniques will not be modified, but the wax injection of panels and closed body sections will include all areas.

Mitsubishi cuts prices

Mitsubishi Motor Sales of America has announced price reductions on selected sheet metal and other repair parts for authorized Mitsubishi Motors' vehicles, including Mirage, Galant, Sigma, Van/Wagon, Montero and trucks.

Included parts are disc brakes, clutches, fenders, strut and arm assemblies, mufflers, fuel and air filters, fuel pumps, engine components and electrical components.

December truck sales by manufacturer and segment

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	JAN. 1 TO DEC. 31 1988	JAN. TO DEC. 31 198
CHRYSLER-PLYMOUTH	MO	15,280						15,280	13,36
	YR	192,273						192,273	140,79
DODGE	MO	45,579						45,579	46,03
	YR	571,036						571,036	567,32
JEEP	MO	21,912						21,912	21,66
	YR	253,454						253,454	208,44
TOYOTA	MO	19,430						19,430	25,00
	YR	247,077						247,077	303,78
NISSAN	MO	14,309						14,309	15,39
	YR	169,591						169,591	218,51
MAZDA	MO	6,381						6,381	8,43
	YR	93,287						93,287	123,89
ISUZU	MO	8,756						8,756	4,85
	YR	90,405						90,405	86,99
MITSUBISHI	MO	3,302						3,302	4,17
	YR	43,516						43,516	51,86
SUZUKI	MO	3,810						3,810	5,09
	YR	57,064						57,064	81,34
RANGE ROVER	MO	444						444	38
	YR	3,427						3,427	2,59
FORD	MO	105,607	1,442		757	2,469	1,246	111,521	116,04
	YR	1,442,388	19,698		10,833	35,437	14,838	1,523,215	[illegible]
FREIGHTLINER	MO						2,256	2,256	1,95
	YR						24,164	24,164	23,35
CHEVROLET	MO	109,016		27	939	827		110,809	100,10
	YR	1,336,407		249	8,093	9,469	273	1,354,491	[illegible]
GMC	MO	26,343		522	441	1,333		28,639	34,91
	YR	352,999		5,347	11,365	15,372	1,090	386,174	353,01
KENWORTH	MO					93	1,587	1,680	[illegible]
	YR					504	16,700	17,204	14,22
MACK	MO				231	307	1,954	2,492	2,02
	YR				2,078	2,807	21,846	26,731	23,56
MERCEDES	MO				103	140		243	29
	YR				1,124	1,882		3,006	3,82
NAVISTAR	MO		17	9	1,513	2,454	2,798	6,791	6,47
	YR		273	304	18,142	32,382	33,808	84,909	73,30
PETERBILT	MO					190	1,447	1,637	1,40
	YR					547	16,154	16,701	12,77
VOLVO	MO					134	2,504	2,638	1,21
	YR					1,452	17,089	18,541	12,51
HINO	MO	6		30	32	88		156	22
	YR	6		603	482	1,032		2,123	2,00
NISSAN DIESEL	MO	22		48	20	59		149	16
	YR	[illegible]		739	287	948		2,043	1,71
ISUZU TRUCK	MO	535		65	10	98	8	724	63
	YR	4,785		505	137	774	406	6,607	5,86
MITSUBISHI FUSO	MO	238		60	14	45		357	242
	YR	1,624		530	234	613		3,001	1,72
SCANIA	MO						19	19	13
	YR						163	163	14
IVECO TRUCKS	MO	130	62	31	6			229	27
	YR	1,598	705	359	154			2,816	2,72
WESTERN STAR	MO						106	106	136
	YR						1,440	1,440	1,43
OTHER DOMESTICS	MO					35	62	97	49
	YR				32	111	776	919	1,232
GRAND TOTAL	MO	380,900	1,566	737	4,092	8,252	13,979	409,546	411,53
	YR	4,861,007	21,181	8,268	53,599	103,042	148,361	5,195,458	4,962,928
1987 TOTAL		4,674,593	2,129	8,185	44,282	102,583	131,156		

NOTE: 1987 Total includes 1,276 Subarus; December, 1987, includes 8 Subarus.

Another record year

Sales total 5,195,458; all segments up

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Truck sales, including light, medium and heavy models, totaled a record 5,195,458 during the 1988 calendar year, up 4.69 percent from the previous record of 4,962,928 set in 1987.

All eight segments of the truck market scored sales gains last year, with Class 4 the fastest growing.

Ford's Super Duty model was solely responsible for Class 4's tenfold gain to 21,181 sales for the year.

Light-duty sales in Classes 1-3, including an increasing number of imported commercial vehicles, totaled 4,861,007, up 3.99 percent from 1987.

Class 8 had its best year since 1979 on sales of 148,361, up 13.12 percent from 1987.

Class 6 also had a major gain on sales of 53,599 units, up 21.04 percent from 1987.

Classes 5 and 7 had marginal gains. Class 5 sales of 8,268 units were up moderately from 8,185 a year earlier. Likewise, Class 7 sales of 103,042 were up only slightly from 102,583 in 1987.

Class 7 has been a particular disappointment so far for the many manufacturers who fielded so-called new "Baby 8" models.

Most medium- and heavy-truck manufacturers had gains last year, though Mercedes' medium-duty models continue to be a problem for Freightliner.

Mercedes' 3,006 retail sales were off 21.47 percent from 1987's 3,828 tally.

VW-Toyota pickup built; VW denies cars are near

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

BRUSSELS, Belgium — A technical cooperation agreement between Volkswagen and Toyota bore fruit this month when the first Toyota-based VW Taro pickup truck was assembled in a VW plant in Hannover, West Germany.

The project is Toyota's first manufacturing venture in Europe, and some observers see it as a possible prelude to joint passenger-car production with VW.

However, earlier this month, VW officials discouraged talk of further cooperation, while Toyota appeared more interested.

The Taro is being launched three years after chairmen Carl Hahn of VW and Eiji Toyoda of Toyota first met to discuss cooperation on a one-ton pickup. The agreement was signed in June 1987 and called for a combined investment of 90 million marks ($50 million).

The VW truck, which debuted at the Brussels Truck Show, is built under license from Toyota and is based on the Toyota Hi-Lux. The Taro won't be sold in the United States.

In 1989, VW will produce about 7,500 two-wheel-drive Taro and Hi-Lux vehicles. Combined output next year is slated to reach 15,000.

"This is the planned ceiling for the next period of time," said Rolf Hartermann, VW sales director for commercial vehicles.

Of the 15,000, about 10,000 will be badged as Taros and sold by VW in Europe. The rest will be marketed as Hi-Lux models by Toyota in Europe.

European content is minimal at the outset but will reach 40 percent by the end of 1989 and rise from there. Hartermann said VW intends to achieve local content of 60 percent to 80 percent. The percentage will be largely governed by the ongoing political debate over whether the minimum level for distribution within the European Community as European-built should be 60 percent or 80 percent.

VW said the venture gives it a new model for a growing European segment in which it had not been represented, and for a moderate investment.

Hartermann said the one-ton pickup was a precise need for VW and that the agreement is not a harbinger of further cooperation.

Last year, sales of one-ton pickups totaled 68,000 in Europe, an increase of 7,000 over 1987, Harterman said. "We think that segment will be 80,000 to 90,000 units within two or three years,"

Toyota and VW appeared to have differing views on whether the venture can lead to further cooperation in Europe, where Toyota is weighing its options for setting up a car factory.

"I hope that this project will serve to bring our two companies even closer together as cooperating partners," said Toyota Executive Vice President Tatsuro Toyoda during a speech in Hannover.

In his own remarks, however, Hahn said "I can assure you that any further speculation on our joint venture will remain sheer conjecture."

Meanwhile, Toyota is talking with Renault about possible collaboration on a 4wd vehicle in Colombia, and there have been reports that Renault and Toyota are discussing joint-car production in France.

Toyota and Renault have both denied that a European carmaking venture is in the works.

VW Taro: one-ton pickup

Month's car sales dip again in Canada; trucks advance

By Bill Vance
SPECIAL CORRESPONDENT

TORONTO — Canada's domestic and imported car sales declined for the second consecutive month, with November figures registering a 1.19 percent decrease compared with a year ago. Truck sales, however, posted a 5.75 percent increase.

During November, 119,973 domestic and imported vehicles were sold: 56,982 domestic cars; 23,861 imported cars; 33,588 domestic trucks; and 5,542 imported trucks.

Total vehicle sales on a year-to-year comparison found 1988 still leading 1987 by a slender 0.97 percent — 1,455,550 vs. 1,426,158.

Car sales had slipped 6.83 percent in October. But as in October, November's downward trend in car sales was paced by imports, which dropped 19.31 percent, compared with November 1987. Imports were down 9.18 percent for the January-November period.

North American-built cars, however, were up 9.07 percent in November, led by Ford's booming 36.94 percent jump. Ford of Canada's car sales, spurred by $500 ($400 U.S.) rebates on Ford Tempo/Mercury Topaz and specially priced option packages, were the highest since 1975. For the January-November period, the company was 10.12 percent ahead of last year's sales.

Sales of Chrysler's North American-built cars were up 19.02 percent over November 1987 and up 1.16 percent for the 11-month period.

General Motors' sales of its North American-built cars were down 10.81 percent for the month and 1.78 percent for the year.

Import sales were generally down. Among the major importers, Volkswagen dropped 35.86 percent in November and 16.40 percent year-to-date, while Hyundai slipped 35.72 for the month and 39.36 percent year-to-date.

Also posting decreases were Nissan, with a 19.88 percent decline for the month and 15.87 percent year to date; and Mazda, down 14.37 percent for the month. Mazda, however, was up 4.08 percent for the year.

GM's import sales dropped 2.97 percent in November but sales were up 14.29 for the 11-month period.

Honda's 16.91 percent decline in import sales during November was the result of its gradual shift to Canadian-built Civics as its Alliston, Ontario, plant builds up production. A 191.74 percent increase in domestically built Hondas pushed total Honda car sales up 18.04 percent for the month. Year-to-date sales were 3.24 percent ahead of last year's.

While total car sales were down, truck sales were the bright spot in November's figures, and gave importers something to cheer about.

A giant 67.96 percent monthly gain by Toyota and a substantial 30.48 percent increase by Mazda more than offset a 32.28 percent loss by Nissan to push overall imported truck sales 21.83 percent ahead of November 1987. Total year-to-year imported truck sales were up 4.06 percent.

Domestic trucks also moved ahead, although not to the same degree as the imports. GM's 14.11 percent November increase overcame a 5.79 percent loss by Ford and a 0.74 drop by Chrysler to pull monthly domestic sales up 3.50 percent. Year-to-date sales were up a healthy 10.73 percent.

Total November domestic and imported truck sales were up 5.75 percent over a year ago, from 37,001 to 39,130, and year-to-date sales were ahead 9.68 percent, up from 432,342 to 474,202.

CANADIAN CAR AND TRUCK SALES

Domestic cars	Nov. 1988	Nov. 1987	11 mos. 1988	11 mos. 1987
General Motors	25,651	30,110	327,005	[illegible]
Ford	18,458	[illegible]	[illegible]	[illegible]
Chrysler	10,736	9,020	[illegible]	[illegible]
Honda	1,814	[illegible]	19,327	[illegible]
Volvo	323	177	2,530	[illegible]
Domestic car total	56,982	[illegible]	[illegible]	[illegible]
Import cars				
Toyota	5,313	[illegible]	[illegible]	[illegible]
Honda	[illegible]	[illegible]	[illegible]	[illegible]
Volkswagen	2,477	[illegible]	[illegible]	[illegible]
Nissan	2,434	[illegible]	[illegible]	[illegible]
Hyundai	2,370	[illegible]	[illegible]	[illegible]
Mazda	2,008	[illegible]	[illegible]	[illegible]
General Motors	1,968	[illegible]	[illegible]	[illegible]
Chrysler	1,124	[illegible]	[illegible]	[illegible]
Subaru	602	[illegible]	[illegible]	[illegible]
BMW	353	[illegible]	[illegible]	[illegible]
Ford	332	[illegible]	[illegible]	[illegible]
Mercedes-Benz	332	331	[illegible]	[illegible]
[illegible]	288	[illegible]	[illegible]	[illegible]
Volvo	190	[illegible]	[illegible]	[illegible]
[illegible]	171	280	[illegible]	[illegible]
Saab	110	121	[illegible]	[illegible]
Lada	60	151	917	[illegible]
[illegible]	31	36	[illegible]	[illegible]
Import car total	23,861	[illegible]	[illegible]	[illegible]
TOTAL — ALL CARS	80,843	[illegible]	[illegible]	[illegible]
Domestic trucks (including vans)				
GM	[illegible]	[illegible]	[illegible]	[illegible]
Ford	[illegible]	[illegible]	[illegible]	[illegible]
Chrysler	[illegible]	[illegible]	[illegible]	[illegible]
Domestic truck total	33,588	[illegible]	[illegible]	[illegible]
Import trucks (including vans)				
Toyota	1,651	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GM	[illegible]	[illegible]	[illegible]	[illegible]
Suzuki	[illegible]	[illegible]	[illegible]	[illegible]
Chrysler	[illegible]	[illegible]	[illegible]	[illegible]
Volkswagen	87	76	[illegible]	1,271
Lada	5	7	[illegible]	[illegible]
Import truck total	5,542	[illegible]	[illegible]	[illegible]
TOTAL — ALL TRUCKS	39,130	[illegible]	474,202	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Small rental firms battle surcharge at L.A. airport

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — Small car-rental firms contend a proposed surcharge by Los Angeles International Airport will drive small firms out of business and raise rental prices for travelers.

Officials of 24 car-rental companies located near the airport have banded together to protest the plan by the Board of Airport Commissioners to charge firms up to 10 percent of their gross annual revenue to help pay for upkeep of airport property.

The small rental companies called the proposed fees, which also would be applied to the Ontario, Calif., airport, discriminatory and warned that they will drive up prices.

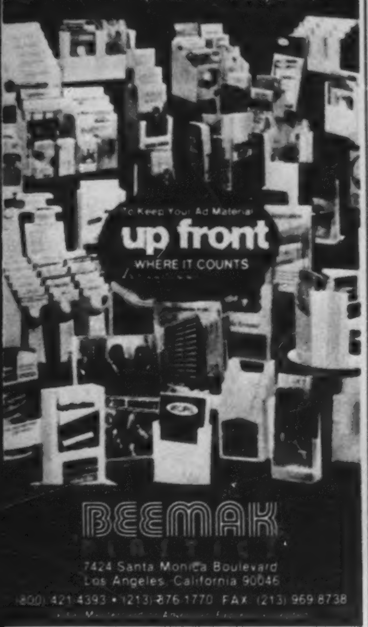
"We (the smaller companies) offer customers a choice of inconvenience but lower rates," said Ted Anderson of Thrifty Car Rental. "Without us to keep them at a reasonable level, car rental rates will skyrocket."

Anderson said smaller off-airport rental firms are able to charge up to 30 percent less than the larger companies. If the surcharge goes into effect, prices would have to go up as much as 35 percent, wiping out the advantage, he said.

Anderson said the 24 off-airport firms account for less than 10 percent of the total car rental business at Los Angeles International. He claimed that the income of the five major on-premise rental companies increased up to 74 percent last year.

An airport spokesperson said the five on-site companies already pay 10 percent of their gross annual revenue, which brought in $18 million last year.

Off-airport rental firms counter that those fees allow the majors free passage of their shuttle buses as well as desk space in terminal areas. Off-airport companies have to pay 35 to 75 cents per trip to drive on airport property, and have no counter space.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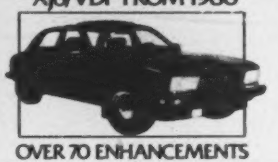
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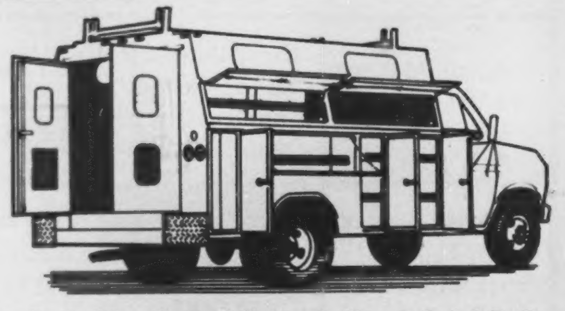
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Jan. 25 — Minneapolis Auto Auction, Plymouth, Minn., and Columbus Fair Auto Auction, Obetz, Ohio

Ford Motor Co.

Jan. 24 — South Seattle Auto Auction, Kent, Wash.

Jan. 25 — Albuquerque Auto Auction, Albuquerque, N.M.; Atlanta Auto Auction, Red Oak, Ga.; Clanton's Auto Auction, Darlington, S.C.; Lakeland Auto Auction, Lakeland, Fla.; Southern California Auto Auction, Fontana, Calif.; and Newburgh Auto Auction Inc., Newburgh, N.Y.

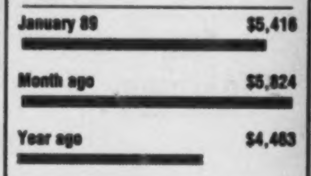
General Motors

Jan. 24 — A.D.E. of Birmingham, Moody, Ala.; Harrisonburg Auto Auction, Harrisonburg, Va.; and Florida Auto Auction of Orlando, Ocoee, Fla.

Jan. 25 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

Used Car Sales

Auction Averages



Model Breakdown

Auction Averages

	JAN. 1989	DEC. 1988	NOV. 1988
1989 ...	$12,725	—	—
1988 ...	$8,438	$9,894	$9,514
1987 ...	$6,809	$7,686	$7,330
1986 ...	$5,719	$4,874	$5,997
1985 ...	$4,915	$4,747	$5,077
1984 ...	$3,594	$3,723	$3,721
1983 ...	$2,687	$2,776	$2,948
1982 ...	$2,277	$2,343	$2,228
Overall Average	$5,416	$5,824	$5,294

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Car output for year tops '88 by 18%

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Last week's targeted domestic output of 154,142 cars increased 5.30 percent over the previous week's 146,380 and jumped 20.64 percent over the year-ago week's 127,768. The year-ago week's build was affected by downtime at several plants for inventory adjustment.

So far this year, 412,332 cars have been assembled, 18.59 percent more than the 347,691 completed last year at this point.

Companies split last week's estimated output as follows: General Motors, 48.10 percent; Ford Motor Co., 28.49 percent; Chrysler Motors, 10.96 percent; Honda of America Manufacturing, 4.93 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.13 percent; New United Motor Manufacturing Inc., 2.53 percent; Nissan Motor Manufacturing Co. U.S.A., 1.52 percent; and Diamond-Star Motors, 0.34 percent.

Truckmakers scheduled 92,818 units last week, 6.77 percent more than the prior week's 86,932 and 9.87 percent above the year-ago week's 84,478.

Year-to-date, 248,368 trucks have been assembled, an increase of 1.62 percent over the 244,404 built last year at this time.

GM's increased Corvette output at its Bowling Green, Ky., facility from 11 cars per hour to 13 cars per hour. The increase has brought 57 employees back to work.

GM's Pontiac Central truck plant in Pontiac, Mich., was idle last week for inventory adjustment, affecting 2,400 workers. The plant was expected to resume production today.

Chrysler added a second shift to its Newark, Del., plant today, increasing output of its new Dodge Spirit and Plymouth Acclaim models from 481 per day to 962 per day. A total of 1,500 employees were called back to work.

GM scheduled overtime last Saturday at its Flint, Mich.; Pontiac, Mich.; and Fort Wayne, Ind., plants.

Overtime was slated last Saturday at Ford's Lorain, Ohio, Wixom, Mich.; and Wayne, Mich., plants.

All Ford plants are scheduled for daily overtime this week.

Trucks retain lead in Canada

Canadian truck production continued to top auto output as the truckmakers scheduled 21,382 units last week.

Last week's targeted build was 11.33 percent more than the prior week's 19,206 and 10.92 percent above the year-ago week's 19,277.

Year-to-date, 57,016 units have been assembled, 6.34 percent more than the 53,615 completed last year at this point.

Auto output was scheduled at 19,813 units last week, 5.02 percent more than the previous week's 18,866 and 1.89 percent above the year year-ago week's 19,445.

So far this year, 51,268 cars have been built, 22.02 percent below the 65,744 assembled last year at this time.

U.S. CAR	Week Ended Jan. 21, 1989	Week Ended Jan. 23, 1988	Week Ended Jan. 14, 1989	Jan. to Date	Jan. 1 to Jan. 21, 1989	Jan. 1 to Jan. 23, 1988
Horizon	0	1,705	0	0	0	4,591
Sundance	2,300	2,058	2,365	6,916	6,916	6,017
Reliant	0	1,842	0	0	0	2,883
Acclaim	1,200	0	1,302	3,416	3,416	0
Caravelle	0	437	0	0	0	886
Gran Fury	0	114	0	0	0	643
Total Plymouth	3,600	3,156	3,667	10,332	10,332	14,822
LeBaron K	0	316	0	0	0	250
LeBaron J	2,200	0	2,259	6,543	6,543	0
LeBaron GTS	200	169	244	662	662	458
N. Yorker C-Class	2,200	1,871	2,212	6,649	6,649	4,159
Fifth Avenue	0	1,321	0	0	0	3,844
Total Chrysler	4,600	3,677	4,715	13,854	13,854	8,711
Omni	0	1,836	0	0	0	4,490
Daytona	2,200	0	2,301	6,600	6,600	0
Shadow	2,300	2,359	2,181	6,637	6,637	6,174
Aries	0	1,628	0	0	0	2,354
Dodge 600	0	460	0	0	0	562
Dynasty	2,900	2,027	2,785	8,674	8,674	4,886
Lancer	200	254	182	575	575	685
Spirit	1,200	0	1,320	3,626	3,626	0
Diplomat	0	418	0	0	0	923
Total Dodge	8,800	[illegible]	8,769	28,112	28,112	20,074
CHRYSLER MOTORS	16,900	[illegible]	17,141	50,298	50,298	43,607
Escort	8,939	[illegible]	9,186	24,925	24,925	28,926
Mustang	4,516	4,636	4,447	11,923	11,923	13,624
Tempo	4,039	4,650	4,040	11,156	11,156	13,148
Taurus	8,558	8,384	8,609	23,735	23,735	23,761
Thunderbird	4,671	3,360	3,063	10,000	10,000	9,126
Total Ford Div.	30,723	30,682	29,344	81,739	81,739	86,595
Topaz	1,473	1,748	1,490	4,105	4,105	4,920
Cougar	3,312	2,410	3,086	8,664	8,664	8,181
Sable	2,974	2,143	2,954	8,254	8,254	6,007
Total Mercury	7,759	6,301	7,530	21,023	21,023	19,108
Continental	1,812	867	1,568	4,827	4,827	2,231
Mark VII	907	518	781	2,409	2,409	1,632
Lincoln	2,717	3,463	2,349	7,239	7,239	9,659
Total Lincoln	5,436	4,848	4,696	14,475	14,475	13,522
Total L-M Division	13,195	11,149	12,226	35,498	35,498	32,630
FORD MOTOR CO.	43,918	41,841	41,570	117,237	117,237	119,215
Skyhawk	324	1,017	336	1,536	1,536	2,022
Skylark/Somerset	836	655	287	1,127	1,127	2,407
Century	3,365	0	3,451	9,411	9,411	2,871
Riviera	630	0	623	1,728	1,728	0
Electra	1,999	1,283	1,197	4,804	4,804	4,686
LeSabre (fwd)	0	2,373	0	0	0	7,112
LeSabre (rwd)	136	136	214	526	526	289
Reatta	280	59	289	769	769	140
Total Buick	7,572	5,525	6,379	19,901	19,901	19,596
Cimmaron	0	290	0	0	0	982
Eldorado	741	0	751	2,031	2,031	0
Seville	562	0	582	1,535	1,535	0
Brougham (rwd)	1,235	0	1,077	3,165	3,165	0
Deville (fwd)	4,520	4,034	4,121	11,567	11,567	10,776
Allante	75	0	75	210	210	0
Total Cadillac	7,133	4,324	6,586	18,508	18,508	11,638
Cavalier	8,613	6,854	9,220	24,897	24,897	20,370
Camaro	2,550	1,909	2,485	7,062	7,062	1,935
Celebrity	4,590	0	4,520	12,716	12,716	6,535
Corsica/Beretta	9,100	7,510	9,002	24,449	24,449	15,696
Caprice	3,315	5,333	3,484	9,558	9,558	12,841
Corvette	520	451	450	1,330	1,330	1,148
Total Chevrolet	28,688	21,857	29,161	80,012	80,012	58,524
Calais	1,449	1,763	479	1,927	1,927	6,564
Firenza	0	502	0	0	0	1,055
Cutlass Ciera	1,865	0	1,678	4,686	4,686	0
Cutlass Supreme	3,565	2,193	3,646	7,211	7,211	3,691
Toronado	315	0	324	867	867	0
88 (fwd)	4,011	3,259	2,790	10,022	10,022	10,183
88 (rwd)	305	358	227	714	714	921
Olds 98	2,182	1,809	1,412	5,257	5,257	4,790
Total Oldsmobile	13,491	9,854	10,556	30,684	30,684	27,204
Sunbird	2,133	2,039	2,507	6,679	6,679	6,572
Grand Am	4,800	4,854	4,794	13,486	13,486	14,329
Firebird	1,625	1,958	1,574	4,459	4,459	2,145
Grand Prix	4,060	0	4,000	8,060	8,060	0
Pontiac 6000	2,215	0	2,223	6,115	6,115	86
Bonneville	2,340	1,916	939	5,121	5,121	5,781
Safari/Parisienne	85	130	115	294	294	223
Fiero	0	0	0	0	0	0
Total Pontiac	17,258	10,892	16,152	44,214	44,214	29,136
GENERAL MOTORS	74,142	52,452	66,834	193,319	193,319	146,096
DIAMOND STAR	520	0	644	1,536	1,536	0
HONDA	7,600	7,423	7,482	20,738	20,738	20,970
Civic	2,534	1,864	2,420	6,925	6,925	4,900
Accord	5,066	5,559	5,062	13,813	13,813	16,070
MAZDA†	4,822	899	4,905	13,210	13,210	2,160
NISSAN	2,340	1,339	2,737	6,673	6,673	4,015
NUMMI	3,900	3,175	3,067	9,321	9,321	9,626
Corolla	1,800	1,175	1,473	4,624	4,624	3,542
Nova	2,100	2,000	1,594	4,697	4,697	6,084
VOLKSWAGEN	0	2,026	0	0	0	2,000
Golf/GTI	0	1,526	0	0	0	1,500
Jetta	0	500	0	0	0	500
Total Cars, U.S.	154,142	127,768	146,380	412,332	412,332	347,691
Total Cars, Canada	19,813	19,445	18,866	51,268	51,268	65,744
U.S., Canada Cars	173,955	147,213	165,246	463,600	463,600	413,435
U.S., Canada Cars and Trucks	286,155	250,968	271,384	768,984	768,984	711,454

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended Jan. 21, 1989	Week Ended Jan. 23, 1988	Week Ended Jan. 14, 1989	Jan. to Date	Jan. 1 to Jan. 21, 1989	Jan. 1 to Jan. 23, 1988
Premier	1,276	1,572	1,297	2,572	2,572	4,664
CHRYSLER MOTORS	1,276	1,572	1,297	2,572	2,572	4,664
Tempo	4,037	4,122	4,537	11,457	11,457	13,050
Topaz	1,723	1,498	1,198	3,938	3,938	4,713
Crown Victoria	2,899	2,849	2,947	7,930	7,930	8,662
Grand Marquis	2,861	2,673	2,891	7,802	7,802	8,116
FORD MOTOR CO.	11,520	11,140	11,573	31,127	31,127	34,541
Celebrity	196	4	198	567	567	1,185
Cutlass Ciera	3,720	1,584	3,760	10,765	10,765	10,140
Lumina	129	0	61	200	200	0
Pontiac 6000	0	1,254	0	0	0	3,594
Regal	1,143	3,098	233	1,376	1,376	9,625
GENERAL MOTORS	5,188	5,940	4,252	12,908	12,908	24,544
Civic	1,650	0	1,584	4,176	4,176	0
Accord	0	0	0	0	0	0
HONDA	1,650	696	1,584	4,176	4,176	1,883
VOLVO	180	98	180	485	485	312
Total Cars, Canada	19,813	19,445	18,866	51,268	51,268	65,744

U.S. TRUCK☆	Week Ended Jan. 21, 1989	Week Ended Jan. 23, 1988	Week Ended Jan. 14, 1989	Jan. to Date	Jan. 1 to Jan. 21, 1989	Jan. 1 to Jan. 23, 1988
Caravan	2,000	2,036	2,444	6,580	6,580	5,282
Dakota	2,200	3,162	2,139	5,784	5,784	9,280
Mini-Ram Van	150	317	206	541	541	827
Pickups	2,200	1,585	2,141	5,784	5,784	4,627
Total Dodge	6,550	7,099	6,931	18,689	18,689	19,996
Cherokee	3,900	3,166	3,732	10,069	10,069	10,606
Commanche	600	692	636	1,717	1,717	2,805
Grand Wagoneer	300	350	350	915	915	644
Wagoneer	150	0	198	464	464	911
Total Jeep	4,950	227	4,911	13,165	13,165	14,966
Voyager	1,900	4,635	2,286	6,207	6,207	4,843
Total Plymouth	1,900	1,872	2,286	6,207	6,207	4,843
CHRYSLER MOTORS	13,400	1,872	14,128	38,041	38,041	39,805
Aerostar	5,000	13,806	4,955	13,725	13,725	13,398
Bronco	2,143	5,113	1,878	5,666	5,666	3,606
Bronco II	2,893	1,260	2,761	7,583	7,583	9,601
Econoline	5,228	3,102	5,217	14,306	14,306	14,934
Heavy trucks	1,312	5,164	1,294	3,654	3,654	3,968
Light trucks	11,736	1,314	11,806	31,778	31,778	28,290
Ranger	7,392	9,615	7,441	19,618	19,618	21,364
Total Ford Div.	35,704	6,918	35,354	98,332	98,332	95,372
FORD MOTOR CO.	35,704	32,486	35,354	98,332	98,332	95,372
Astro	3,464	32,486	3,566	9,566	9,566	10,409
Blazer	630	3,595	539	1,694	1,694	1,631
Mediums/Heavies	0	442	0	0	0	1,369
P-Model	693	325	0	693	693	2,936
Pickups	10,102	966	5,027	24,954	24,954	17,807
S-10	5,969	5,900	7,070	16,762	16,762	14,998
S-10 Blazer	3,474	5,166	4,246	10,636	10,636	6,084
Sportsvan/Van	1,829	3,320	1,331	3,290	3,290	4,239
Suburban	1,762	1,277	1,514	4,478	4,478	3,933
Total Chevrolet	27,923	22,258	23,293	72,093	72,093	63,427
Jimmy	169	245	160	474	474	499
Mediums/Heavies	0	1,007	0	0	0	2,283
P-Model	297	51	0	297	297	214
Pickups	3,418	2,283	1,716	8,595	8,595	6,252
S-15	1,188	1,358	1,407	3,854	3,854	3,959
S-15 Jimmy	1,096	609	1,335	3,112	3,112	1,378
Safari	921	1,090	930	2,485	2,485	2,588
Suburban	709	792	571	2,111	2,111	2,510
Vandura/Rally Vans	609	983	444	1,057	1,057	2,737
Total GMC	8,401	8,398	6,563	21,985	21,985	22,421
GENERAL MOTORS	36,324	30,656	29,856	94,078	94,078	85,848
NAVISTAR	1,870	1,795	1,592	4,349	4,349	5,361
NISSAN	2,770	3,185	3,252	7,868	7,868	9,748
AM GENERAL	450	450	450	1,200	1,260	1,350
MISCELLANEOUS	2,300	2,300	2,300	6,440	6,440	6,900
Total Trucks, U.S.	92,818	84,478	86,932	248,368	248,368	244,404

CANADIAN TRUCK	Week Ended Jan. 21, 1989	Week Ended Jan. 23, 1988	Week Ended Jan. 14, 1989	Jan. to Date	Jan. 1 to Jan. 21, 1989	Jan. 1 to Jan. 23, 1988
Caravan	3,282	3,165	3,230	9,235	9,235	8,865
Mini-Ram Van	210	220	206	588	588	666
Ram Wagon	690	541	677	1,926	1,926	1,169
Ram Van	1,660	1,394	1,763	4,836	4,836	2,673
Total Dodge	5,842	5,320	5,876	16,585	16,585	13,372
Voyager	2,652	2,967	2,718	7,558	7,558	8,243
Total Plymouth	2,652	2,967	2,718	7,558	7,558	8,243
Wrangler	1,304	954	968	2,952	2,952	2,522
Total Jeep	1,304	954	968	2,952	2,952	2,522
CHRYSLER MOTORS	9,798	9,241	9,562	27,095	27,095	24,137
FORD MTR. (lt. trks.)	3,648	3,682	3,506	9,871	9,871	10,596
Light trucks	3,829	3,208	2,834	9,420	9,420	8,954
Vans	1,523	1,183	1,482	4,137	4,137	3,642
Total Chevrolet	5,352	4,391	4,316	13,557	13,557	12,596
Light trucks	1,692	1,133	1,016	4,040	4,040	3,935
Vans	622	604	534	1,698	1,698	1,685
Total GMC	2,314	1,737	1,550	5,738	5,738	5,620
GENERAL MOTORS	7,666	6,128	5,866	19,295	19,295	18,216
NAVISTAR	270	228	272	756	756	676
Total Trks., Canada	21,382	19,277	19,206	57,016	57,016	53,615
N. American Trks.	114,200	103,755	106,138	305,384	305,384	298,019

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

NADA 72nd Convention/Exposition, New Orleans, Jan. 28-31

Automotive News

January 30, 1989

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1989 NADA Executive & Convention Committee

Automotive News

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Hot topic: shakeout of dealers

Money problems stir survival fears

AUTOMOTIVE NEWS ROUNDUP

The plight of financially strapped dealers, upending some and impacting many, gained momentum in 1988 as premium-make import stores reported red ink, big domestic-make dealerships folded and megadealer operations filed for bankruptcy.

While it's too early to judge the long-term consequences of the events, some experts believe a full-scale shakeout may be under way, an economic survival of the fittest that prunes marginal operations — large and small, import and domestic — and trickles down to even well-managed, financially sound dealerships.

Some believe that the shakeout will not only alter the retail distribution system, but also force manufacturers and importers with marginal penetration to reconsider their market presence.

It also is likely to affect the evolving relationship between megadealer and factory, giving shakeout survivors more clout.

Some experts believe the consumer will be the ultimate benefactor as unworthy dealers fold. Others say the consumer will lose because megadealers will be able to reduce or eliminate price competition in any given market.

John J. Ferron, a partner in J.D. Power and Associates, said that a recent Power survey shows 4 of 10 average-sized dealers expect a shakeout in the next two years, and so do 6 of 10 high-volume dealers.

One of 5 average-sized dealers and 1 of 6 high-volume dealers expect to drop a brand in the next few years. Also, as carmakers improve quality, reliability and durability, quality of dealers will become the biggest factor in brand differentiation.

"It's not a fight between good and bad dealers, but between good and nearly good dealers," Ferron said. "It's that critical."

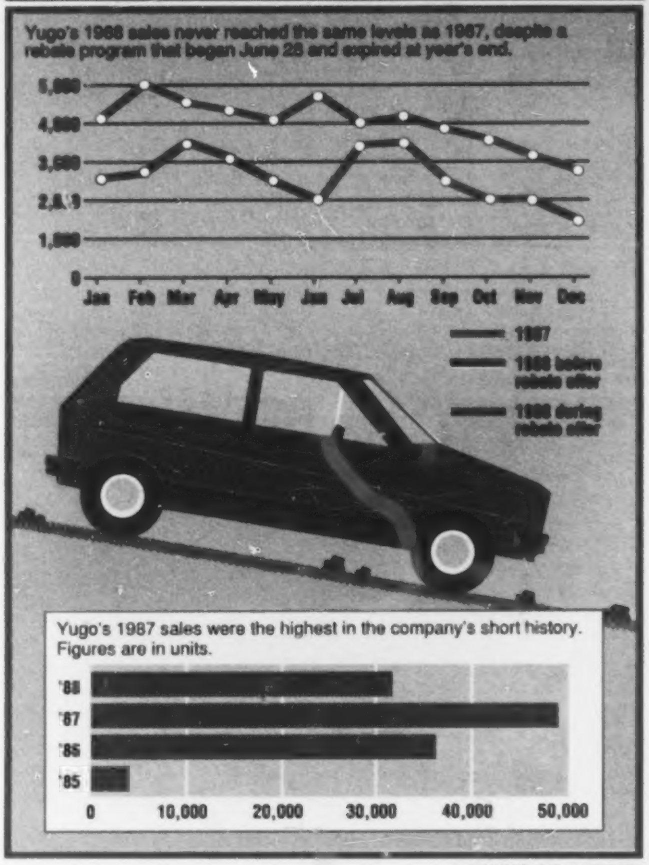
Last year, when the overall national car and truck market was strong, there were some highly visible failures — the 10-dealership Pepe chain in New Jersey, Jim Johnson Chevrolet in Texas, Grand Chevrolet in California — and others less visible, but just as painful for dealers and customers alike.

Although few bankrupt dealers are willing to step forward and detail the events and causes that led to their demise, a document filed last August early in the Pepe bankruptcy did just that.

The document, filed by an attorney for the Pepes, blamed premature expansion but said there was no single cause for the "out-of-trust" dilemma that led to the Chapter 11 petition.

see FINANCES, page 216

Yugo's rocky road



AUTOMOTIVE NEWS / K.B. GHOLSTON

Global struggles to remain afloat

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

UPPER SADDLE RIVER, N.J. — As Malcolm Bricklin prepared to dazzle dealers at the National Automobile Dealers Association convention in New Orleans with a plan to open a 1,000-dealer chain, the company he founded found itself on the ropes late last week.

Global Motors, the U.S. distributor of Yugo subcompacts, last week laid off another 90 employees as it negotiated with a contingent of Yugoslavians and potential suitors to stave off bankruptcy.

Those layoffs were from what was decribed earlier as a "skeleton crew" of a 150 left after 71 employees, including president and chief executive William Prior, were pink-slipped last November.

Among those laid off last week were Anthony T. Ciminera, executive vice president, product planning; and Dan Prior, who had been the executive in charge of the Proton effort, sources said.

Meanwhile, the Malaysian maker of the Proton Saga said last Friday that the agreement with Global for U.S. distribution is terminated.

And officials of the Mabon, Nugent investment firm acknowledged last week that the firm has already written off its $10.5 million investment in Global Motors as a total loss.

Chapter 11 bankruptcy looms as a possibility for Global, said Per Arneberg, a former board member and a shipping broker who was one of the original investors and still owns 18 percent of the company.

"I couldn't give it away," Arneberg said of his stake in Global, the parent company of Yugo America, importer of the Yugo subcompact. "Would you like it? I'll give it to you."

Another source said Global needs as much as $100 million in financing to turn itself around.

Arneberg said he felt the company grew too big, too fast and tried to do too much at once.

Yugo entered the U.S. market in 1985 with fewer than 4,000 sales and approached 50,000 in 1987. But sales fell 26 percent in 1988 despite rebates of up to $750, first-time-buyer financing and product changes to improve the car's image.

see YUGO, page 257

2 CSI VIEWS

Payton sees maker default; Petersen urges cooperation

AUTOMOTIVE NEWS/JOE WILSSENS

Incoming NADA president Ron Tonkin, left, and his predecessor, Jimmy Payton

NEW ORLEANS — The heads of the National Automobile Dealers Association and Ford Motor Co. opened the 1989 NADA convention with appeals for closer relations between dealers and manufacturers while offering sharply different views on industry surveys that measure customer satisfaction.

In remarks prepared for the opening session of the association's 72nd annual convention Saturday, NADA President Jimmy Payton suggested that some makers are paying lip service to the ballyhooed goal of pleasing the customer.

"In 1988, we saw what appears to be a big shift in the way some manufacturers view CSI (customer satisfaction indices)," Payton said. "All of a sudden, CSI looks like it will take a back seat to sales performance."

Ford Chairman Donald Petersen, in the text of his keynote address, said he was distressed by the disagreements that manufacturers and dealers have had over the ratings, which use surveys to measure a customer's experience at the dealership. He urged joint efforts to resolve those differences .

Neither party can afford to waste time, Petersen said. The 1990s will be marked by heightened global competition and improved product quality, he said, and those trends will help establish the dealership as the place where makers can set themselves apart

see NADA, page 255

TIME: *Fusz chosen Quality Dealer of Year; St. Louis giant has 6 stores, 11 lines*

NEW ORLEANS — St. Louis dealer Lou Fusz Jr. has been named 1989 Time Magazine Quality Dealer of the Year.

He is president of the Pontiac/Nissan/Mazda/Rolls-Royce/Bentley dealership in St. Louis that bears his name. He also is president of Lou Fusz Dodge, Lou Fusz Subaru-Isuzu, Lou Fusz Suzuki, Lou Fusz Toyota and Lou Fusz Chevrolet in St. Louis.

As the magazine's top honoree, Fusz will serve as national spokesman for the 67 recipients of the Time Magazine Quality Dealer Awards.

The winners were selected by a panel of judges from the University of Michigan Graduate School of Business Administration. Judges singled out the dealers for "exceptional performance in their dealerships, combined with distinguished community service."

A native of St. Louis, Fusz was graduated from Georgetown University in Washington and served in the U.S. Army Reserve. He and his wife, Corinne, have five children and live in St. Louis County.

He began his automotive career working in the family-owned business, Lou Fusz Motors, a Pontiac point.

see TIME, page 255

Import group spends big in politics

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — A little-known political action committee formed primarily by import car dealers spent twice as much as the National Automobile Dealers Association's own PAC during the last election and has emerged the country's third largest such committee.

Based on its 1987-88 campaign spending report, Auto Dealers and Drivers spent $2.8 million.

That figure surpassed spending by NADA's Dealer Election Action Committee, which doled out $1.3 million in contributions last year.

The largest PAC is organized by the National Association of Realtors, which spent $5.5 million. It was followed by DRIVE, a Teamsters-backed committee whose campaign expenditures were $3 million.

In contrast, the UAW spent $1.3 million on the last campaign.

Auto Dealers and Drivers was organized by New York dealer Tom Nemet and a handful of import dealers including Ted Connelly, an Ohio car dealer and a former chairman of the American International Automobile Dealers Assocaition.

The PAC confined itself to trade issues and labored in relative ob-

see POLITICS, page 256

Young, former sales chief, succeeds VW's Fuller

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

TROY, Mich. — Volkswagen United States has begun rebuilding its management team by naming William J. Young, an auto consultant and former VW general sales manager, as its No. 1 executive.

Young will take over as vice president in charge of Volkswagen U.S. Wednesday. His appointment last week ended a month-long search for a successor to James R. Fuller, who was killed Dec. 21 in the explosion of Pan Am flight 103 over Scotland.

Young, 45, will be part of what will soon be a virtually new staff of chiefs within Volkswagen of America, an organization that has suffered through much turmoil in recent years.

A month after Young arrives, Hans-Jorg Hungerland will take over as president of VWoA, parent company of the VW and Audi divisions. Audi's top official, Richard Mugg, was named to the job a year ago.

Dealers who know Young from his 12 years in the organization applauded the appointment. He was described as a candid, decisive executive with strong views and a sharp marketing sense. One dealer called him a motivator who will bring fun to the business of selling VWs. He is said to be hard-working and energetic, in the mold of his predecessor, Fuller.

One of Young's first missions will likely be to select a marketing director. The previous head of marketing, Lou Marengo, also died aboard the Pan Am flight.

"Young's appointment will be greeted as good news to the dealers, who are still reeling from the terrible tragedy," said Raymond Ketchledge, who once worked with Young at VW and is now president of Sandy Corp., which is down the street from VW headquarters. "With him and Hungerland coming into that organization, and with Mugg already there, management strength will really move in a positive way."

Young will vacate an ocean-view home and office in Manhattan Beach, Calif., to join VW. He left VW in 1983, when the company moved its headquarters from Englewood Cliffs, N.J., to Troy.

His consulting business, W.J. Young Associates, has served distributors and importers as well as dealers.

Young is said to have made the move because he respects Hungerland, has a lingering loyalty to the organization and believes he can lead the company in a rebound.

While VW sales have fallen steadily in recent years, the organization had been looking forward to 1989 because of three new car launches. Instead, Volkswagen U.S. entered the new year in a state of shock after the deaths of its top two officials. Young's appointment, a spokesman said, will do much to fill the void.

The new products include the Corrado, a sports car scheduled to arrive this summer, and the Passat, a family sedan due this fall.

Young's appointment was announced jointly by Hungerland and current VWoA President Noel Phillips, who leaves the job March 1 to become head of Autolatina, Volkswagen AG's joint venture with Ford Motor Co. in Brazil.

Hungerland worked for VWoA from 1980 to 1983, when he returned to the parent company in Europe. Hungerland is expected to arrive in the United States in mid-February for an orientation of sorts before taking Phillips' place.

Young, too, will be active before he officially begins his new job. He was scheduled to be in New Orleans this past weekend for the National Automobile Dealers Association convention.

Several dealers said a new incentive program will help stimulate some sales while Young becomes adjusted to his new job.

At the start of the year, VW began offering financing as low as 4.9 percent on 1988 and 1989 Golf, Jetta and GTI 16-valve models. The program expires March 31.

Young began his career with VW in 1971 as a sales manager in the Pacific region. Five years later, he was named a regional manager in Washington. He was general sales manager of what was then called the Volkswagen Division from 1979 to 1983.

Public chains buy outlets in Britain's strong car market

By Daniel Ward
STAFF CORRESPONDENT

LONDON — As Britain's third consecutive year of record new-car sales pushed up profits of publicly owned dealer groups, the idea of dealers never making attractive returns is steadily diminishing.

The last two years have seen significant upheaval in the United Kingdom auto industry as large numbers of dealer groups and smaller family-run outlets have been absorbed by the more aggressive public chains.

Both Lex and TKM have doubled their number of outlets, each through a single takeover. Meanwhile, smaller, ambitious chains that have gone public since 1987 have used their increased funding to go on the acquisition trail, seeking individual dealers in trouble and prepared to sell out.

When a major public group like Lex believes it could expand its present network of 62 United Kingdom, dealerships by 50 percent during the next three to five years, there is no doubt that there is a considerable number of outlets waiting to change hands.

RATING BRITAIN'S PUBLIC DEALERS
Average Financial Ratios

	1986-87
Operating profit margin	2.2
Return on net worth	19.9
Return on equity	8.8
Net Sales to total assets	3.4
Wages as % of sales	7.2
Working capital ratio	1.4
Liquidity ratio	0.8
Borrowing as % of net worth	90.9
Productivity:	
Sales per employee	$235,540

(1 pound sterling = $1.80)

SOURCE: SEWELLS INTERNATIONAL

Faced on one hand with rapidly increasing pressure from the car manufacturers to upgrade dealership facilities and on the other with escalating land prices, particularly in the cities, many of the less committed dealers will take the handsome cash offer from a major group and retire.

Even away from London, the predators are prepared to pay high prices in order to keep up their pace of expansion. Williams Holdings recently paid £7.5 million ($13.5 million) for three Volvo outlets and a small leasing firm. Lancaster spent £3.17 million ($5.7 million) to buy a Cambridge dealership, and it bid on a Ford dealership in Norwich, which Lex bought for £3.3 million ($5.9 million).

In April 1987, Lex spent more than £70 million ($126 million) on the Sears dealer group, doubling Lex's annual retail sales of £250 million ($452 million) in a single stroke.

see PUBLIC, page 16

Katsumaza Miyadai displays colored wheel tires to lure shoppers into his Tokyo Autorama outlet

JAPAN BOOM: *Makers add stores, staff to propel sales*

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — In a country where car salesmen still make door-to-door calls, market share is directly correlated to the number of outlets and the size of the sales force.

Toyota has a 42.6 percent market share, based on a sales force of 43,500 at 4,260 outlets. Nissan's market share is 23.4 percent, with 27,000 salesmen and 3,000 outlets.

While Toyota has an independent dealer body, others like Nissan, have a mix of factory-owned and independent outlets.

Last year's booming domestic market has spurred manufacturers to rapidly expand existing networks and launch new channels in an effort to take a larger slice of the pie.

For example, Nissan Motor Co. hopes to complete a two-year plan this year that will add 600 outlets. Toyota Motor Corp. wants another 240 by 1990, while Mitsubishi Motors targets another 300 by the end of 1991. Honda Motor Co. is planning on another 160 sales outlets in 1989, and Mazda Motor Corp. is trying to expand one network and set up two

see OUTLETS, page 257

Ex-Commerce pair in Korea lobby

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Two former high-ranking Commerce Department officials, including one who was forced to resign after seeking employment from foreign-based auto companies, are now lobbying their former agency on behalf of Korean automakers.

Although the Commerce Department is sponsoring a seminar on selling auto parts to Korean automakers this coming May, a Department official said "there is no causal relationship between those individuals and our seminar." The official added, "the seminar is a result of an ongoing relationship we have had with the major Korean manufacturers for several years."

The commerce officials-turned-lobbyists headed similar seminars on selling auto parts to Japanese automakers while at the Commerce Department. Both left the department in 1987.

Robert E. Watkins, the former deputy assistant secretary for automotive affairs, is now a lobbyist for Kia Motors Corp. working for the Washington firm of Weatherly and Co.

Watkins' former boss at the Commerce Department, H.P. Goldfield, is representing Hyundai Motor Co. Goldfield was assistant secretary for trade development at the Commerce Department. Goldfield is now a partner with the Washington law firm of Swidler and Berlin.

Goldfield announced his resignation from the Commerce Department in June 1987 at a department seminar in Indianapolis on selling auto parts to Japan. The seminar coincided with high-level trade talks with Japan to increase purchases of U.S.-manufactured auto parts.

Watkins, who also participated in the U.S.-Japan trade talks on auto parts, quit his post after it was revealed he had written a letter to Japanese automakers soliciting their interest in forming a trade association.

News of Watkins' letter prompted calls on Capitol Hill for his resignation. Watkins had told his prospective clients he would protect their firms from "protectionist and xenophobic political action."

Korean automakers and the Korean government officials have made no secret of their desire to avoid the trade friction Japan has encountered over its automotive exports.

Chrysler to put 'A' in Mexico

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

TUCSON, Ariz. — Chrysler Motors plans to produce its new A-body sedans in Mexico and, if the demand in the United States warrants, export the cars here.

Jerome B. York, vice president, Dodge Car and Truck Division, told a press conference at the Spirit's unveiling that Chrysler will launch A-body production for the Mexican market in about a year. The car will be built at the automaker's plant in Toluca, Mexico.

According to York, Chrysler's Newark, Del., assembly plant is the only facility producing A-bodies for the U.S. and Canadian markets. "The plant's 200,000 production capacity will be split 50-50 between Dodge Spirit and Plymouth Acclaim," he said.

Asked if there are plans for exporting the A-bodies to the United States, York said, "No, there are no such plans, but that potentially could be a possibility down the road, depending on what the U.S. market demand is.

"If demand were to exceed the capacity of the Newark plant, then we would — as we have in prior programs — take a look at potentially exporting (from Mexico). But we would only do that if the Newark plant was sold out to the walls."

Because of the late startup, York said Dodge expects to receive only 60,000 Spirits in the 1989 model year.

Though he said Chrysler has no immediate plans to produce a two-door version of the A-body, he said "that is something we might look at down the road."

The A-bodies eventually will replace the Dodge Aries America/Plymouth Reliant America K-cars, which will be phased out of Chrysler's U.S. lineup this summer. York said 45,000 K-cars will be shipped from Mexico between January and June.

The sticker price for the base Dodge Spirit is $9,995; the LE model is $11,195; and the ES is $12,495.

Japan-built Subaru Legacy will hit U.S. stores next month

Subaru unveils new Legacy

TOKYO — Subaru introduced its new Legacy four-door sedan and wagon line last week in Japan and will hold the North American debut next week at the Chicago Auto Show.

The car goes into U.S. production later this year at the Fuji Heavy Industries' joint venture with Isuzu Motors in Lafayette, Ind. Subaru-Isuzu Automotive will produce both sedan and wagon versions at the new plant.

Versions of the car for the Japanese market will be equipped with 1.8- and 2-liter flat four-cylinder engines. A turbocharged 2-liter version also is available.

Fuji expects to sell about 4,000 units per month in Japan, at prices ranging from $10,216 to $21,696.

Legacy, like other Subarus, will be offered with a full-time, four-wheel-drive system. Other models are front-wheel drive.

Exports to the United States and Europe are expected to begin later in February at a rate of 13,000 units per month. Those models will be equipped with a 2.2-liter flat four-cylinder engine.

Subaru-Isuzu Automotive eventually expects to be build 60,000 Legacy models per year for sale through Subaru of America.

LEASING: *Retail up, but dealer resistance, consumer ignorance widespread*

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Retail leasing is expected to account for the delivery of 1.5 million new cars and trucks in 1989, up from 1.3 million in 1988, despite widespread consumer ignorance about leasing and reluctance on the part of most dealerships to promote it.

A panel of industry officials reached those conclusions while providing a sweeping overview of other industry concerns at a recent meeting of the newly formed Michigan Chapter of the National Vehicle Leasing Association.

"It appears the market has been growing at roughly 200,000 units a year, and we don't see any reason for that to change," said Fred B. Winckler Jr., director — retail leasing for General Motors Acceptance Corp.

Panelists agreed that leasing got a boost in 1988's fourth quarter when GM announced its first corporatewide uniform leasing program for all new 1988 and 1989 vehicles.

"We were up 22 percent in the fourth quarter over the previous quarter, thanks to the publicity GM got," said Al J. Susalla, Michigan area manager — General Electric Capital Auto Lease, a unit of General Electric Capital Corp.

"If there are no drastic changes in the residual structuring and no major rate discounting throughout the industry, then GE is looking at an increase of at least 12 percent or even better in 1989," he said.

Even though retail leasing is growing, some banks are reporting lower volumes and blaming that on the aggressive marketing by captive finance companies like GMAC.

"The captive finance companies seem to be taking a larger share of the market," conceded Roland Bonamici, vice president — Instaloan division of the National Bank of Detroit.

Research by GM revealed the average consumer remains uneducated on leasing. The company has a program to educate dealership sales personnel on retail leasing.

"The single largest complaint from customers is they are put into a five-year lease and think they can get out of it in three or four years," said Winckler. "Another complaint is that in all too many cases, when a salesman discusses a lease in the dealership, he talks about the monthly payment and not the fine print. Customers get pretty upset when they find out the terms the hard way."

Since September, GM has conducted seminars for 9,400 dealerships and 54,000 sales people and, as a result, has gradually in-

see LEASING, page 255

Saturn still sights 500,000

New models to be based on original, analysts told

CRAIN COMMUNICATIONS ROUNDUP

DETROIT — General Motors' Saturn Corp. plans to make its annual production bogey of 500,000 vehicles by producing a variety of models based on the original Saturn car.

Saturn officials, who recently met with a group of about 25 Wall Street auto analysts, stressed that the Spring Hill, Tenn., plant will be so flexible that it can produce on the same line a mix of vehicles of varying styles, lengths and widths — from coupes to wagons — so long as the wheelbase is similar to that of the original Saturn car. Future Saturn vehicles will share components widely, analysts were told.

Analysts were told that the Saturn engines and transmission will be used only by Saturn. The size of the car was described as "right on the break" of a compact and subcompact, with 100 cubic feet of interior space being the dividing line.

AutoWeek, a sister publication of Automotive News, reports that the coupe has a 99-inch-wheelbase and the sedan has a wheelbase of 102.5 inches.

The mostly aluminum engine will be available in two versions, both with overhead cams. The single-overhead-cam eight-valve 1.9-liter produces about 90 horsepower, while the twin-cam 16-valve is rated at 115 hp.

Saturn was scheduled to hold a press conference during the National Automobile Dealers Association convention in New Orleans to formally sign previously announced California dealer candidates. The names of other dealers for California and for New York and other areas are also to be revealed at the press conference.

Saturn has declined to confirm identities of dealer candidates since two of those announced for Southern California withdrew late last year.

Analysts said product plans were not laid out for them, and their impression was that Saturn is leaving product plans open.

In earlier interviews, Saturn officials have indicated that Saturn may eventually offer vehicles other than cars. Though they would not be specific, that could mean sport-utility or van-type vehicles.

Saturn officials insist the GM subsidiary eventually will reach the originally planned 500,000 units — 5 percent of the automotive market — and get 80 percent of its sales from non-GM buyers. In 1986, Saturn announced it would produce only 200,000 to 250,000 cars a year initially. The second phase, of the same number, would be added at an unspecified time.

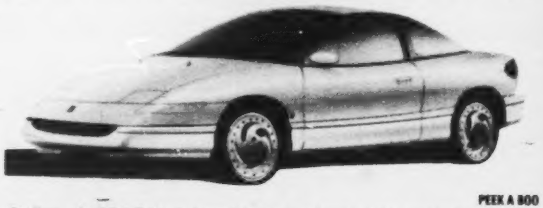
Analysts also were told that 0.5 percent of the components for the Saturn car will come from Japan, 2.5 percent from other countries and the rest from North America.

The Saturn car will be about as vertically integrated as any other GM car; that is, about 70 percent of the components will be made by GM's parts operations and the rest will come from outside suppliers.

Some analysts questioned after the meeting said they believe Saturn will be a success. Others believe establishing a separate company and separate franchise system to do what should be done throughout the corporation is a waste of money, even though Saturn officials said the project will come in at less than the $1.9 billion allocated. However, the most prevalent attitude expressed by analysts is one of reserving judgment until they see the car.

"Until we see the car, it's tough to say if it will work," said Wendy Beale of Smith Barney, Harris Upham & Co.

Analysts were given few details on the car. They were told the first clinics showed the Saturn design was unpopular, or "an absolute bomb," in the words of one analyst.



PEEK A BOO

Styling of 1991 Saturn coupe includes large glass areas and thin pillars in line with current sporty two-doors now on the market

They were told the consumers identified the car as a Chevrolet, which sent designers back to the drawing board repeatedly to make it more import-like.

Now, the Saturn car is more like a Honda or Toyota than an American car, Saturn officials told analysts.

Joseph Phillippi, auto analyst for Shearson, Lehman & Hutton, said he was concerned that the consumer clinics have not allowed potential buyers to drive the cars.

"They told us (former race driver turned entrepreneur) Roger Penske test-drove one and tried shifting without using the clutch, and he said it was a great transmission," Phillippi said. "I would feel more comfortable if a real live person off the street had driven the car." Penske owns several GM dealerships and is in partnership with GM in its heavy-diesel-engine business.

Automotive News Staff Reporters Lindsay Chappell and Michelle Krebs and AutoWeek Senior Editor Kevin A. Wilson contributed to this report.

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Dealer charged with bugging partner's office

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

BORDENTOWN TOWNSHIP, N.J. — A Ford dealer was arrested at his dealership here and charged with illegal electronic surveillance of another dealer in a dispute over the breakup of their partnership.

Peter E. Mercatanti, 47, of Washington Crossing, Pa., the owner of Mercatanti Ford, was also charged with conspiracy, said John C. McGinley, special agent in charge of the FBI office in Newark, N.J.

Mercatanti was arrested Jan. 10 and freed on $25,000 personal recognizance bond following a Jan. 11 appearance before U.S. Magistrate John W. Devine, a court clerk said.

The FBI said Mercatanti allegedly bugged the business office of Edward Judge of Judge Oldsmobile in Bordentown. Mercatanti admitted in a written statement that he bugged Judge's office, but said he did so because he believed he was being cheated.

Judge and Mercatanti were business partners from 1980 until June 1988, when the partnership was dissolved, the FBI said.

McGinley said the FBI learned of the alleged bugging after Mercatanti approached Judge in October 1988 and stated that he had obtained "damaging information" about Judge on tape.

The tapes would allegedly be used to discredit Judge unless he paid money that Mercatanti said was owed him, according to McGinley.

"Mercatanti allegedly told Judge that he had over 300 hours of information on tapes relating to Judge's personal and business activities," the FBI said in a prepared statement.

"Mercatanti convinced Judge that he did have access to confidential information by repeating portions of private conversations Judge had in his office at Judge Oldsmobile," the FBI said.

Mercatanti's lawyer, Paul Donini of Trenton, has issued a statement in which Mercatanti admitted planting the bug. Donini said he and his client had no further comment.

Mercatanti said in the statement that as of April 1988, he and Judge owned 49 percent each of Judge Oldsmobile. Mercatanti's cousin, Louis Mercatanti, owned the other 2 percent.

Peter Mercatanti said in the statement that he received an anonymous phone call that led him to believe that about $750,000 had been withdrawn from Judge Oldsmobile accounts without his consent.

He claimed that $500,000 had been loaned to Judge, and that his partners had allegedly used another $250,000 to invest in stocks.

"I admit that I placed the listening device in Mr. Judge's office, but I did so only after learning that I could no longer trust Mr. Judge and Mr. Mercatanti and did not wish to be disadvantaged by any deceit as we sought to terminate our business relationship," Peter Mercatanti's statement said.

Judge and Louis Mercatanti could not be reached for comment, but investigators said last week they had not been charged in the case.

If convicted, Mercatanti could be sentenced to up to 20 years in prison and fined $1 million, the FBI said.

A search at Mercatanti Ford revealed an electronic receiver and a reel-to-reel tape recorder with a timing device attached that automatically taped what was said in Judge's office, the FBI said.

A second suspect, Jack Johnson, 55, of Castle Rock, Colo., was also charged, for allegedly assisting Mercatanti, the bureau said. Johnson turned himself in at the U.S. Courthouse in Trenton, N.J., and was released on $10,000 bail, said Assistant U.S. Attorney Robert A. Farkas.

FINANCES

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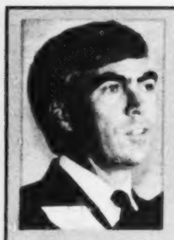
The document concluded: "The group's rapid expansion with undercapitalized corporations and the soft automobile market exacerbated by outside factors beyond the group's control and internal factors such as weak management and lax financial controls led to the current 'sold out of trust' dilemma.

"The Pepe Group's strength has been its speed in adapting to market forces. Without sufficient working capital, the group has been forced on the defensive instead of its usual aggressive track."



Ferron: "It's not a fight between good and bad dealers, but between good and nearly good dealers."

Raymond E. Howard, a partner in the Big Eight accounting firm of Deloitte, Haskins & Sells who specializes in financial consulting for dealerships, said he cannot remember a time when he was busier with dealer consulting assignments. "Sometimes I feel like we are running a fire station," he said. "I've been going around the country for the past several months putting out fires. There have been some public failures we've all read about, but there are others out there that are in trouble."

While Howard's comment is a common one from people in his business, putting hard numbers on how bad dealer financial problems have become is highly speculative. But incoming National Automobile Dealers Association President Ron Tonkin, an Oregon megadealer, says that with dealer pretax profits below 2 percent of sales, troubled dealerships are likely to increase and problems could get worse before they get better.

Accountant Howard said some of the chain dealers he has worked with seem to have expanded too rapidly without fully considering their needs for cash. In many cases, he said, one or two profitable stores are floating money to losing franchises. "Everything is OK until a dealer has an off month or two, then we get a phone call," he said.

AVERAGE DEALERSHIP BALANCE SHEET RATIOS

	Ratio
Debt to equity	2.52
Net debt to equity	0.86
Current ratio	1.37
Service & parts absorption	53.04%
Return on assets	9.67%

SOURCE: NADA

This year, with a new administration in Washington, economic uncertainties on the horizon and vehicle sales potentially on the wane, experts agree there likely will be more upheaval and failure in the ranks of franchised new-car dealers, although no-one is sure just how much carnage there will be.

However, those same experts — dealers, consultants, accountants, brokers and factory officials — are able to identify factors that have contributed to dealership financial maelstroms.

The list ranges from a shortage of experienced managers to factory retail rebates, from higher interest rates to overdealering and the proliferation of brands, and from the foolish reliance on too few franchises to the foolish acquisition of too many franchises.

Also cited are factory-required expenditures for ineffective computer systems, dealership undercapitalization, tighter credit policies by retail finance sources, distressed regional economies and more expensive floorplanning.

And to the extent that some problems hit uniquely at the megadealer, contributing factors cited include a loss of owner-entrepreneur involvement in the business, a lack of economies of scale and ineffective accounting procedures.

Debt is biggest problem

The single most-cited factor contributing to the decline and fall of new-car dealerships is debt — the way it is incurred, the way it is financed and serviced and the inability of many dealers to get out from under it.

There is no question that dealership balance sheet debt is the great abyss, but there seem to be no reliable measures of how deep or how wide the problem is.

Although NADA generates an impressive array of information about the automobile industry, NADA Executive Vice President Frank McCarthy said the association does not have a profile on the overall finances of automobile dealers.

"We don't have much factual information (on debt) even though we see dealer financial statements through our 20 Groups," he said. "It is really impossible to tell how dealers are leveraged through their financial statements since they may have other business and investments not reflected in their statements."

McCarthy said he doesn't think NADA as an association can do much to help overextended dealers.

"This problem is a function of the marketplace," he said. "Questions about expansion, financing, locations all have to be left to the dealer. We always say there are a lot of good dealers with good businesses, but they don't always stay the same from year to year. That is why we try to keep artificial restraints out of the market."

Still, McCarthy believes debt has become an increasing worry to automobile dealers due to reduced profit margins, slower sales and higher costs.

He said conversations with dealers across the country lead him to believe "debt is a major concern even though sales have held up at the national level."

Tonkin: The number of troubled dealerships is likely to increase and problems could get worse.

AVERAGE DEALERSHIP PROFILE

	Oct. Year to date 1988	Oct. Year to date 1987	Percent Change
Total sales	$9,950,800	$9,023,800	10.3
Total gross	$1,475,674	$1,349,058	9.4
Percent of total sales	14.8	15.0	
Total expense	$1,290,593	$1,162,205	11.0
Percent of total sales	13.0	12.9	
Net profit before taxes	$206,963	$203,036	2.9
Percent of total sales	2.2	2.3	
New vehicle sales	$6,412,167	$5,984,584	7.1
Percent of total sales	64.4	66.3	
Used vehicle sales	$2,254,806	$1,918,460	17.5
Percent of total sales	22.7	21.3	
Service and parts	$1,283,627	$1,120,756	14.5
Percent of total sales	12.9	12.4	
Floor plan interest	$69,654	$58,655	18.8
Percent of total sales	0.7	0.6	
Per new vehicle retailed	$173	$145	19.3
Advertising expense	$135,328	$122,724	10.3
Percent of total sales	1.36	1.36	
Per new vehicle retailed	$336	$303	10.9
Rent & equivalent	$106,471	$91,140	16.8
Percent of total sales	1.07	1.01	
Per new vehicle retailed	$264	$227	1.63
Avg. new vehicle selling price	$13,993	$13,318	5.1
Gross percent selling price	8.25	8.46	
Avg. gross profit	$1,154	$1,127	2.5

SOURCE: NADA

"For the individual dealer, profit pressure has been intense. At that level, retail sales are down and profits are down. There are simply more people out there selling cars and the average dealer is not selling as many cars as he did years ago," McCarthy said.

Fleet and rental companies are also buying more cars, according to McCarthy, although the majority of dealers do not handle the high-volume, low-profit fleet business.

"Competition is fierce and profits on cars are down," McCarthy said. At the same time, "a lot of dealers have expanded based on projections that sales and profits would continue at the same levels. They have not in most cases, and I would say dealers are watching expenses and are more and more careful about buying additional franchises. I am not saying they will not buy a new franchise, but they are being more careful," he said.

McCarthy explained that NADA is very concerned about the high level of consumer debt in the United States and believes that debt could result in a sales downturn for auto dealers. "If sales head downward, I think you will hear a lot more about dealer debt," he warned.

McCarthy said he thinks all franchises are about equally exposed to dealer indebtedness and profit pressure.

"I have heard a lot of talk in the past two years about dropping franchises that don't perform well, but this usually means replacing one franchise with another," he said. "I haven't heard anything to suggest that one manufacturer is being singled out by dealers and will be dropped nationwide.

"These days if you have an investment in land and a building, plus a good location and experi-

see FINANCES, page 218

Pepe paper explains how dealer chain went down drain

EDITOR'S NOTE: On Aug. 24, 1988, husband-wife new-car dealers Richard T. Pepe and Virginia I. Pepe filed for protection from their creditors under Chapter 11 of the U.S. Bankruptcy Code in U.S. Bankruptcy Court in Camden, N.J.

At that time, the Pepes and their 10 New Jersey dealerships had $26.9 million in debts and were holding two checks — for a total of about $900,000 — that had been returned due to insufficient funds, according to General Motors Acceptance Corp. In addition, GMAC said the Pepe dealerships had sold $2.5 million worth of cars out of trust without remitting the proceeds.

Although the Pepes ultimately decided to auction the dealerships, they did submit a reorganization plan to one of their creditors and filed with the bankruptcy court. That plan included the following analysis by the Pepes of how the troubles began.

With clarion hindsight, the Group turns to examine the causes of its current cash flow crisis. Much like General Motors Corp. when operated by Chief Executive Officer Durand (sic) in two words, the primary and proximate cause of the problem was premature expansion.

No single factor in the Group's expansion can be directly attributed to the current "sold out of trust" problem, but each magnified by 11 automobile dealerships has led to the present situation.

The major factors which produced the current situation are as follows:

The recent aggressive dealership acquisitions have been at premium dollar amounts and in some instances for a sum in excess of the dealership's true worth.

The corporations formed to run the dealership (sic) were undercapitalized. When the dealerships did not begin making money immediately (a situation not previously experienced by the Pepe organization), the undercapitalized corporations were unable to support the losses, leading to a deterioration of working capital reserves and eventually a "sold out of trust" situation arose. This situation occurred in particular at Pepe Imports, Pepe Oldsmobile-Pontiac-GMC Truck and Pepe Buick-Oldsmobile-Cadillac.

The problem was exacerbated by soft automobile sales experienced in the industry, in general, and in particular in the southern New Jersey area, in the spring and early summer of this year. It should be noted that Pepe anticipated the soft market through 1987 and 1988. Throughout 1987, Pepe sold various real estate holdings to accumulate cash for the anticipated downturn. In late 1987, Pepe maintained cash reserves of approximately $1.5 million only to see the reserve evaporate into Shore Buick in the winter and spring of 1988.

An additional major cause of the Group's current situation is a classic and inevitable problem which affects every business which experiences rapid growth, i.e., finding experienced and qualified personnel. Expansion stretched the quality of upper-level management to the breaking point.

The Pepe Group prospered during the early eighties with managers who started at T & R Lincoln-Mercury and moved with Richard T. Pepe to Pepe Chevrolet-Buick. As the Group expanded, the managers who led the growth moved to the newly acquired dealerships. Inevitably, additional employees were promoted to management positions and others hired who were not Pepe caliber managers.

Consequently, in the past 18 months, those managers negotiated many bad deals, which eventually had to be bought back by the dealerships, and they maintained poor and excessive inventories whose wholesale interest charges then drained dealership cash and until recently (they) have been saddled with last-year-model units.

Dealership managers have also permitted retail financial institutions into the dealerships. When Richard T. Pepe purchased Pepe Chevrolet-Buick in 1980, GMAC and five banks were writing Retail Installment Sales Agreements. Pepe permitted only GMAC to remain in the dealership. Thereafter, while some dealership retail paper was questionable, there was sufficient quality paper to justify the occasional poor risks.

As managers diversified with other financial institutions, those new market players received some of the quality paper and GMAC re-evaluated the Group's loss ratios and thereafter GMAC tightened its credit policies due to the lost (sic) ratios.

As sales volume lagged, inexperienced managers gave poor risks to GMAC, which eventually were charged back to the Pepe dealerships. Also, with many wholesale paper players, it was relatively simplistic for the Group to borrow funds, which led to undercapitalized corporations and the current out-of-trust problem.

GM's first-time-buyer's plan has severely hurt the Group. The Group paid commissions following increased sales and experienced large dealership chargebacks. Unfortunately, money made was money spent, which led to a deterioration in the dealership's cash flow. Similarly, GM, Chrysler and Lincoln-Mercury rebate program adversely affected the dealership's liquidity

see PEPE, page 218

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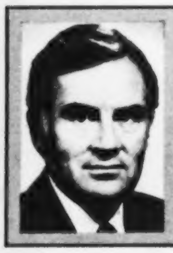
ence, it is a real plus for getting another franchise."

Factories optimistic

Even though there is growing evidence that dealers are having more financial problems, factory officials are still optimistic about the financial health of their dealers.

"I would say that the profitability of our dealers has been good in recent years," said Robert O'Connell, GM executive vice president. "I think that it has gotten to be a more complex world for our dealers. One of the factors has been the multiple franchises that they have taken on and the leading factor, as I see it, is how they sort out that franchise routine.


McCarthy: "If sales head downward, I think you will hear a lot more about dealer debt."

"But I think the profitability level of GM dealers has been strong.

"There is a sense of cautious optimism in our dealerships about the product lines that we have coming out in the next couple of years. I think that there is going to be a very strong profit opportunity with the GM division franchises," he said.

Richard Fenstermacher, general sales manager of Ford Division, said he can think of only two big Ford stores that went bankrupt last year, about the same number as in any normal year.

Fenstermacher said both failed for reasons not related directly to the dealerships.

"The dealerships got big and successful and began to get involved in other ventures," Fenstermacher said. "You can only manage so much."

He remained optimistic. "With the business as good as it's been, there shouldn't be any causes for anything (going sour) if the store is well managed," he said.

To no one's surprise, an expanding economy and healthy gains in sales have helped keep Ford dealers out of trouble in recent years.

"Our trend of dealers who have some financial problems basically has been declining for the last four or five years," said Bob Missel, manager of dealer financial services for Ford Motor Credit Co.

One barometer of dealer health is the number of what Ford calls "status" dealers — those who aren't living up to their financial obligations to Ford Credit. About 74 percent of Ford and Lincoln-Mercury dealers floorplan through the automaker's finance arm, Missel said.

There are currently about 300 status dealers on the books, Missel said. And there are more in three economically depressed states — Texas, Oklahoma and Louisiana — than in the rest of the country combined. A third are Ford New Holland tractor dealers.

During the difficult early 1980s, Ford had as many as 700 dealers in status condition. At that time, Ford Credit was serving fewer dealers than it does today, about 68 percent of Ford and L-M outlets.

Fewer than 10 dealers nationally filed for bankruptcy last year, Ford Credit officials said.

The company has 5,600 Ford and Lincoln-Mercury dealers and 2,000 New Holland tractor dealers.

Missel sees some patterns among troubled dealerships. Problems can develop when a dealer diverts funds from the car business into another venture that goes sour. Another common cause of problems is absentee ownership.

Missel said the trend toward megadealerships is creating some new challenges for Ford Credit. The company is studying the financial control processes that are unique to megadealers so Ford Credit can respond effectively if trouble develops.

"In the process of the study, we're saying that megadealers are generally very good managers," Missel said. They tend to be effective developers of management talent, they provide strong financial control and they operate their stores uniformly, he said.

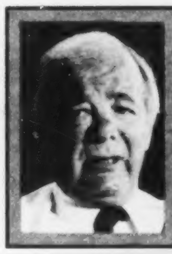
Neither General Motors Acceptance Corp. nor Chrysler Financial Corp. would say how many of their dealers are having enough financial difficulty to warrant their equivalents of "status" assistance. The two factory finance arms also would not disclose how many of their dealers filed for bankruptcy last year and how many were sued for being out of trust.

But Bennett E. Bidwell, chairman of Chrysler Motors, said that at the start of the 1989 model year profits per dealer in the Chrysler-Plymouth and Dodge franchises were up 40 to 50 percent from previous-year levels.

"Jeep-Eagle dealers have been profitable as well," he said. "The financial health of our retail distribution network is as good or better than it has ever been."

Even so, most factories may not see enough of their dealers' financial information to accurately monitor them, particularly if the dealer has a holding company and a variety of franchises.

"One of the problems we have is that we see a financial statement for our store, but what does it really tell us about the rest of the company," said Edward R. Carbin, GM's director of dealer relations.


Bidwell: "The financial health of our dealers is as good or better than it has ever been."

"If a dealer has separate holding companies for his businesses, we don't know the financial health of his overall operations," Carbin said. "In the event creditors come calling on our dealers, there is no way to keep our store out of bankruptcy proceedings."

He said, "GM is very concerned about dealer indebtedness; especially some of the larger chains. Some of these businesses are highly leveraged. I wonder if (dealer) egos have become involved in running the business and they have taken on more than they can handle. Everybody wants to be in the top 10."

Carbin said GM has consulting teams that help dealers with their financial needs and those teams have been busy.

Financial details lacking

Financial experts contend that dealer accountants should be able to produce financial statements that accurately reflect the financial condition of the business — for the dealer's internal use as well as for the use of factories and lenders.

However, some dealerships fail to produce accurate statements because dealership personnel don't provide all necessary information to the certified public accountant, who will rely on it if he isn't closely monitoring operations, said John E. Fox Jr., of the CPA firm Tonks and Friend in Manasquan, N.J.

"One problem is that too many dealers have automotive controllers without a good accounting background," Fox said. "They do financial statements that are garbage, just putting number together, just a review that's reasonably correct.

"I've seen dealers do things to make the accountant think he's got correct information and he doesn't," he said.

"For instance, a manufacturer owes this dealer thousands of dollars in warranties — but the claims may be obsolete." That means they should be written off the books, which could significantly change the balance sheet by eliminating receivables listed as assets.

Even though accountants claim that many dealership financial statements do accurately depict the condition of the business — that things frequently are worse than they seem — there is cause for concern based on how things seem to be.

The most recent NADA dealership profile data for the first 10 months of 1988 shows an average debt to equity ratio of 2.52 to 1 — meaning the average dealer has 2½ times as much debt on the books, including the floorplan, as he has actual equity or net worth in the business.

The NADA data also shows a current ratio of 1.37 to 1, that is for every dollar in current liabilities, the dealer's balance sheet shows $1.37 in current assets. Although that seems reasonable, liquid and safe, elimination of current receivables — such as for writeoff of uncollectible or "obsolete" warranty claims — or an increase in factory chargebacks on the liabilities side could bring the current ratio, which measures liquidity, perilously close to insolvency.

The NADA data also shows that through October, the average dealership had a parts and service absorption rate of 53.04 percent, which means that parts and service were covering only slightly more than half of the dealership's monthly fixed costs and expenses.

Charles Lacey, director of domestic operations for the multi-franchise megadealer chain Hendrick Management Corp., said such absorption rates are a viable measure and that all Hendrick stores are expected to maintain an absorption rate in the 60 to 65 percent range.

Robert Snodgrass, former dealership consultant was even more succinct. He is a Mercedes-Benz, Audi and Porsche dealer in Jacksonville, Fla., and a Porsche-Audi dealer in Atlanta.

"Any dealer that is running under 65 percent is in trouble," Snodgrass said. "That's the largest red flag."

And the problems don't stop there.

One dealer consultant who sees the books of hundreds of dealers of varying size nationwide — but requested anonymity — said some dealers are filing "bogus" financial statements to intentionally mislead factories, lenders and prospective buyers.

The consultant said that generally, factories and lending institutions — and even some prospective buyers — are unable to see the holes when a dealer has done such book-cooking.

"A lot of the dealers we work with are substantial dealers and substantial citizens in their community," the consultant said. "They were doing very well two to three years ago, but now they are not doing well at all.

"There are hundreds of dealerships for sale everywhere. It's like a chess game. Anything is for sale.

"There are hundreds, maybe thousands, of dealers out there who would sell their business today, but wouldn't have dreamed

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PEPE

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position and GMAC's tight buying policy has hurt the Group's ability to move units and increase sales.

The new dealership buildings of Pepe Toyota and Pepe Lincoln-Mercury, while superb edifices, have been tremendous cash drains on the organization. The construction commenced in the fall of 1986, and thereafter monthly interest payments eventually equaling $50,000 per month were due, along with architectural fees and other associated costs.

This was a one-way stream of cash out of the organization that severely drained the Group's working capital. The buildings continue to be a drain on the entire Group and neither Pepe Toyota nor Pepe Lincoln-Mercury has turned a profit since occupying the buildings in the summer of 1987.

The buildings were designed with the view toward adding additional franchises to support the cost of the structures. The Porsche, Alfa Romeo, Volkswagen and Audi franchises were purchased with the view toward moving them to the new buildings. Brisk sales volume in the first month following the franchise purchase caused Pepe to leave the dealerships in West Atlantic City. This tangent from corporate policy left Pepe Toyota and Pepe Lincoln-Mercury alone to bear the entire expense of the buildings.

Toyota Motor Sales Co. (sic) promised an increased allotment of units following occupation of the building; to date, Toyota has not supplied the units.

Similarly, Pepe Oldsmobile-Pontiac-GMC Truck was purchased with the intent of moving it into the new Toyota building. General Motors Corp.'s approval was initially sought in the winter of 1988. The move meets all of the requirements of each division involved and the highest ranking General Motors zone managers assured Pepe the move would be approved perfunctorily. To date, even though each Philadelphia Zone Division (sic) has approved the move, Detroit has yet to act.

In reliance on the assertions of General Motors' zone managers, Pepe Oldsmobile-Pontiac-GMC Truck secured a $6 million inventory in anticipation of the move. With General Motors' omission, the dealership is saddled with a $6 million inventory instead of the $2 million it should possess at its present location. Increased wholesale interest on excessive inventory has further drained the dealership of working capital and cash.

As a result of two manufacturers' omissions, the Pepe Group has two dealerships which have not secured a profit since the summer of 1987.

Government entities have also hurt the automobile group. The New Jersey Department of Environmental Protection, acting on a tip that a rare tree might be located where the Pepe Toyota and Pepe Lincoln-Mercury dealerships were to be built, held up construction of an ultra-modern body shop for six months. Only expensive litigation forced the Department of Environmental Protection to withdraw from the case. The tree was located in an undisturbed area of the property.

Similarly, the Department of Environmental Protection forced USA Auto Brokers, a Pepe automobile reconditioning center, to stop washing cars for several weeks and to perform environmental tests on the property because of a minor problem that existed at the facility since its construction in the 1960s by an unrelated owner. A local municipality is also presently holding up the construction of improvements to Pepe Imports preventing the Volkswagen franchise to operate profitably at the location.

The New Jersey Department of Consumer Affairs has also filed a suit against Pepe Buick-Oldsmobile-Cadillac and Shore Buick seeking unrealistic fines of $324,000 for an alleged minor advertising violation. The dealerships' advertisement referred to the manufacturer's factory invoice in an ad. This type of advertising is utilized throughout the country; however, the New Jersey Department of Consumer Affairs objected.

Pepe's lawyer advises that they (sic) will prevail on the merits of the case or consent to a de minimus fine. However, the local press sensationalizes the astronomical and unrealistic fines. This has hurt sales and has needlessly alarmed the Group's financial suppliers.

In conclusion, the Group's rapid expansion with undercapitalized corporations and the soft automobile market exacerbated by outside factors beyond the Group's control and internal factors such as weak management and lax financial controls led to the evaporation of working capital and the current "sold-out-of-trust" dilemma.

The Pepe Group's strength has been its speed in adapting to market forces. Without sufficient working capital, the Group has been forced on the defensive instead of its usual aggressive track. The dealerships have been unable to take advantage of discounts and the current out-of-trust problem has led to large floorplan interest changes.

In short, a small snowball started down a hill and has steadily gained speed and size.

It is the firm belief of Richard T. and Virginia I. Pepe that the snowball has now hit the bottom of the hill and shall melt.

Some dealers sense warning signs of trouble on horizon

There are certain areas of the United States that generally serve as early-warning listening posts for changes in automobile retailing.

As of last week, dealers in some parts of the country had yet to see or feel any evidence of a coming shakeout. However, dealers in other parts of the country say they already have felt the tremors.

Some key areas, like California, seem to be getting mixed readings.

Dick Ritchings, Pacific Palisades, Calif., a certified public account and dealership consultant, said car sales are flat but truck sales are up. Ritchings said that of the four 20 Groups he moderates in California, one is Chevrolet megadealers who are very healthy.

"They're all making money," Ritchings said. "Ford is probably doing better than Chevrolet. We have Ford dealers in California that are making unbelievable money."

However, there are "concerns about the overall operations with some of the smaller operations," he said.

"Some of the lesser-known import stores are having difficulties," he said. "I'm aware that some of them are stretched out capitalwise." In that group he included some Nissan, Sterling and Hyundai stores.

"Major portions of the West Coast are in bad shape," said another dealer consultant, who spoke on condition of anonymity. "There are dealers everywhere," he said, blaming factory "overdealering" policies.

"A Nissan store on the West Coast that used to average $1,800 (gross profit) per unit (in 1984-1986) now is lucky to do $800 to $900 on less units even though the fixed overhead costs are the same," the consultant said.

Edward R. Pasini, audit engagement partner at Peat Marwick Main & Co., Los Angeles, said he believes there will be a severe market slowdown in southern California in the next 18 to 24 months.

"Some deals that are overextended will be sold because they have to be sold," Pasini said. "Already, southern California Toyota franchises are going begging."

Yet others view California as one of the places to buy.

"We would like to expand in the South, Southeast, West and Southwest," said Charles Lacey, director of domestic operations for Hendrick Management, a megadealer organization. He also is a former Chevrolet zone manager.

"We think we understand the market. We would look at anything. We prefer a new store but we would look at any store. Yes, we have bought two or three failed stores."

In the Rocky Mountain area, the key Denver market has been unsettled.

"There have been many more sales of dealerships than in years past," said William D. Barrow, president of the Colorado Automobile Dealers Association. "Denver's economy has been down for the last three years because it is dependent on agriculture, mining and oil. The oil belt has been hurt.

"Individually held stores in growth markets are doing fine. A megadealer will hire a general manager to run a store. In the down times, a megadealer will lose both money and management," said Barrow.

It happened in Denver to two dealers, he said. "Both are out of business . . . and there is another dealer equally as large who has been backing out of the business for the last two years."

The Southwest seems to have missed the early tremors. "I'm not aware of any megadealers who are having trouble," said Raymond E. Berube Jr., New Mexico Automotive Dealers Association president.

However, a little further east, in oil country, there have been a number of failures and even more dealers having tough times. Ford Motor Credit Co. said the highest concentration of its dealers who are receiving financial guidance are in "three economically depressed states: Texas, Oklahoma and Louisiana."

A Texas GM dealer said that dealers there are cash short, in part, because the automaker is slow to pay dealers the money owed to them on incentive programs.

"GMAC wants its money right away but the divisions take weeks to pay what they owe us," he said.

Like California, conditions in key Midwest states have been good as well as bad, but metropolitan markets generally have had no tremors.

"Some small dealers in rural areas are getting out," said Peter Sander, Illinois New Car/Truck Dealers Association president.

"In the last couple of years we have seen a trend of dealers purchasing dealers in the rural areas," Sander said. "Where there used to be four or five dealerships in one town, now there are two dealerships with all of the franchises."

Jerry Cizek, executive vice president, Chicago Automobile Trade Association, said that although megadealers have a greater probability of failing because of debt load, there haven't been any failures in Chicago.

"There have been more dealerships sold and more acquisitions across the board, however," he said. "Dealers buying dealers has picked up over the last six months — this seems to be the trend."

Michigan dealers are doing well, said Chester L. Swanson, Chet Swanson Sales, Traverse City, Mich. Swanson, a Cadillac-Jeep-Subaru-Oldsmobile dealer and NADA director from Michigan, said, "From all I hear, Ford and Chrysler seem to be well off. The same people tell me that GM is not as well off, but from the GM point of view, things have been well for me, and seeing what they have to offer next year it will be better."

Jim Bayson, partner in charge of auto dealerships, Plante & Moran, a certified public accounting firm in Southfield, Mich., said Detroit-area dealers that survived the 1981-82 shakeout are still around and are in good shape.

"They are dealers that know what their costs are and know what's going on in all parts of their operation," Bayson said. "The ones that didn't went out of business."

He said the surviving dealers are in good shape, "although — with some exceptions — business isn't anywhere near as good as it was three years ago, because of increased competition. "For most of them business is down; they are not making the kind of money they would have made three years ago."

Business is worse in the nation's midsection, such as in southern Ohio and Kentucky, according to one Chrysler dealer who is active in dealer associations.

He said 50 percent of the dealers in his region had red-ink months in September, October and November. "Of the 20 dealers in this area, about half are red and some are pink," the dealer said. Interest rates, floorplanning costs, and dealership labor costs are escalating dealer expenses.

"Nobody is up — nobody," he said. The dealer estimated business is down an average 15 to 20 percent. He blamed the higher cost of vehicles, 60-month loans and increased competition.

In nearby Pennsylvania there have been problems, said Margaret Stuski, Pennsylvania Automotive Association staff attorney.

"A couple of dealers expanded too fast. They were good dealers and not very good managers," she said.

"We have seen an increase in the number of sales of dealerships. It has been as high as three per week and for Pennsylvania that's a lot."

In the important Northeast market, there have been some well-publicized failures and rumors that some other big megadealers may be in serious trouble.

One problem in the greater New York City area is skyrocketing increases in real estate costs, according to the Greater New York Automobile Dealers Association.

The key markets in the old South — like the booming Atlanta market — seem reasonably strong and healthy. However, even in some of the coastal resort towns there has been an evaporation of blue sky, so the region has not been tremor-free.

In Florida, again, there are different readings.

"We're seeing more sales of dealerships but don't know why," said David Jeffries, executive vice president of the Florida Automobile Dealers Association.

"It could be a good opportunity to get rid of a dealership at an attractive price," Jeffries said. "We are seeing a trend towards more multiple-ownership. Some of it has to be because some dealers are having financial difficulties but that's an area the association doesn't get into."

Richard Baker, executive vice president of the South Florida Auto and Truck Dealer Association, said south Florida has been unscathed by dealership losses.

"The last store I remember going out of business was in 1982 and he was located in downtown Miami," Baker said.

"There have been dealers bought and sold in Florida but most of them are because of retirements," Baker said.

Baker said Florida has been protected from overdealering because of its Relevant Market Area Law, which allows dealers to protest the establishment of a new location. The law says that metropolitan dealers have a right to protest a new point going up within 12.5 miles of his store and rural dealers have a right to protest a new location going up 20 miles from his store. Baker said 36 states have a similar law.

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of it five years ago, just to get out from the pressure.

"The quality of life of the dealer is the worst I've seen in 20 years."

The willingness of dealers to get out of the business and the willingness of others dealers — generally established megadealers — to buy has created the accelerated market.

Too much blue sky

One key element of the shakeout is what has been happening to the price of dealerships, particularly the intangible "blue sky" or "goodwill" elements of a sale price that represent net profit above the value of the assets.

For example, a manager of a Virginia Chevrolet dealership, part of a group of dealerships, said his group looked at buying an import dealership in a desirable Southeastern resort community.

The dealer was asking for no blue sky for the dealership. Two years ago, the same dealer would have been asking "big blue sky," the manager said.

There is a clear school of thought that believes dealership prices generally are going to tumble in 1989 and 1990. Ferron of J.D. Power and Associates is one of the proponents, as is John B. T. Campbell, president of Campbell Automotive Group, the first publicly held dealership group in the United States.

Edward R. Pasini, audit engagement partner at CPA firm Peat Marwick Main & Co. in Los Angeles, also sees a shift in the buy-sell business.

"A lot of megadealers were created driven by ego, buying quantity vs. quality and because after hard times, they were cheap," Pasini said. "Now things have changed, the bargains are gone and dealers are passing up high-buck buyouts in the belief that within two years the going price will drop considerably."

Although many experts say that blue sky already has started to decline in many areas and for many franchises as part of the early stages of the impending shakeout, the ultimate decline in average blue sky could become much steeper as both a cause and effect of the shakeout.

Veteran dealership broker Jack Hamel of Sarasota, Fla., was blunt in an interview late last year. He said that a major problem has been that dealers have paid "too damn much" for stores.

"When they are paying six times earnings, they are out of their minds," Hamel said. "If a dealer has a bad month or two, they can't service their debt. They are out of business."

Robert E. Johnson, president of New York-based York Associates Consulting Corp., said, "There will be a lot of dealer casualties next year and franchise casualties. Some (of the franchise casualties) will be Japanese."

Johnson is the former executive vice president of Lex Service, the British dealership chain that purchased 50 percent of Campbell Automotive Group in California.

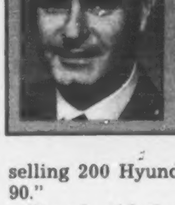
Hamel, like Johnson, predicted dealership and franchise failures in 1989.

"There are going to be franchise casualties," he said. "There are more damn Acura deals for sale than you can shake a stick at. They are not publicly for sale, but if you will pay them what they have in the deal, you can have it. We are going to be very busy next year buying and selling dealerships."

Dick Ritchings, Pacific Palisades, Calif., dealer consultant who assists with buying and selling, cited Hyundai as a franchise that is proving to be too expensive.

"They are asking for particular investment in land and buildings; sometimes heavy — $2 million to $2.5 million. It's very difficult to get a return on that kind of car," he said.

He said Hyundai started off nicely and was successful because it did not overpopulate, but that has changed. "They have overpopulated here and in the East," Ritchings said. "People who were selling 200 Hyundais are selling 90."



Carbin: "GM is very concerned about dealer indebtedness; especially some of the larger chains."

Hamel said the problem with Acura is the huge initial investment required.

"The dealers don't have the sales volume or the service business to justify the debt," Hamel said. "In time, Acura may be a good buy, but right now a lot of dealers are losing money."

Against that backdrop, Hamel just laughed when asked whether Saturn, Lexus and Infiniti were being launched in a difficult climate.

GM's Carbin admitted that the debt problems facing car dealers make this a particularly risky time to launch GM's new Saturn franchise.

"You've already seen several dealers decide they could not afford Saturn," he said. "I think Lexus and Infiniti face a similar future. Not because they are unattractive, but because dealers can't afford them."

Accountant Fox of Tonks and Friend agreed that dealers have been paying too much blue sky, which has added to amounts borrowed to finance dealership purchases, and therefore also has increased the debt load and monthly debt service payments. "That's air," he said, "and sometimes an excessive amount."

Rick Caille, director of dealer development for Hyundai Motor America, acknowledged problems Hyundai dealers are having, including average per-dealer sales that declined during the 1988 model year.

But Caille said his biggest shock was personally seeing the "very

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poor" quality of credit-worthiness of buyers that were being approved by financial institutions across the board.

"I couldn't believe the deals they were approving," Caille said.

Caille's disbelief has been shared by other factory officials and by the lenders themselves, who have seen losses climb on so-called marginal paper.

Those losses, spurred by more repossessions, have triggered some major changes.

Lenders changing

In recent months higher interest rates, tighter credit standards by factory finance arms such as Ford Credit and GMAC and a cyclical abandonment of the automobile market by some local banks and the move to marketing their own, direct car loans by other banks have forced dealers to seek finance sources beyond those they traditionally have relied upon.

Hence the move to non-traditional buyers of lower-quality paper standards, like the so-called "turndown" finance companies that buy contracts that are funded by independent investors.

One former banker who is now a consultant in the retail automotive sector believes that the changing relationship between dealers and their lenders will be a primary cause of the shakeout, which he calls a "a revolution in retail distribution."

He said major banks are losing their interest in dealers because of the high costs of obtaining dealer business and the fickleness of the relationship.

The former banker said that over the last few years, dealers have had the upper hand with banks by negotiating low rates for commercial needs like floorplanning, capital infusion and real estate loans, while using their influence "like a shotgun" to get the financial institution to buy the retail paper, including marginal contracts.

Now, he said, the depth of marginal paper has turned very bad with heavy losses for the lenders.

"As much as 5 percent of and maybe more of new-car loans should have never been sold," the former banker said. "They were sold and financed on the knowledge that the consumer was not able to pay for it."

He said at least another 5 percent were "oversold;" that, is the contracts "were padded with high-cost service agreements and everything else that could be thrown in."

He said extended terms also hurt because buyers had to extend their normal buying cycles because they didn't have enough equity in trade-ins to support a strong down payment on a new car.

"All of these sales habits that have taken place over the last few years are coming home to roost," he said.

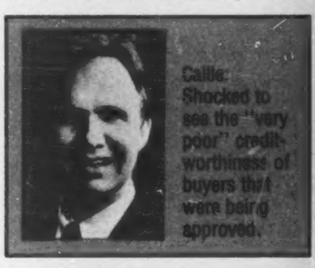
The result is that banks are looking for loans with lower loss ratios, making financing less available from traditional sources.

Many of the non-traditional lenders attract dealer business by promising non-recourse paper — for which the dealer has no responsibility in a default or repossession — as well as additional income from a fat finance profit and sale of hard and soft add-ons.

Fox of Tonks and Friend said that a large number of repos will hurt a dealer, even if non-recourse paper is involved. "You're on the paper no matter what," he said. That's because high repos eat into a dealer's financial reserves and may make it hard for him to maintain even the minimum 1 percent required by a bank. To make matters worse, a bank might raise that amount to, say, 3 or 5 percent, Fox said.

That would be especially tough on megadealers, "who might have $40 million out (in financing) and have to hold $2 million in reserve for 5 percent." To avoid the bank increasing the minimum reserve, a dealer will negotiate with the bank to handle the repos himself, by selling them as used cars, Fox said.

Harold G. DeValk, of Chicago-based DeValk Associates, a CPA firm, said he believes that some dealerships do get into trouble by doing business with banks that do not understand the automobile business.



Caille: Shocked to see the "very poor" credit-worthiness of buyers that were being approved.

"When banks jump in, they tend to do so pretty ignorantly," he said. "They decide they want to invade the market, then they jump out. It happens a lot. They do economic studies, decide to change their mix of loans, and if a dealer is not doing well, he may not be able to replace the floorplanning.

"Banks get in a lot deeper than they even sense that they are. They get way overextended before they pull the floor," DeValk said.

"As a general rule, a dealer should be cautious using banks, because they tend to run hot and cold," he said, "and banks are probably biased against floorplanning, because of the high costs of servicing, financing and checking inventory against the low rate of return."

Joe Moran, vice president of Comerica Bank, Detroit, and manager of dealer commercial services, said his bank's strategy has been to focus on what it considers the upper end of the market and not try to be all things to all dealers.

Comerica has dealer commercial services offices in Los Angeles, San Francisco, Dallas, Denver, Detroit and Florida to service 120 dealers.

"We focus on what we think of as the epitome of the middle-market business — sales a bit higher than U.S. average, and run by well-experienced, capable managers," Moran said.

He said Comerica looks at an auto dealer as it looks at any other middle-market business: It evaluates by net worth, profitable track

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record, working capital, expense management and other financial measures.

He said successful dealerships use cost structures set up on a variable basis rather than fixed basis, to allow adjustment for downturns and reduction of overhead. Even employees are compensated on percentage of growth rather than flat salary, Moran said.

House of cards

Snodgrass sees the recent failure of dealerships around the country as a result of too many nameplates for the current number of car buyers.

"In the current climate of business, which includes many dealers that are multi-franchise, when the climate of business is not so good, the trickle-down effect really hurts all the dealerships," said Snodgrass.

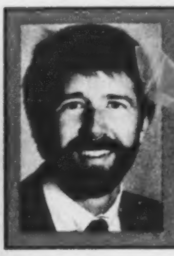
According to Snodgrass, the big shakeout will occur with medium sized multi-franchise companies, which he described as a "house of cards." Like a house built with cards, dealerships in a medium-sized, multi-store operation are dependent on each other. If two stores out of a five-store organization fail, the entire organization can easily fall.

"The two failing dealerships are relying on the three healthy ones, those dealerships are not healthy enough to support two other stores," said Snodgrass.

"These (medium-sized multi-franchise dealers) are generally the most leveraged. A dealership with long or substantial current debt will find that continued existence from a cash flow management standpoint is virtually impossible."

CPA Fox said that most dealers get in trouble because of their fiscal policy, and that high-priced computer systems — sometimes required by the factory — are not helping.

"Computers should help give them greater control over fiscal policy, but a lot of dealers get misinformation from the machines," Fox said. "Some dealers are very good salesmen but they don't know what it costs to turn the key in the lock in the door in the morning."



Campbell's managers are not from traditional sources. "Half my general managers have no sales experience."

Fox said a dealer may spend $150,000 to $250,000 for a computer and only use $10,000 of it because he hasn't been trained properly — maybe only two or three days — and may be getting inaccurate information on inventory and floorplanning from the computer.

Another dealer consultant said that instead of reducing dealership personnel, computers also force dealers to hire more personnel — computer experts — at $30,000 to $40,000 a pop.

"The economies of scale argument is almost a facade," he said. "The time that is required to deal with a particular franchise and all of the elements that go with a franchise are consuming among themselves.

"You lose the economies of scale after two dealerships."

More than ever, there is discussion about varying management philosophies and the management practices required to build and profitably maintain a megadealer organization.

Manager shortage

One of the factors made clear by dealers, consultants and accountants is the shortage of real managers.

"It's a big problem," said the manager of a group-owned Chevrolet dealership, echoing what many other dealers said. "There are not enough good, experienced managers to run the dealerships — managers who can see the holes in the operations."

He said his dealership group has three headhunters searching for dealership managers, and so far, none have come with a price tag under $100,000."

Dealers and consultants also make it clear that without good managers at every location, a megadealer chain will collapse. As much as capital, a dealer needs a good management team to expand.

More and more, megadealers are moving toward the old-fashioned concept that an owner should be on the premises. That ultimate in on-site management philosophy is the one used by Victor Potamkin and and his sons Robert and Alan to control 50 franchises in 20 locations.

The Potamkins grow by allowing their managers to become minority investor partners with responsibility for their respective dealerships.

"We find that the owner/operator, being on the premises, knows that location far better than a bureaucrat who may be at a different location," Alan Potamkin said. "The bureaucrat is likely to mortgage your future for the sake of short-term gains."

Campbell, president of Campbell Automotive Group, said he goes outside traditional sources to recruit managers, sometimes even outside the automotive business. "Half my general managers have no sales experience," Campbell said.

A dealer consultant with 300 dealer clients said the current megadealer theory is that if an organization is not growing, it is dying and there can be no status quo.

"To grow, the dealer has to speculate," the consultant said. "He attempts to attempt to improve by growing bigger, thinking bigger is better.

"He gets in an aggressive acquisition stage — adds more computers, more personnel, more used cars, more investment.

"A new dealership is usually located in a high-rent district, adding tremendous fixed cost. Invariably what happens is the dealer's first store drops without him there. He tries to be too many things to everybody. And the dealer now, instead of having one store doing well, has two mediocre stores."

The consultant used the example of a Southern dealer who ran a successful Chevrolet dealership, then added Hyundai, then branched out to other cities.

Potamkin: "The bureaucrat is likely to mortgage your future for the sake of short-term gains."

"The last time I saw him he had the shakes so bad he hardly made sense," the consultant said. "His original store deteriorated and instead of one doing well, he had 6 or 7 doing poorly.

"If you grow too quickly without enough managers, you lose the involvement of the entrepreneur-owner, who is truly the only one who gives a crap because he's the only with the big bucks in it."

Myth of the megadealer

All of this comprises "the myth of the megadealer," according to one consultant, who believes the news media are responsible for over-glorifying it.

Too many megadealers are undercapitalized and too highly leveraged with marginally performing dealerships run by inefficient managers, the consultant claims. They have gobbled up franchises — sometimes paying exorbitant blue sky — and financing them with very expensive debt or capital that could be earning a greater return in another business.

The result is that in addition to the normal economic and financial pressures on a dealership, the perceived need to make an organization grow to comply with the myth has created additional problems for megadealers.

Those megadealer problems — coupled with normal pressures — are what will accelerate franchise consolidation and the shakeout, according to many dealers and consultants.

"Starting in 1989 through the next 12 to 15 to 18 months, we will see as much as a 15 percent mortality rate in the existing dealer body . . . a changing of the guard," said Robert Monteith of Robert Monteith & Associates, Phoenix, Ariz.

"That includes the dealers who go broke and the dealers forced to sell off or cancel some existing franchises."

He said there will be the voluntary reasons, like a dealer who is 62 years old and doesn't want to go through a downturn again, so he just sells.

"There also are going to be those dealerships that are really leveraged through financial commitments and the tremendous blue sky paid for dealerships a couple years ago," said Monteith, a consultant to multi-franchise dealers, who also advises on the development of auto malls.

"A reduction of cash flow through sales along with the demands on that leverage will force some of them to consolidate and sell off some of franchises," he said.

He added that some of the good business managers will weather the consolidation and bring the business into line to survive the cyclical swing.

"But there's that group that won't make it and will go under," he said. "That will speed up the consolidation of franchises," the consultant said.

Megadealers will be forced to analyze the profitability of each franchise in their portfolios and adjust the portfolio accordingly.

At that point, importers and manufacturers will be forced to reassess their own vulnerability to market share because of the shakeout and the resulting effects on their individual dealer group and distribution system, Monteith said.

Ultimately, he said, the shakeout and its aftershocks could alter traditional dealer relationships and could facilitate or even necessitate public ownership.

"Publicly owned dealers are just megadealers with better financing," said Campbell.

Whether the shakeout means megadealers will shed franchises or add franchises or swap franchises or just evolve into something even larger, the tremors have started. Most experts agree they won't go away anytime soon.

Reporting for this project was done by Automotive News Staff Reporters Laura Clark, Mary Connelly, Louise Kertesz, Michelle Krebs, Edward Lapham, Dutch Mandel, Charles M. Thomas and David Versical in Detroit; Geoff Sundstrom in Washington; and Jesse Snyder in Los Angeles. Stories were written by Edward Lapham.

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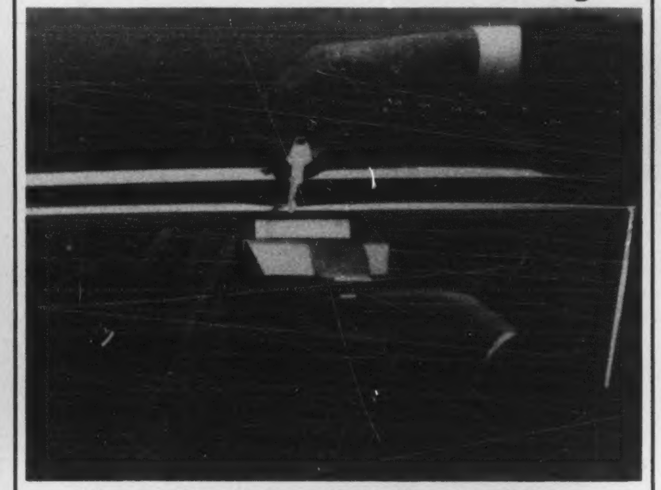

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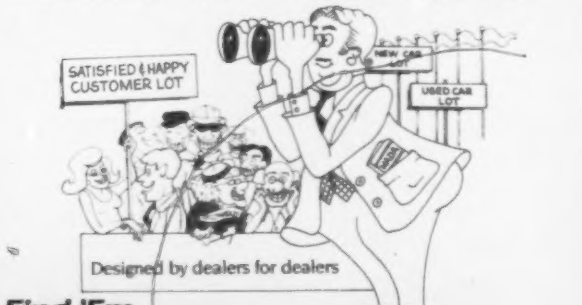

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Acura rated tops in U.S. in dealer-satisfaction survey

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

AGOURA HILLS, Calif. — American Honda's Acura Division finished first in J.D. Power and Associates' 1988 ranking of automobile manufacturers that best satisfied their dealers.

Dealers were generally more satisfied with their manufacturers in 1988 than they were a year earlier; in the latest poll, more than half rated relations with the factory as excellent/good. Fewer dealers gave fair/poor marks to their manufacturers. The dealer satisfaction index average for the industry was 101 in 1988 and 99 in 1987.

As a group, Asian manufacturers ranked first, with a score of 107, one point higher than a year earlier. European automakers finished second with a score of 103, the same as in 1987, followed by the domestic manufacturers with a score of 98, two points higher than in 1987.

The Power organization found that 55 percent of the respondents rated their overall relationship with the factory as excellent to good, up from 50 percent in 1987. The number of dealers saying their relations are fair to poor declined to 42 percent in 1988, down from 47 percent a year earlier. Dealers giving don't know/no answer responses totaled 3 percent in both surveys.

Acura captured the top spot with a score of 124 points on the dealer satisfaction index in Power's 1988 Dealer Attitude Survey.

Acura's 1988 score of 124 was seven points higher than a year earlier, when Acura finished second to Hyundai. Acura's gain was attributed to increases in positive ratings on all four dealer satisfaction index factors. The division's marks improved on all but two of 13 major index components, Power said.

Range Rover placed second in 1988 with a score of 122, four points higher than its 1987 score. Range Rover dealers, according to Power, gave substantially more "very acceptable" ratings to the importer in 1988 than they did in 1987 on 10 of the 13 major components o the dealer satisfaction index.

Mercedes-Benz finished third in 1988, with a score of 118, seven points higher than its score in 1987. Higher scores on the business terms and sales support factors helped it gain, with more "very acceptable" ratings recorded on 10 of 13 components, Power said.

Its German rival, BMW, saw its score fall from an above-average 104 in 1987 to a below-average 100 in 1987.

Honda improved its score by four points to capture fourth place with a score of 114. More positive ratings on the business terms and service support factors helped Honda moved up from sixth in 1987. Honda dealers gave more "very acceptable" ratings in 1988 than in 1987 on 11 of 13 components, Power said.

Improvements on the service support and sales support factors helped offset losses on the business factor for Saab, to help the Swedish automaker maintain its score at 112 and tie with Audi for fifth place. Saab dealers gave more "very acceptable" scores on nine of the 13 components, with the largest gains in the areas of service support.

Audi boosted its 1988 dealer satisfaction index score seven points to 112. Audi dealers' "very acceptable" ratings on 11 of 13 components were higher in 1988 than in 1987.

Mazda, with 111 points, was seventh, down from fourth in 1987, as a result of lower ratings on sales support.

Hyundai scored 110 in the 1988 survey, nine points lower than in 1987, and dropped from first to eighth. All 13 components were rated lower than or the same as in 1987.

Daihatsu finished with an index score of 108 — 10 points lower than in 1987, although the 1987 score was probably not a good indicator because the franchise was so new, Power said. Daihatsu dealers gave more "very acceptable" ratings on seven of the 13 major components. Daihatsu tied with Toyota for ninth place.

Mitsubishi dropped to 11th place in 1988 with a score of 105 — 10 points lower than in 1987. The drop was attributed to less-favorable dealer ratings on all 13 components and lower scores on all four DSI factors, with the largest declines recorded in the business terms and service support factors.

Volvo's score of 103 dipped five points from 1987 when it finished ninth. Volvo dealers gave the automaker more "very acceptable" ratings on only two of the 13 components — prompt payment of warranty claims and the handling of customer complaints.

All the General Motors divisions increased their scores — and some significantly so — in part because of the new GM10 cars. Buick, Pontiac and Oldsmobile all rated the factory higher on sales and product factors.

Cadillac's 1988 dealer satisfaction index score of 102 rose five points. Its dealers gave more "very acceptable" ratings than the year before on 10 of 13 major components. The biggest gains were on service and sales factors, Power said.

Cadillac and Lincoln-Mercury tied Porsche for 14th place and were the highest ranked among the domestic makers.

Buick, Oldsmobile and GMC each increased their scores by five points, and Pontiac rose by four. Chevrolet's score rose by two points.

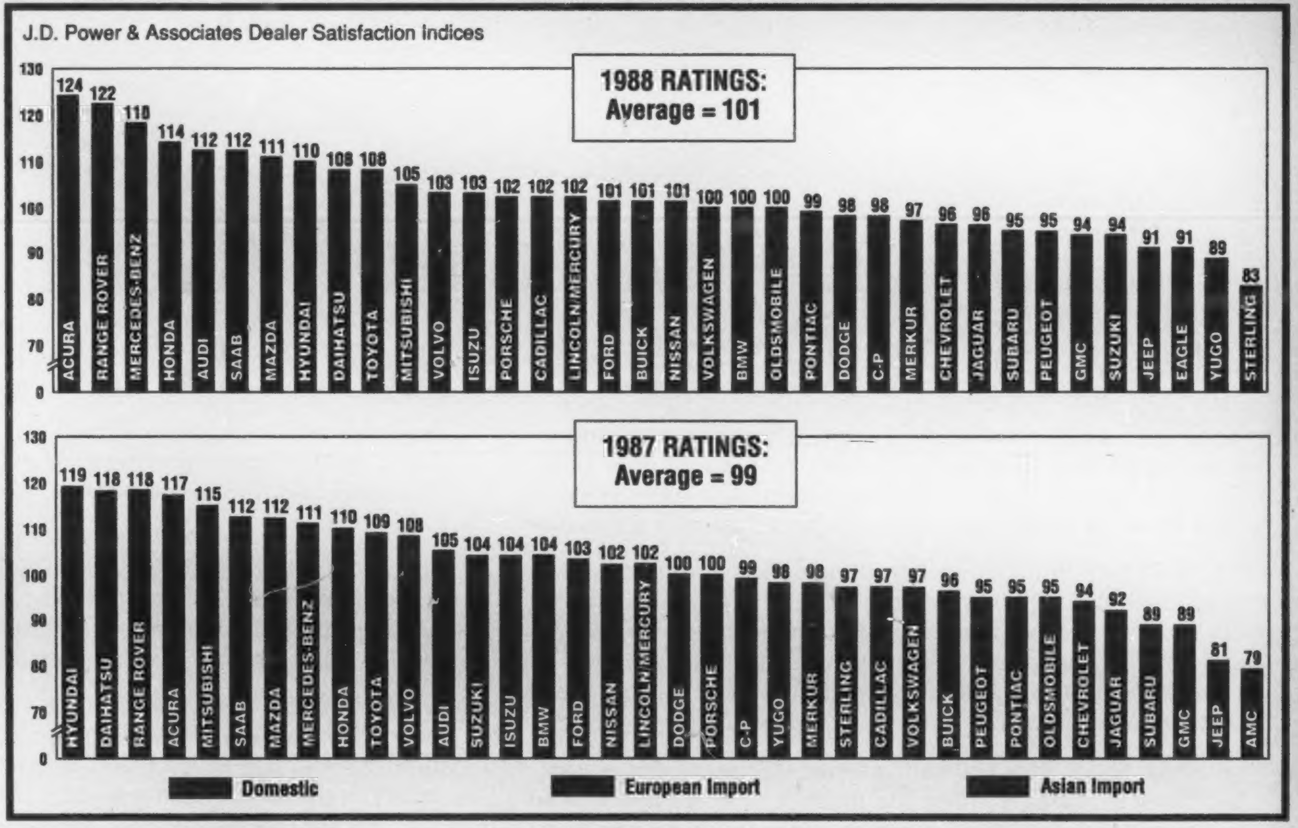
Among the makes that lost significant ground in 1988 were Suzuki, down 10 points; Yugo, down 11 points; and Sterling, which ended up at the bottom of the list, down 14. In 1987, Sterling was given a ranking of 97 by its dealers, although it was so new a franchise that Power warned that probably would change quickly. Typically, dealers are happy with brand-new franchises.

Some significant gains were made in 1988 by makes that nevertheless remained near the bottom of the satisfaction list: Jeep, up 10 points; Subaru, up six points; and Jaguar, up four.

The survey was developed to determine, through factor analysis of 31 manufacturer policies, those specific policies that most affect dealer appraisals of their factory relationship.

Analysis of the manufacturer policy ratings from the 1988 survey centered on four factors — business terms, manufacturer's service support, manufacturer's sales support and vehicle supply.

Dealers rate the factories


J.D. Power & Associates Dealer Satisfaction Indices

Vermont's dealers plan school for technicians

MONTPELIER, Vt. — The 208-member Vermont Automobile Dealers Association is looking at immediate and future shortages of skilled technicians in realistic terms.

In a first for the industry regionally, a 6,000-square-foot building is scheduled to be constructed in the spring on the grounds of Vermont Technical College in Randolph Center. It will provide training for technicians.

The Vermont Automobile Dealers Association is both planning and paying for the development, with more than $200,000 already raised in donations and pledges from members.

Marilyn Miller, executive director, disclosed that the association is allocating $100,000 up front and borrowing $250,000 from the town of Randolph. The association members will repay the town over a five-year period.

Jeff Staudinger, executive director of the Green Mountain Economic Development Corp., helped arrange the grant. He called the dealer association-Randolph venture a "really unique example of cooperation between town, college and an association of private businesses."

Miller indicated that manufacturers and suppliers will be asked to provide equipment and vehicles for the project.

Beginning in the fall of 1990, participants in the program will be able to earn an associate degree in automotive technology at Vermont Technical College.

Barbara Gutheil, who directs the college's Center for Business and Industry, said prospective participants must meet the same admission standards as students in other educational programs.

Miller added that, at the outset, the automotive technology program will have maximum enrollment of 30.

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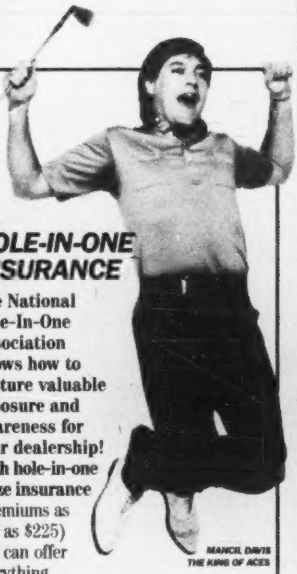
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AUCTION DATES

Chrysler Motors

Jan. 31 — Florida Auto Auction of Orlando, Ocoee, Fla.; Hatfield Auto Auction, Hatfield, Pa.; Arena Auto Auction, Chicago; American Auto Auction, Walpole, Mass.; Greensboro Auto Auction, Greensboro, N.C.; Nashville Auto Auction, Nashville, Tenn.; Portland Auto Auction, Portland, Ore.; and Riverside Auto Auction, Riverside, Calif.

Feb. 1 — A.D.E. of Birmingham, Birmingham, Ala., and Butler Auto Auction, Gibsonia, Pa.

Feb. 2 — Northway Exchange, Clifton Park, N.Y.; Aptco Auto Auction, Taylor, Mich.; Indianapolis Auto Auction, Indianapolis; Ark-La-Tex Auto Auction, Shreveport, La.; Omaha Auto Auction, Omaha, Neb.; and Southwest Auto Auction, Phoenix, Ariz.

Feb. 3 — Manheim Auto Auction, Manheim, Pa.

Ford Motor Co.

Jan. 31 — Greater Chicago Auto Auction, Chicago; Harrisonburg Auto Auction, Harrisonburg, Va.; and Bay Cities Auto Auction, Hayward, Calif.

Feb. 1 — Aptco Auto Auction, Taylor, Mich.; Indianapolis Auto Auction, Indianapolis; and Metro Auto of Kansas City, Lee's Summit, Mo.

Feb. 2 — Denver Auto Auction, Aurora, Colo.; Texas Hobby Auto Auction, Houston; Interstate Auto Auction, Mercer, Pa.; Minneapolis Auto Auction, Plymouth, Minn.; Nashville Auto Auction, Nashville, Tenn.; Southwest Auto Auction, Chandler, Ariz.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

Feb. 7 — South Seattle Auto Auction, Kent, Wash.

Feb. 8 — Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Mississippi Auto Auction, Hattiesburg, Miss.; Lakeland Auto Auction, Lakeland, Fla.; Southern California Auto Auction, Fontana, Calif.; Newburgh Auto Auction, Newburgh, N.Y.; Omaha Auto Auction, Omaha, Neb.; and Salt Lake Auto Auction, Salt Lake City.

General Motors

Jan. 31 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Dallas; South Seattle Auto Auction, Kent, Wash.; and Manheim Auto Auction, Manheim, Pa.

Feb. 1 — Southern California Auto Auction, Fontana, Calif.; Atlanta Auto Auction, Atlanta; Clanton's Auto Auction, Darlington, S.C.; Omaha Auto Auction, Omaha, Neb.; and Baltimore-Washington Auto Exchange, Baltimore.

Used Car Sales

Auction Averages

January 89	$5,520
Month ago	$5,742
Year ago	$4,841

Model Breakdown

Auction Averages

	JAN. 1989	DEC. 1988	NOV. 1988
1989 ...	$11,750	—	—
1988 ...	$8,666	$9,894	$9,514
1987 ...	$6,940	$7,686	$7,330
1986 ...	$5,911	$4,874	$5,997
1985 ...	$4,978	$4,747	$5,077
1984 ...	$3,763	$3,723	$3,721
1983 ...	$2,684	$2,776	$2,948
1982 ...	$2,332	$2,343	$2,228
Overall Average	$5,520	$5,82[illegible]	$5,204

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Crisis warnings fly

Oil shortage, greenhouse effect feared

By Helen Kahn
SENIOR CORRESPONDENT

WASHINGTON — A new book warns that the auto industry must make more fuel efficient vehicles over the next decade to cope with the developing greenhouse effect and an expected oil shortage.

"The New Oil Crisis and Fuel Economy Technologies: Preparing the Light Transportation Industry for the 1990s," by Deborah L. Bleviss, says vehicles with larger engines emit carbon dioxide that causes global warming and serious climatic changes.

The less efficient vehicles also make the domestic industry particularly vulnerable to an energy shortage, Bleviss said, adding that U.S. makers lag behind imports in using energy-saving technologies.

Bleviss is a physicist who spent seven years with the Federation of American Scientists. She now heads the International Institute for Energy Conservation.

A major oil crisis by the year 2000 or so is a very real possibility, says Bleviss. Low oil prices during the 1980s stimulated greater fuel demand — 10 percent more from the industrialized countries of North America and Western Europe and nearly a 60 percent hike from Third World countries. At the same time, the United States suffered a sharp drop of more than half in its oil production.

Meanwhile, our dependence on OPEC has risen from 40 percent to 55 percent in about the last four years alone while OPEC itself is straining at 90-percent capacity.

Since the last oil crisis, Bleviss points out, the number of vehicles in the world has risen 60 percent to a record 530 million cars and light vehicles. Those in the West account for one-quarter of the petroleum used. Since the last oil shortage, various moves in Europe to reduce oil consumption in motor vehicles and corporate average fuel economy standards in the United States "succeeded beyond anyone's wildest dreams . . . ," Bleviss said.

But she believes that by the year 2000 fuel economy of the global fleet — 30 mpg for cars and just over 20 mpg for light trucks — will be no better than what was reached by the mid-1980s. This will occur, she projects, because of the sustained oil glut and low prices that have led the U.S. government to abandon its policy goals and let market forces work for the short term.

Producing more efficient light vehicles could slow the rate of global warming and lower the risk of another oil crisis, she says.

In addition, a fuel economy program would greatly reduce the U.S. trade deficit and make the domestic industry more nearly competitive with the Japanese and other Far East countries producing light vehicles.

Instead, over the protests of Chrysler Corp. and consumer and environmental groups, the Reagan administration rolled back fuel economy standards and told Congress it wants to eliminate CAFE altogether.

Congress ignored that request and passed an alternate fuel (mostly methanol) measure that could spur technology and provide some relief from CAFE standards.

She believes consideration should be given to the following:

- Volvo's LCP 2000 prototype, which uses an advanced diesel engine. It gets 81 mpg highway and 63 mpg city. This subcompact, completed in 1985, can reach 60 mph in 11 seconds.
- Detroit concept cars like General Motors' Saturn whose early prototype got 60 mpg highway and 45 mpg city (even though GM's planning goals have changed); Chrysler's Liberty whose early prototype reached 70 mpg highway and 46 mpg city; and the Ford Alpha, about which little is known.
- Toyota's "ultra lean burn" engine, which can improve fuel efficiency as much as 20 percent and was introduced in Europe in 1984 in the Toyota Carina.
- Isuzu's development of a ceramic diesel engine with the possibility of using waste energy to improve fuel economy.
- Toyota's Camry and Mitsubishi's Galant and their use of electronic controls to change transmission gearing and achieve a 10-percent economy improvement.
- Nissan's innovative use of a turbocharger, which varies size of the air intake nozzle with vehicle speed to improve engine efficiency.
- Subaru Justy and use of a continuously variable transmission.
- Toyota Starlet with a partial lean burn engine and a high 10:1 compression ratio.
- Polyair Maschinenbau GmbH (Austria) and its development of a tire made of liquid-injection-molded polyurethane.
- Honda and Ford for possible use of a stratified charge two-stroke engine.

In addition, Bleviss describes at some length such fuel efficient prototypes as: GM's TPC (two-passenger car) with aluminum body and engine offering 74 mpg highway and 61 mpg city; Ford's unnamed car with an advanced diesel engine that gets 92 mpg highway and 57 mpg city; VW's Auto 2000 that gets 71 mpg highway and 63 mpg city; VW's VW-E80 (similar to the Auto 2000) gets 99 mpg highway and 74 mpg city; and Renault's EVE with an advanced diesel engine and mileage of 81 mpg highway and 63 mpg city.

She also mentions Renault's Vesta 2, which uses lightweight material, is highly aerodynamic and gets 107 mpg highway and 78 mpg city; Peugeot's VERA, which uses an advanced diesel and improved aerodynamics to get 87 mpg highway and 55 mpg city;

Also, Peugeot's ECO-2000, which gets 77 mpg highway and 70 mpg city; and Toyota's AXV with an advanced diesel engine, continuously variable transmission, heavy use of plastics and aluminum, and improved aerodynamics to get 110 mpg highway and 89 mpg city.

Bleviss suggests revamping the Energy Department's research and development to emphasize medium-term goals such as energy storage systems and ceramic engines. Instead of having specific CAFE standards, she suggests Congress look into requiring percentage improvements.

But — however it is done — Bleviss says the goal should be 45 mpg for cars and 35 mpg for light trucks and vans within 10 years.

Stimulating automakers to sell fuel efficient cars is also needed, says Bleviss, but it will be the most difficult item since for the past eight years, they have been accustomed to getting relief from NHTSA.

Bleviss' book is available from Quorum Books, New York.

Trade deficit declines

Export gain brightens October auto tally

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The U.S. automotive-trade deficit in passenger cars and light trucks for October improved 3.5 percent when compared with the year-earlier period.

The improvement was due to a 36.9 percent increase in export value for the month, although import value increased 2.61 percent.

October's drop in the automotive-trade deficit followed a month-earlier increase of 10.5 percent. The September increase was due to a surge in imports from Canada.

Comparing the 12-month period ended Oct. 31 with the year ended Oct. 31, 1987, the automotive-trade deficit dropped 4.9 percent.

As of October, the United States was running an annualized trade deficit in passenger cars and trucks of $43.477 billion, down $2.2 billion from a year earlier.

The annual total reflects a 4 percent decline in the number of vehicles imported to the United States. Exports jumped 23.7 percent during that time.

Trade numbers from the U.S. Commerce Department show a trade deficit for passenger cars and light trucks of $3.931 billion in October. Total car and truck exports had a value of $996.5 million during the month. Monthly car and truck imports were valued at $4.928 billion. The deficit for October 1987 was $4.075 billion.

Passenger-car exports totaled 66,255 with an estimated value of $817.1 million in October. Light-truck exports for the month were 16,098 vehicles with an estimated value of $179.4 million. Passenger-car exports were up 14.0 percent to Canada, 197.8 percent to Japan and 108.2 percent to nations lumped in the category of "other" by the Commerce Department. Passenger-car exports to those "other" countries totaled 13,955.

On the import side during October, Japan continued to show downturns in both the quantity and value of car shipments. The value of imported trucks from Japan increased for the month, although the number of vehicles fell.

Passenger-car shipments also declined from West Germany, United Kingdom, South Korea, Yugoslavia, France, Italy and Brazil. Shipments from "other" countries also declined for the month.

Canada, Sweden and Mexico all boosted shipments to the United States during October.

Total car and truck imports had a value of $4.928 billion in October, up 2.6 percent from $4.803 billion in October 1987. There were 472,405 finished vehicles imported to the United States in October 1988 vs.485,686 in October 1987.

That means the average value of automobiles shipped to the United States is increasing.

Imports of passenger cars reached 400,131 units for the month with a value of $4.317 billion. Light-truck imports were 72,274 units, with a value of $611.3 million. The value of imported trucks increased 57.5 percent in October and shipments increased 16.4 percent. The increase was due to a 24.6 percent rise in shipments from Canada.

Japanese-car imports dropped 6.9 percent for the month and the value of the shipments fell 2.6 percent. Japanese-truck imports were off 7.9 percent and their value was up 11.7 percent. Japan shipped 216,155 cars to the United States in October, down from 232,054 a year earlier. Truck shipments were 45,569 units, down from 49,447.

Canada had a 24.6 percent increase in car shipments during October, sending 101,543 to the United States for the month. Sweden shipped 8.1 percent more cars in October 1988 than in October 1987. Sweden's shipments were down for the year, however.

Mexico shipped 15,113 cars to the United States in October 1988, six more than in 1987.

Brazil did not ship a single passenger car to the United States in October. In October 1987, Brazil's total was 8,454.

After showing some improvement, shipments from South Korea again turned down in October, falling 19.9 percent. South Korean shipments are up 27.1 percent on an annualized basis.

Yugoslavian imports fell 81.7 percent for the month. Italian shipments were off 74.1 percent, and French passenger-car imports fell 55.8 percent. Imports from the United Kingdom were down 13.1 percent.

Car imports from "other" countries were down 16.4 percent to 1,952 vehicles.

U.S. AUTOMOTIVE TRADE BY VALUE

(x $1,000)

Passenger cars

Country	Trade	Oct. 1987	Oct. 1988	Nov. 1986-Oct. 1987	Nov. 1987-Oct. 1988
Japan	Export	$ 10,782	$ [illegible]	$ 62,795	$ 223,312
	Import	2,086,141	2,032,008	21,593,448	19,837,509
Canada	Export	466,734	873,773	5,434,792	8,364,069
	Import	927,751	1,149,601	10,004,243	13,303,34[illegible]
West Germany	Import	692,284	497,553	8,831,041	[illegible]
South Korea	Import	180,284	152,720	1,813,519	[illegible]
Sweden	Import	173,193	186,401	1,991,672	[illegible]
Mexico	Import	131,077	131,370	957,029	1,288,390
Yugoslavia	Import	13,707	2,237	287,936	89,412
United Kingdom	Import	97,923	106,720	982,467	895,122
Italy	Import	11,927	6,982	227,496	151,327
France	Import	19,733	9,757	207,167	169,199
Brazil	Import	43,449	0	180,986	388,145
Others	Export	91,955	89,054	748,665	1,581,247
	Import	37,265	29,812	273,935	288,080
Car total	Export	569,451	817,083	6,246,242	8,188,548
	Import	4,414,574	4,316,941	47,380,941	47,089,875
Trade balance		(3,845,123)	(3,499,878)	(41,134,699)	(38,901,372)

Light trucks (up to 10,000 lbs. GVW)

Country	Trade	Oct. 1987	Oct. 1988	Nov. 1986-Oct. 1987	Nov. 1987-Oct. 1988
Canada	Export	$ 129,822	$ 136,238	$ 1,470,218	$ 1,675,767
	Import	109,298	307,120	1,565,959	3,177,971
Japan	Import	266,566	297,788	4,477,403	3,271,245
Mexico	Import	191	505	106,173	7,822
Others	Export	28,573	43,184	165,487	358,607
	Import	12,099	5,933	55,050	153,302
Truck total	Export	158,394	179,422	1,635,705	2,034,373
	Import	388,144	611,346	6,204,586	6,610,347
Trade balance		(229,750)	(431,924)	(4,568,880)	(4,575,974)
Car and truck total	Export	727,845	996,485	7,881,947	10,222,921
	Import	4,802,718	4,928,287	53,585,526	53,700,222
VEHICLE TRADE BALANCE		(4,074,873)	(3,931,802)	(45,703,579)	(43,477,301)
TOTAL U.S. Merchandise trade (customs value)	Export	22,074,800	27,651,500	245,423,700	312,590,000
	Import	37,630,900	38,018,400	415,725,300	453,441,900
TRADE BALANCE		(15,556,100)	(10,366,900)	(170,301,600)	(140,851,900)

U.S. AUTOMOTIVE TRADE BY QUANTITY

Passenger cars

Country	Trade	Oct. 1987	Oct. 1988	Nov. 1986-Oct. 1987	Nov. 1987-Oct. 1988
Japan	Export	744	2,216	3,970	17,719
	Import	232,054	216,155	2,449,588	2,132,717
Canada	Export	43,938	50,084	560,218	627,719
	Import	81,467	101,543	925,736	1,197,244
West Germany	Import	26,617	20,193	381,040	276,881
South Korea	Import	34,576	27,679	356,444	453,146
Sweden	Import	11,364	12,285	146,566	108,915
Mexico	Import	15,107	15,113	100,607	148,022
Yugoslavia	Import	5,479	1,001	52,582	33,547
United Kingdom	Import	3,726	3,238	46,085	34,356
Italy	Import	475	123	21,147	6,314
France	Import	1,921	849	26,766	15,584
Brazil	Import	8,454	0	32,961	65,521
Others	Export	6,702	13,955	56,083	123,366
	Import	2,336	1,952	17,748	18,419
Car total	Export	51,384	66,255	610,271	769,003
	Import	423,576	400,131	4,559,280	4,490,645
TRADE BALANCE		(372,192)	(333,876)	(3,949,009)	(3,721,642)

Light trucks (up to 10,000 lbs. GVW)

Country	Trade	Oct. 1987	Oct. 1988	Nov. 1986-Oct. 1987	Nov. 1987-Oct. 1988
Canada	Export	12,848	12,809	154,842	166,294
	Import	11,978	26,894	168,610	282,301
Japan	Import	49,477	45,569	822,139	564,692
Mexico	Import	30	0	13,592	36
Others	Export	2,098	3,289	14,088	28,779
	Import	825	11	1,936	2,642
Truck total	Export	14,887	16,098	168,903	195,073
	Import	62,110	72,274	1,006,276	850,272
Trade balance		(47,223)	(56,176)	(837,373)	(655,099)
Car and truck total	Export	[illegible]	82,353	779,174	964,076
	Import	485,686	472,405	5,565,556	5,340,917
TRADE BALANCE		(419,415)	(390,052)	(4,786,382)	(4,376,841)

Compiled by Automotive News from official statistics of the U.S. Commerce Department, as reported by the U.S. International Trade Commission. Because of rounding, figures may not add to the totals shown.

Deaths up more on 65-mph roads

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Fatalities increased 19 percent on rural highways in the 38 states that raised the speed limit to 65 mph. The increase was almost three times as high as in states that kept the limit at 55 mph.

An NHTSA study said the fatality rate increased 7 percent in 10 states that retained a 55-mph speed limit on rural interstates.

Congress passed a law in 1987 that allowed states with rural interstate highways to raise the speed limit from 55 mph to 65 mph. Alaska and Delaware, do not have any federal interstate highways with the rural designation.

The report is the first of three studies required by Congress to assess the impact on safety of a higher speed limit.

The speed limit has been increased to 65 mph on 89 percent of eligible rural interstate highways. An interstate is designated as rural if it passes through an area with fewer than 50,000 residents.

NHTSA warned that despite the initial findings, the higher speed limit has not been in existence long enough to effectively determine the long-term safety impact.

The study showed dramatic variations among states. About 64 percent of the increase in rural interstate highway fatalities occurred in six states — Arizona, California, Louisiana, New Mexico, Tennessee and Texas.

But in one of those states, California, fatalities increased more on segments of rural interstate highways that kept the limit at 55 mph than where the limit was 65 mph.

By contrast, the overall fatality rate fell in Colorado, Florida, Indiana, Maine, New Hampshire, Oklahoma and Oregon, where the speed limit was boosted to 65 mph.

Critics of the higher speed limit said the study backs their position.

DOMESTIC SALES

	Jan. 11-20, 1989	Jan. 11-20, 1988
Eagle	972	861
Chrysler	6,361	6,893
Plymouth	5,418	6,733
Dodge	9,405	10,141
Chrysler Motors	22,156	24,628
Ford	36,848	42,459
Mercury	10,859	13,660
Lincoln	4,870	4,745
Ford Motor Co.	52,577	60,864
Buick	10,513	15,899
Cadillac	6,261	6,879
Chevrolet	25,895	32,828
Oldsmobile	14,354	16,403
Pontiac	13,722	18,581
General Motors	70,745	90,590
Volkswagen	—	1,106
Honda	6,304	6,446
Nissan	1,945	1,711
Toyota	1,571	678
Mazda	675	362
U.S. Ind. Total	155,973	186,385

Sales slide for U.S. cars in mid-Jan.

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Following a 2.75 percent sales lag in early January, U.S. automakers reported that sales of domestic cars for Jan. 11-20 continued to slide. The mid-month total was 16.32 percent below last year's.

A year ago, mid-January domestic-car deliveries rose a whopping 48.19 percent over the previous year's, but that was a fluke: the 1987 figures were squelched by the end of the sales-tax deduction for new cars.

The early 1988 numbers were also inflated because consumer confidence had risen following the stock market collapse of late 1987.

Domestic-car sales for Jan. 11-20 totaled 155,973, compared with 186,385 in the same period of 1988. There were nine selling days in each period. The daily selling rate was 17,330 this year and 20,709 last year.

Transplants Nissan, Toyota and Mazda delivered more U.S.-built cars this year, but Honda and the Big 3 reported sales declines.

Nissan's transplant car sales rose to 1,945, up 13.68 percent from 1,711 in the 1988 period.

Toyota's sales of U.S.-built cars more than doubled from 678 a year ago to 1,571. Mazda sold nearly twice as many U.S.-produced MX-6 models produced at its Flat Rock, Mich., plant.

General Motors sold 70,745 cars in mid-January, 21.91 percent fewer than the 90,590 it delivered last year.

Ford Motor Co. reported 52,577 car sales, a decline of 13.62 percent from 60,864 last year. However, Lincoln Continental sales doubled this year.

Chrysler Motors also reported a sales downturn. Deliveries totaled 22,156, down 10.04 percent from last year's 24,628.

Honda's sales of U.S.-built cars were down 2.20 percent — 6,304 this year and 6,446 in 1988.

U.S. light-truck sales slipped 2.99 percent to 102,707 units, down from 105,868 in mid-January 1988.

Nissan was the only light-truck maker to report a gain; it was up 23.41 percent. Chrysler's domestic light-truck sales lagged 1.16 percent; GM's dropped 3.35 percent, and Ford's slipped 5.57 percent.

Combined sales of U.S.-built cars and light trucks were 258,680, down 11.49 percent from last year's 292,253. In mid-January, Big 3 car-truck sales fell 5 to 16 percent. Nissan's sales were up 19.48 percent.

Mid-sizers lead surge

Intermediate sales rise 10% in 1988

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Increased sales of subcompact, compact and intermediate-sized cars helped boost the 1988 calendar-year car sales total almost 4 percent over 1987.

Several new models and strong incentives throughout the year also contributed to the increase.

Car sales in 1988 totaled 10,591,126, up 3.62 percent over the 10,221,310 sold in 1987.

Nine new models joined the Automotive News market-segment list last year.

Sales of intermediates increased marginally in 1988 as four new models entered that segment. Sales totaled 3,738,755, which was 10.36 percent above the 3,387,676 intermediates sold in 1987.

Four models joined the intermediate class last year. The Mercedes 300-SE chalked up 5,331 sales. Dodge Spirit sales were 3,950; Plymouth Acclaim sales were 3,508, and the Audi 100/200 models accounted for 3,306.

GM's contribution of 341,258 W-body (GM10) cars also helped boost sales of intermediate-sized autos.

The next largest increase in 1988 was in the compact-car class. Sales totaled 2,730,173 units, 2.15 percent more than the 2,672,585 sold a year-earlier.

The new Ford Probe wound up with 77,763 sales, which was more than the increase for compact-car class as a whole. The Probe went on sale last spring.

Subcompact sales totaled 2,507,120 in 1988, an increase of 1.68 percent over the 2,465,674 sold in 1987.

Contributing to the increase for the subcompact class was the introduction of three new models.

The Daihatsu Charade finished the year with 11,460; the Eagle Summit had 4,603, and the Suzuki Swift, which went on sale late in 1988 had 524.

Standard-sized cars accounted for sales of 1,403,116, down 1.80 percent from 1,428,836 in 1987.

There was a significant sales decline in the specialty-car market despite the addition of 4,514 new Buick Reattas.

Sales of the more sporty and/or expensive models totaled 202,523 units, 19.62 percent below the 251,961 sold in the 1987 calendar year.

Three two-seat models contributed to the fall of specialty-car sales.

The Pontiac Fiero showed the largest decline of any model in the specialty segment with a year-to-year loss of 17,709 units.

Because of sluggish sales of the two-seater, Pontiac closed the Fiero plant and discontinued the line last fall.

The Mazda RX-7 and Nissan 300-ZX were the other hurting two-seaters in the specialty segment in 1988 compared with 1987.

The three top sellers in the United States last year were Ford Escort, Chevrolet Corsica/Beretta and Ford Taurus.

Escort retained its 1987 position, but Taurus slipped from second place. Corsica/Beretta, a late starter in 1987, moved up from 11th place.

TOP TEN SELLING CARS

1988 Position	1988 Sales	Make	1987 Sales	1987 Position
1	387,815	Escort	392,360	1
2	380,301	Corsica/Beretta	214,074	11
3	374,627	Taurus	354,971	2
4	362,663	Accord	334,876	3
5	306,267	Cavalier	307,028	4
6	285,141	Tempo	219,296	10
7	264,282	Hyundai	263,610	6
8	252,861	Celebrity	306,480	5
9	249,523	Sentra	235,944	8
10	237,386	Cutlass Ciera	244,607	7

Option hikes, package switches trigger price boosts at Chrysler

HIGHLAND PARK, Mich. — Chrysler Motors has quietly raised the prices of its vehicles by cutting the package discounts on some models and increasing the prices of its optional accessories.

Prior to Jan. 2, it offered a discount package, for example, on standard-wheelbase four-cylinder Caravans and Voyagers. The package no longer includes a free automatic transmission, priced at $565 retail and $480 wholesale.

The company also raised the retail price of its Dakota two-wheel-drive sport pickup by $235 — from $11,058 to $11,293. The wholesale price of that model jumped from $9,831.04 to $10,037.84.

Similarly, the retail price of a D-100 2wd model with an eight-foot pickup box increased $313 — from $9,559 to $9,872. The wholesale price went from $8,848.69 to $9,133.52.

Some of the other models affected by higher prices include the Caravan C/V cargo van, Dakota S, D and W-series 2wd and 4wd pickups, and the 2wd and 4wd Ramchargers.

The accessory hikes include increases of $5 each for speed control, tilt steering column, power door locks and power windows accessories.

Chrysler also hiked the price of optional air conditioning on cars by some $80.

Corrections

A list of nominees for Time Magazine's Quality Dealer of the Year in the Jan. 23 issue of Automotive News did not include William R. Baierl, president of Baierl Chevrolet (Chevrolet-Honda), Wexford, Pa., nominated by the Pittsburgh Automobile Trade Association.

Also, the address for Dynamic Enterprises International, an exhibitor at this week's National Automobile Dealers Association convention, is P.O. Box 69446, Los Angeles, CA 90069.

CAR SALES BY SIZE CLASS
1988 VS. 1987

	1988	1987
Subcompact Cars		
Escort	387,815	392,360
Hyundai	264,282	263,610
Sentra	249,523	235,944
Civic/CRX	225,543	221,252
Corolla	216,677	164,300
Tercel	104,655	100,590
Geo Prizm/Nova	96,868	134,956
Mazda 323	90,822	76,212
Colt	79,885	79,367
Festiva	69,167	26,750
Spectrum	68,347	76,852
LeMans	64,037	35,564
Horizon	61,142	46,460
Omni	59,664	37,726
Lynx/Tracer	58,921	68,938
Integra	57,468	54,757
Fox	56,932	40,176
Sprint	48,088	60,359
Pulsar	44,317	61,765
Golf/GTI	35,840	61,064
Yugo	31,546	48,812
Subaru Justy	27,313	13,240
Precis	21,613	20,658
Vista	19,439	29,380
I-Mark	17,310	32,300
Cabriolet	12,791	13,563
Mirage	11,997	15,185
Daihatsu	11,460	0
Summit	4,603	0
Alliance	4,418	24,770
Scirocco	3,754	6,971
Suzuki Swift	524	0
Chevette	205	16,967
Pontiac 1000	154	4,826
TOTAL	2,507,120	2,465,674
Compact Cars		
Accord	362,663	334,876
Cavalier	306,267	307,028
Tempo	285,141	219,296
Grand Am	232,010	211,192
Reliant	109,858	105,919
Calais	106,117	101,861
Aries	102,489	99,039
Topaz	92,723	63,200
Shadow	91,090	77,086
Sundance	89,218	75,883
Sunbird	85,573	79,014
Probe	77,763	0
Daytona	72,171	41,776
Mazda 626	66,354	74,439
Celica	66,331	79,333
Subaru Sta. Wgn.	65,733	82,408
Somerset/Skylark	58,346	67,078
Prelude	52,541	72,708
Jetta	51,036	52,553
Stanza	46,638	67,604
Mazda MX-6	39,362	12,116
BMW 325	35,663	57,754
Subaru 4-Dr. Sdn.	34,389	39,397
Nissan 200SX	31,900	30,065
Skyhawk	26,056	38,651
LeBaron K	20,113	54,746
Mercedes 190	16,740	17,545
Subaru XT	14,077	17,901
Dodge 600	11,943	36,346
Firenza	9,148	17,626
Subaru 3-Door	9,105	14,541
Impulse	7,210	7,287
Mercedes 260E	6,370	6,160
Audi 90	6,106	768
Cordia	5,919	4,499
Cimarron	5,884	12,295
Merkur XR4Ti	5,745	9,123
Audi 80	5,702	550
Subaru Hatchback	5,327	8,377
Quantum	3,031	6,722
Milano	2,325	2,903
BMW M3	1,675	1,121
Eagle	1,392	4,564
Turismo	1,115	16,991
Charger	1,022	18,032
Maserati	733	932
Tredia	477	4,972
Audi Coupe GT	278	1,990
Audi 4000S	218	9,043
Audi 4000CS Quattro	77	2,929
BMW 318i	9	18
Laser	0	4,308
TOTAL	2,730,173	2,672,585
Intermediate Cars		
Corsica/Beretta	380,301	214,074
Taurus	374,627	354,971
Celebrity	252,861	306,480
Cutlass Ciera	237,386	244,607
Camry	227,140	186,633
Mustang	170,080	172,602
Century	131,994	147,797
Regal	122,571	63,853
Sable	119,218	104,518
Thunderbird	117,866	132,623
Cutlass Supreme	116,179	92,779
Grand Prix	102,208	16,383
Camaro	101,665	117,324
Cougar	100,961	110,722
LeBaron J	99,833	87,802
Pontiac 6000	97,926	120,373
New Yorker C	83,622	8,581
Dynasty	83,012	3,092
Maxima	74,451	93,289
Legend	70,770	54,713
Firebird	58,493	73,190
Continental	47,424	12,909
Volvo 740 Series	42,642	41,380
Volvo 240 Series	41,837	49,107
Premier	40,872	192
Eldorado	31,199	21,470
Monte Carlo	28,740	63,577
Mazda 929	25,981	6,913
Mark VII	22,526	27,119
Seville	22,439	21,515
Mercedes 300	21,165	23,456
Galant	20,625	10,856
Supra	19,596	29,907
Jaguar XJ6	15,944	17,539
LeBaron GTS	15,169	30,939
Toronado	14,887	16,667
Medallion	14,712	13,991
New Yorker E	14,550	50,479
Cressida	14,195	21,968
Caravelle	12,903	36,077
Riviera	11,750	16,187
Volvo 760 Series	11,688	14,109
BMW 528e	10,218	9,405
Lancer	10,032	22,422
Saab 900S	9,982	14,357
Merkur Scorpio	9,516	5,178
Saab 900 Turbo	9,331	9,120
Sterling	8,822	14,171
BMW 535i/535iS	8,407	6,550
Saab 9000 Turbo	8,262	7,341
Peugeot	6,704	9,422
Saab 900	6,593	9,831
Audi 5000S	5,333	17,356
Mercedes 300 SE	5,331	0
Jaguar XJS	4,783	5,380
Spirit	3,950	0
Saab 9000S	3,596	3,715
Acclaim	3,508	0
Audi 100/200	2,429	0
BMW 6-Series	1,863	1,944
Volvo 780	1,681	511
Audi 5000CS Turbo Quattro	1,017	5,082
Audi 5000CS Turbo	906	3,604
Audi 100/200 Quattro	877	0
BMW M6	666	588
BMW M5	547	403
Mercedes 300SDL Turbo	90	6,035
BMW 524 TD	3	28
Marquis	0	2,510
TOTAL	3,738,755	3,387,676
Standard Cars		
Caprice	172,993	177,344
Olds 88	156,205	168,853
DeVille	157,218	146,174
LeSabre	141,440	141,126
Lincoln	121,674	126,009
Grand Marquis	114,385	113,972
Crown Victoria	114,212	118,034
Bonneville H	107,987	102,377
Electra	84,453	82,719
Olds 98	73,348	72,001
Brougham	46,743	57,313
Fifth Avenue	35,967	58,270
Diplomat	20,414	12,775
Gran Fury	13,315	7,782
BMW 7-Series	13,308	10,028
Mercedes 420SEL	8,500	14,945
Paris./Safari	6,647	10,077
Mercedes 560SEL	5,829	6,346
Mercedes 300SEL	4,826	906
Mercedes 560SEC	1,652	1,785
TOTAL	1,403,116	1,428,836
Speciality Cars		
Mazda RX-7	27,814	38,345
Fiero	24,121	41,830
Corvette	23,281	25,437
Toyota 4Runner SR 5	20,880	3,635
Nissan 300ZX	19,357	33,566
Mercedes 560SL	11,844	11,825
Conquest	9,873	11,590
Toyota MR2	8,044	15,847
Mitsubishi Van/Wagon	6,328	6,700
Toyota Land Cruiser	6,024	5,008
Mazda MPV	5,717	0
Vanagon	5,416	10,656
Toyota Van	5,341	12,892
Reatta	4,514	0
Porsche 944	3,722	6,336
Allante	3,065	2,517
Starion	3,016	5,084
Porsche 911 Coupe	2,962	4,157
Porsche 924S	2,321	2,975
Spider	2,151	3,397
Porsche 944 Turbo	1,880	2,588
Porsche 911 Cabriolet	1,777	2,192
Porsche 928S	1,427	1,967
Porsche 911 Turbo	1,104	1,541
Porsche 944S	544	1,876
TOTAL	202,523	251,961
Total Car Sales	10,581,887	10,296,732

Totals do not include tourist deliveries.

PRODUCTION

Car output climbs 3% to 158,083

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

U.S. carmakers continue to increase their production schedules from week to week.

Last week's targeted output totaled 158,083 cars, 3.00 percent above the previous week's 153,472 and 24.31 percent more than the year-ago week's 127,166.

The year-ago week's output was affected by extended downtime at several plants due to slow sales.

So far this year, 569,745 cars have been assembled, 19.92 percent more than the 475,112 completed last year at this point.

Last week's scheduled output was shared as follows: General Motors, 48.27 percent; Ford Motor Co., 26.72 percent; Chrysler Motors, 12.65 percent; Honda of America Manufacturing, 4.98 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.05 percent; New United Motor Manufacturing Inc., 2.53 percent; Nissan Motor Manufacturing Co. U.S.A., 1.48 percent; and Diamond-Star Motors, 0.32 percent.

Truck output was slated at 95,337 units last week, slightly above (0.98 percent) the prior week's 94,416 and 9.58 percent more than the year-ago week's 87,004.

Year-to-date, 345,303 trucks have been built, 4.91 percent more than the 329,138 assembled last year at this time.

GM closed its Fairfax, Kan., plant today for one week to adjust inventory of the Pontiac Grand Prix. The plant is expected to resume operations Feb. 6.

GM shut down its Reatta Craft Centre in Lansing, Mich., last week due to slow sales and to prepare the plant for convertible production. No date was given for resumption of operations at the facility.

GM's Pontiac Central plant in Pontiac, Mich., resumed output last week after being idle for one week for inventory adjustment.

Overtime was slated last Saturday at GM's Lordstown, Ohio; Pontiac, Mich.; Fort Wayne, Ind.; and Moraine, Ohio, plants.

No overtime was scheduled last Saturday at Ford plants.

However, all Ford plants are scheduled for daily overtime this week.

Canada trucks top cars again

Once again last week, Canadian truckmakers targeted a higher weekly build than the carmakers.

Scheduled production of 21,225 trucks was 1.05 percent below the previous week's 21,451 but 5.37 percent more than the year-ago week's 20,143.

Continuing to lead car assembly, year-to-date truck production totaled 78,310, an increase of 7.16 percent over the 73,080 completed last year at this point.

Auto production was scheduled at 21,095 units last week, 6.48 percent more than the preceding week's 19,811 but 6.57 percent below the year-ago week's 22,579.

So far this year, 72,361 cars have been built.

U.S. CAR	Week Ended Jan. 28, 1989	Week Ended Jan. 30, 1988	Week Ended Jan. 21, 1989	Jan. Est.	Jan. 1 to Jan. 28, 1989	Jan. 1 to Jan. 30, 1988
Horizon	0	1,867	0	0	0	6,296
Sundance	2,900	2,273	2,600	10,116	10,116	8,225
Reliant	0	2,086	0	0	0	4,425
Acclaim	1,200	0	1,394	4,810	4,810	0
Caravelle	0	493	0	0	0	1,275
Gran Fury	0	284	0	0	0	757
Total Plymouth	4,100	6,803	3,994	14,926	14,926	20,978
LeBaron K	0	359	0	0	0	716
LeBaron J	2,700	0	2,289	9,332	9,332	0
LeBaron GTS	200	193	246	908	908	677
N. Yorker C-Class	2,700	1,853	2,370	9,519	9,519	6,030
Fifth Avenue	0	1,242	0	0	0	5,115
Total Chrysler	5,600	3,647	4,905	19,759	19,759	12,538
Omni	0	1,589	0	0	0	6,126
Daytona	2,700	0	2,276	9,376	9,376	0
Shadow	2,700	2,120	2,453	9,490	9,490	8,583
Aries	0	2,027	0	0	0	4,480
Dodge 600	0	390	0	0	0	1,072
Dynasty	3,500	1,961	3,115	12,389	12,389	6,713
Lancer	200	219	207	782	782	889
Spirit	1,200	0	1,371	4,997	4,997	0
Diplomat	0	268	0	0	0	1,341
Total Dodge	10,300	8,574	9,422	37,034	37,034	29,204
CHRYSLER MOTORS	20,000	19,024	18,321	71,719	71,719	62,720
Escort	9,282	9,200	8,771	34,039	34,039	36,178
Mustang	4,535	4,628	4,462	16,404	16,404	18,253
Tempo	4,003	4,030	3,959	15,079	15,079	17,205
Taurus	8,568	8,458	8,562	32,307	32,307	32,144
Thunderbird	4,027	3,462	4,344	13,700	13,700	12,578
Total Ford Div.	30,415	29,778	30,098	111,529	111,529	116,358
Topaz	1,509	1,486	1,468	5,609	5,609	6,373
Cougar	2,676	2,308	3,110	11,138	11,138	10,499
Sable	2,959	2,150	2,990	11,229	11,229	8,138
Total Mercury	7,144	5,944	7,568	27,976	27,976	25,010
Continental	1,564	726	1,566	6,145	6,145	2,984
Mark VII	775	649	780	3,057	3,057	2,273
Lincoln	2,349	2,776	2,346	9,217	9,217	12,461
Total Lincoln	4,688	4,151	4,692	18,419	18,419	17,718
Total L-M Division	11,832	10,095	12,260	46,395	46,395	42,728
FORD MOTOR CO.	42,247	39,873	42,358	157,924	157,924	159,086
Skyhawk	324	1,044	331	1,867	1,867	3,109
Skylark/Somerset	1,155	572	839	2,283	2,283	2,987
Century	3,525	0	3,399	12,970	12,970	2,871
Riviera	629	186	657	2,384	2,384	183
Electra	2,019	1,259	2,002	6,826	6,826	5,968
LeSabre (fwd)	552	2,370	0	552	552	9,485
LeSabre (rwd)	220	60	172	782	782	428
Reatta	0	43	277	766	766	219
Total Buick	8,424	5,534	7,677	28,430	28,430	25,250
Cimmaron	0	279	0	0	0	1,152
Eldorado	742	617	766	2,798	2,798	538
Seville	562	461	590	2,125	2,125	489
Brougham (rwd)	1,220	0	1,080	4,230	4,230	0
Deville (fwd)	4,740	4,033	4,430	16,217	16,217	14,810
Allante	75	30	75	285	285	30
Total Cadillac	7,339	5,420	6,941	25,655	25,655	17,019
Cavalier	8,963	6,632	8,567	33,814	33,814	27,038
Camaro	2,540	1,918	2,420	9,472	9,472	3,823
Celebrity	4,395	0	4,555	17,076	17,076	6,535
Corsica/Beretta	9,315	8,189	9,038	33,702	33,702	23,856
Caprice	3,750	4,425	3,289	13,262	13,262	17,212
Corvette	520	451	520	1,850	1,850	1,599
Total Chevrolet	29,483	21,615	28,389	109,176	109,176	80,063
Calais	1,995	1,794	1,429	3,903	3,903	8,327
Firenza	0	536	0	0	0	1,557
Cutlass Ciera	1,640	0	1,681	6,322	6,322	0
Cutlass Supreme	3,650	2,392	3,623	10,919	10,919	5,986
Toronado	315	327	314	1,181	1,181	363
88 (fwd)	4,027	3,283	3,997	14,035	14,035	13,440
88 (rwd)	285	320	226	920	920	1,278
Olds 98	2,202	1,830	2,162	7,439	7,439	6,599
Total Oldsmobile	14,114	10,482	13,412	44,719	44,719	37,550
Sunbird	2,347	2,190	2,149	9,042	9,042	8,597
Grand Am	4,800	4,859	4,819	18,305	18,305	19,183
Firebird	1,610	2,052	1,566	6,010	6,010	4,079
Grand Prix	3,655	0	4,000	11,655	11,655	0
Pontiac 6000	2,245	0	2,194	8,339	8,339	86
Bonneville	2,100	1,932	2,357	7,238	7,238	7,699
Safari/Parisienne	160	194	52	421	421	353
Fiero	0	0	0	0	0	240
Total Pontiac	16,917	11,227	17,137	61,010	61,010	40,237
GENERAL MOTORS	76,277	54,278	73,536	268,990	268,990	200,119
DIAMOND-STAR	513	0	549	2,078	2,078	0
HONDA	7,880	6,673	7,607	28,625	28,625	27,758
Civic	2,780	1,665	2,593	9,764	9,764	6,670
Accord	5,100	5,008	5,014	18,861	18,861	21,088
MAZDA†	4,826	865	5,004	18,218	18,218	3,248
NISSAN	2,340	1,338	2,367	9,040	9,040	5,354
NUMMI	4,000	3,237	3,730	13,151	13,151	12,801
Corolla	1,600	1,193	1,574	5,998	5,998	4,717
Nova	2,400	2,044	2,156	7,153	7,153	8,084
VOLKSWAGEN	0	1,878	0	0	0	4,026
Golf/GTI	0	1,378	0	0	0	3,026
Jetta	0	500	0	0	0	1,000
Total Cars, U.S.	158,083	127,166	153,472	569,745	569,745	475,112
Total Cars, Canada	21,095	22,579	19,811	72,361	72,361	88,759
U.S., Canada Cars	179,178	149,745	173,283	642,106	642,106	563,871
U.S., Canada Cars and Trucks	295,740	256,892	289,150	1,065,719	1,065,719	966,089

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended Jan. 28, 1989	Week Ended Jan. 30, 1988	Week Ended Jan. 21, 1989	Jan. Est.	Jan. 1 to Jan. 28, 1989	Jan. 1 to Jan. 30, 1988
Premier	1,275	1,650	1,291	3,863	3,863	6,236
CHRYSLER MOTORS	1,275	1,650	1,291	3,863	3,863	6,236
Tempo	4,037	4,127	4,515	15,972	15,972	16,823
Topaz	1,723	1,445	1,170	5,108	5,108	6,558
Crown Victoria	2,899	2,697	2,953	10,883	10,883	11,430
Grand Marquis	2,861	2,508	2,910	10,712	10,712	10,870
FORD MOTOR CO.	11,520	10,777	11,548	42,675	42,675	45,681
Celebrity	214	838	199	784	784	1,865
Cutlass Ciera	4,058	4,102	3,820	14,923	14,923	14,418
Lumina	270	0	123	464	464	0
Pontiac 6000	0	1,180	0	0	0	4,839
Regal	1,928	3,333	1,140	3,301	3,301	12,883
GENERAL MOTORS	6,470	9,453	5,282	19,472	19,472	34,004
Civic	1,650	0	1,510	5,686	5,686	0
Accord	0	0	0	0	0	0
HONDA	1,650	589	1,510	5,686	5,686	2,428
VOLVO	180	110	180	665	665	410
Total Cars, Canada	21,095	22,579	19,811	72,361	72,361	88,759

U.S. TRUCK☆	Week Ended Jan. 28, 1989	Week Ended Jan. 30, 1988	Week Ended Jan. 21, 1989	Jan. Est.	Jan. 1 to Jan. 28, 1989	Jan. 1 to Jan. 30, 1988
Caravan	2,400	2,258	2,078	9,038	9,038	7,297
Dakota	2,200	3,180	2,305	8,089	8,089	12,542
Mini-Ram Van	200	353	186	777	777	1,144
Pickups	2,200	1,587	2,301	8,085	8,085	6,212
Total Dodge	7,000	7,378	6,870	25,989	25,989	27,195
Cherokee	5,000	3,772	4,718	15,887	15,887	13,872
Commanche	800	1,096	766	2,683	2,683	3,697
Grand Wagoneer	300	350	350	1,265	1,265	994
Wagoneer	200	289	216	730	730	1,088
Total Jeep	6,300	5,507	6,050	20,565	20,565	19,651
Voyager	2,200	2,059	1,966	8,473	8,473	6,715
Total Plymouth	2,200	2,059	1,966	8,473	8,473	6,715
CHRYSLER MOTORS	15,500	14,944	14,886	55,027	55,027	53,561
Aerostar	4,960	4,460	4,751	18,436	18,436	17,827
Bronco	1,861	1,252	2,148	7,532	7,532	5,076
Bronco II	2,931	3,004	2,819	10,440	10,440	12,659
Econoline	5,218	5,238	5,176	19,474	19,474	20,141
Heavy trucks	1,309	1,333	1,315	4,966	4,966	5,276
Light trucks	11,442	10,047	11,822	43,306	43,306	38,359
Ranger	7,612	7,795	7,320	27,158	27,158	28,867
Total Ford Div.	35,333	33,129	35,351	131,312	131,312	128,205
FORD MOTOR CO.	35,333	33,129	35,351	131,312	131,312	128,205
Astro	3,464	3,549	3,487	13,073	13,073	13,703
Blazer	527	629	606	2,197	2,197	2,162
Mediums/Heavies	0	264	0	0	0	1,339
P-Model	694	948	868	1,562	1,562	3,901
Pickups	10,236	6,135	10,639	35,727	35,727	23,395
S-10	6,163	5,079	6,212	23,168	23,168	20,555
S-10 Blazer	4,080	3,239	3,763	15,005	15,005	9,464
Sportsvan/Van	1,865	831	1,872	5,198	5,198	5,516
Suburban	1,461	1,697	1,673	5,850	5,850	5,447
Total Chevrolet	28,490	22,371	29,120	101,780	101,780	85,482
Jimmy	158	212	177	646	646	785
Mediums/Heavies	0	1,010	0	0	0	3,222
P-Model	77	67	44	121	121	285
Pickups	3,234	2,000	3,302	11,763	11,763	8,411
S-15	1,541	1,568	1,068	5,296	5,295	5,402
S-15 Jimmy	1,020	824	906	3,942	3,942	1,927
Safari	921	838	888	3,373	3,373	3,604
Suburban	596	827	674	2,672	2,672	3,444
Vandura/Rally Vans	1,049	1,388	642	2,139	2,139	3,720
Total GMC	8,646	8,734	7,721	29,951	29,951	30,780
GENERAL MOTORS	37,136	31,105	36,841	131,731	131,731	116,262
NAVISTAR	1,848	1,807	1,771	6,098	6,098	7,177
NISSAN	2,770	3,269	2,817	10,685	10,685	12,933
AM GENERAL	450	450	450	1,710	1,710	1,800
MISCELLANEOUS	2,300	2,300	2,300	8,740	8,740	9,200
Total Trucks, U.S.	95,337	87,004	94,416	345,303	345,303	329,138

CANADIAN TRUCK	Week Ended Jan. 28, 1989	Week Ended Jan. 30, 1988	Week Ended Jan. 21, 1989	Jan. Est.	Jan. 1 to Jan. 28, 1989	Jan. 1 to Jan. 30, 1988
Caravan	3,282	3,156	3,339	12,574	12,574	12,038
Mini-Ram Van	210	250	204	792	792	884
Ram Wagon	690	557	682	2,608	2,608	1,703
Ram Van	1,660	1,384	1,768	6,604	6,604	4,073
Total Dodge	5,842	5,347	5,993	22,578	22,578	18,698
Voyager	2,652	2,983	2,694	10,252	10,252	11,204
Total Plymouth	2,652	2,983	2,694	10,252	10,252	11,204
Wrangler	1,508	1,087	1,304	4,460	4,460	3,644
Total Jeep	1,508	1,087	1,304	4,460	4,460	3,644
CHRYSLER MOTORS	10,002	9,417	9,991	37,290	37,290	33,546
FORD MTR. (lt. trks.)	3,648	3,676	3,522	13,393	13,393	14,268
Light trucks	3,579	3,323	3,960	13,130	13,130	12,187
Vans	1,523	1,388	1,462	5,599	5,599	4,886
Total Chevrolet	5,102	4,711	5,422	18,729	18,729	17,073
Light trucks	1,581	1,540	1,622	5,551	5,551	5,063
Vans	622	575	619	2,317	2,317	2,228
Total GMC	2,203	2,115	2,241	7,868	7,868	7,291
GENERAL MOTORS	7,305	6,826	7,663	26,597	26,597	24,364
NAVISTAR	270	224	275	1,030	1,030	902
Total Trks., Canada	21,225	20,143	21,451	78,310	78,310	73,080
N. American Trks.	116,562	107,147	115,867	423,613	423,613	402,218

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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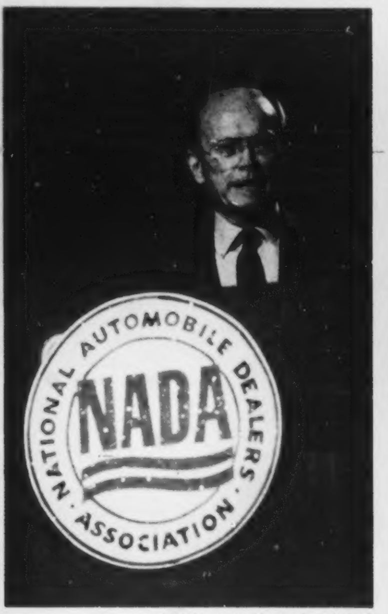

AUTOMOTIVE NEWS/JOE WILSSENS PHOTOS

Ford Chairman Don Petersen delivers speech

Dealers slow to embrace stock sales

Public ownership too drastic for most

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

NEW ORLEANS — The idea of public ownership — once touted as the next revolution in automotive retailing — may end up impacting the nation's dealer body with the force of a whimper.

Financial analysts believe dealers will likely rely on less extreme measures to finance their growth. Limited partnerships, for example, will help ease dealer debt loads and fund expansion without the expense and risk involved in a public stock offering. It is believed that the number of dealerships that actually do go public will wind up being quite small.

"I think there are some dealers that will definitely go public, but it will only be a few," Ron Tonkin, the new president of the National Automobile Dealers Association, said at last week's convention. "Dealers are very private individuals, and I don't see many of them relinquishing the control they have to shareholders.

"I don't know of any dealers that are actively planning for public ownership,

see PUBLIC, page 121

HIGHLIGHTS

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The top sideshow — a pre-Mardi Gras parade — roams downtown New Orleans

At the Chevy party, dealers ogle cars and Robert Burger tosses trinkets to well-wishers

Ron Tonkin, right, promised fireworks as he replaced Jimmy Payton, left, as NADA president

NADA: *Tough president promises lively year for factories*

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

NEW ORLEANS — An adversarial wind blew last week signaling a change in dealer-factory relations as the National Automobile Dealers Association held its 72nd annual convention.

The eye of that potential hurricane is new NADA President Ronald B. Tonkin, whose tough talk reflects dealer concern over creeping factory encroachment on dealer independence and stability.

Tonkin, a Portland, Ore., megadealer who first gained national attention in the early 1960s as the country's youngest Chevrolet dealer, is taking the 20,000-dealer association head-to-head with the automakers. He complained the manufacturers' profits are soaring while dealer profits across the country gradually dwindle.

Tonkin cites recently released NADA figures that showed average dealership profit margins shrunk to 1.7 percent of sales in 1987, the lowest margin in five years.

"Like the characters from the movie 'Network,' we're mad as hell and we're not going to take it any more," he vowed publicly last week.

see NADA, page 120

Pawned Yugos push Global to bankruptcy

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

Yugo America truly had its back to the wall when it filed for bankruptcy last week, having in effect pawned its car inventory, the company's largest asset.

As the gravity of the situation was made clear to dealers at the Yugo make meeting in New Orleans last Monday, dealers started leaving the meeting in ones and twos to bail out of their franchises.

"Fax me a letter canceling the deal, and I want it here by noon," one dealer said into the phone outside the meeting room at 11 a.m. "And call the bank and tell them what we're doing. Don't accept any more Yugo warranty work. Refer people to (another Yugo franchise in the next city) and tell 'em we gave up the franchise," he said.

Another caller phoned home and told the dealership not to accept delivery of some new Yugos.

A short time later, Global Motors Acting Chief Executive Officer Marcel Kole left the room and spent about 30 minutes talking on a pay phone down the hall, with a colleague pacing up and down to keep reporters at bay.

Dealers said later that in the first part of the meeting, they had tried to persuade Kole not to declare bankruptcy. While he was on the phone, some dealers who left the meeting said the decision had been reached.

Kole got off the phone around 11:30 a.m. and spent another 10 minutes behind closed doors with the dealers.

The dealers asked to meet among themselves for a few minutes, while Kole waited in the hall.

A few minutes later, he was asked to join the meet-

see YUGO, page 124

Chrysler, Renault to build new Jeep

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Pieces of Chrysler's global strategy began falling into place as the company revealed plans last week to add two new models its Jeep-Eagle line involving foreign manufacturers.

And along with improved fourth-quarter earnings, Chrysler's financial statement disclosed that the company not only purchased nearly $2 billion worth of cars and components from its Mitsubishi Motors Corp. partner, but it made $57 million from Mitsubishi's decision to go public last December.

Separately, Automotive News learned last week that Chrysler has also agreed to give 15,000 cars it imports from Mitsubishi to that company's U.S. unit, Mitsubishi Motor Sales of America, in exchange for 15,000 more Lasers from the Diamond-Star Motors joint venture in Normal, Il. Mitsubishi Motor Sales will give up a like number of Mirage sedans that are scheduled to go into production this fall.

Chrysler Chairman Lee A. Iacocca said last week that it will build a new Jeep model code-named the JJ in a joint venture with Renault, using plants in both Europe and North America. A day earlier, it was announced that beginning in 1991, Jeep-Eagle will receive 30,000 Hyundai Sonatas a year from the Korean automaker's Bromont, Quebec, plant.

Chrysler and Renault are expected to conclude the 50-50 joint-venture agreement by June. Chrysler will distribute the JJ exclusively in North America and

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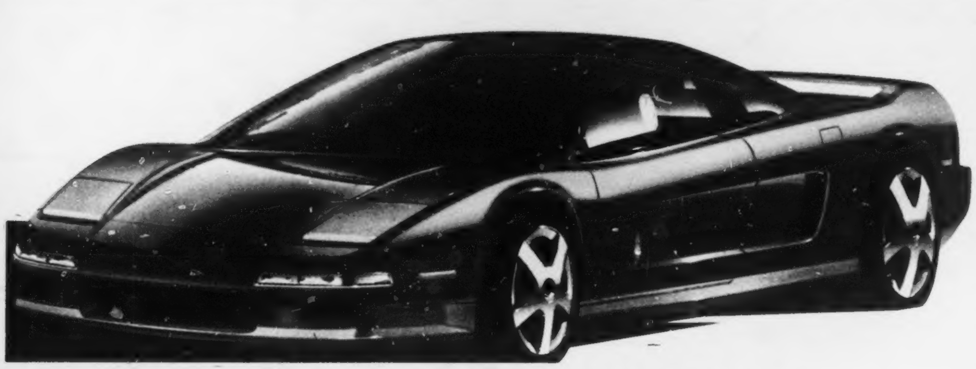
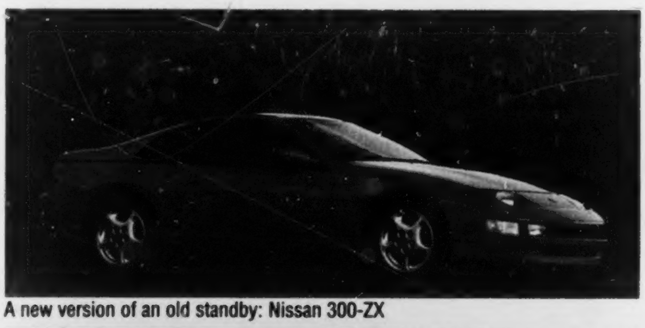


One of Honda's best-kept secrets is the Acura two-seater with an estimated sticker price of $55,000

CHICAGO: *3 sports cars from Japan top list of new models at big Midwest show*

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER



A new version of an old standby: Nissan 300-ZX

Mazda's MX-5 Miata is a sports car for the economy-minded

This week, the auto world's eyes will look into Chicago's lakefront convention center, McCormick Place, and focus on three cars debuting at the Chicago Auto Show.

The nine-day exposition opens Saturday.

The scrutiny will be intense for good reason. Though the number of new-car, show-car and prototype unveilings won't be as great as at last month's North American International Auto Show in Detroit, Chicago offers a glimpse into the direction of future automotive marketing.

First, because these three vehicles are sports cars — one an entry-level street racer and two that will fight for a share of the market's upper end. Second, because all three cars are made in Japan.

The newcomers are the Mazda MX-5 Miata, the Acura two-seater and the restyled Nissan 300-ZX.

Before this year's restructuring of the Detroit display as the North American International Auto Show, an exhibit that received enormous economic and promotional support from the Big 3 with the unveiling of nearly two dozen production and show cars, it was the annual event in Chicago at which Motown's finest wares were paraded.

This year is different. Domestic manufacturers will pop a few corks with prototype car debuts.

Nissan, Honda and Mazda have chosen the Chicago Auto Show to unveil top-flight sports cars.

The significance here is the significant market — the heart of the United States.

Debuting at Chicago will be Mazda's return to affordable sports cars, the Mazda MX-5 Miata.

Fitted with an engine block from the firm's entry-level 323 subcompact, the rear-drive MX-5 takes transmission technology from the 929.

To categorize the Miata, it's close to a 1990s' Japanese rendition of the 1960s' British Lotus Elan sports car. Available as an open-air roadster, the MX-5 will appeal to minimalist sports-car buyers. Estimated price: $13,000.

The sports car with the greatest veil of secrecy surrounding it — and the one that should gain a great portion of attention — is the mid-engined two-seat Acura sports car, said to be called the MXS.

So quiet have the Honda people been about the car's existence, that it wasn't until his annual New Year's message that Honda Motor Co. President Tadashi Kume acknowledged that a "mid-ship type sports car" would be introduced at Chicago.

Power will be delivered by a new 3-liter V-6 engine, capable of propelling the car to speeds of 155 mph. Price is said to be near $55,000.

Also aiming for the market's upper section is a totally rede-

see CHICAGO, page 125

Toyota, Nissan rethink operations

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

Kusunoki

McCurry

LOS ANGELES — Toyota is setting up a new company to coordinate the activities of its North American subsidiaries, and Nissan is considering how to best restructure its U.S. operations.

Toyota announced last week that it will incorporate Toyota Motor Corporate Service of North America under Chairman Tatsuro Toyoda, executive vice president of the Japanese parent company.

The new unit will have its main office in New York City and branches in Washington, Detroit and Lexington, Ky.

It will be a wholly owned subsidiary of Toyota Motor Co. in Japan and is described as an organization to gather information and coordinate and Toyota's North American manufacturing operations during expansion to full-scale production. Toyota said it is not a move toward establishing a North American headquarters.

Joining Toyoda and two members from Toyota Motor Co. on the new corporate services company's board is Kaneyoshi Kusunoki, who is chairman of both Toyota Motor Manufacturing and Toyota Motor Sales U.S.A.

Also serving on the corporate services board are Robert B. McCurry, executive vice president of Toyota Motor Sales; Alex M. Warren, senior vice president — administration at Toyota Motor Manufacturing; and Kunio Shimazu, president of the new unit and previously head of Toyota Motor Co.'s offices in New York.

Toyota's new 29-employee company will still leave final authority for North America divided among several executives, but allow some operating coordination to be handled in the United States.

It also does not formally change the chain of command for North American sales and marketing subsidiaries. But the coordinating role of Toyota Motor Corporate Services also includes preliminary planning for Toyota's assembly plant in Cambridge, Ontario.

Meanwhile, Nissan has launched a full-scale study of whether to restructure its U.S. sales, manufacturing, design, lobbying and research and development subsidiaries under a single umbrella, said Thomas Mignanelli, executive vice president, Nissan Motor Sales U.S.A.

The study is being conducted for Nissan by McKinsey & Co., a New York-based management consulting company.

The study's findings — expected late this year — could recommend anything from a coordinating body similar to Toyota's move or a comprehensive top-to-bottom consolidation like that of Honda North America, Mignanelli said.

"We're just trying to see what the most efficient method would be," he said.

Nissan currently has nine U.S. subsidiaries, with headquarters scattered on both coasts, the Midwest and Tennessee.

To date, only Honda among the nine Japanese carmakers active in the United States has consolidated operating control of its North American subsidiaries under a single executive.

Tetsuo Chino, who spearheaded American Honda's dramatic growth in the United States, is president of Honda North America, with 14 car, motorcycle, all-terrain vehicle and other subsidiaries in the United States, Canada and Mexico under his control.

Other Japanese companies, even those that have added manufacturing, research and development and design facilities in the United States since establishing a U.S. sales arm, split control of their North American subsidiaries between two or more executives on the board of the Japanese parent company.

With North American manufacturing growing, the problems of coordinating manufacturing and sales in North America from Tokyo also are increasing for the Japanese.

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Toyota-China agreement on trucks expected

By Stephen Vines
STAFF CORRESPONDENT

HONG KONG — Toyota Motor Corp. will soon announce the first major production contract between Chinese and Japanese manufacturers.

An agreement has been reached for Toyota to cooperate with the Chinese in establishing a medium-size truck factory in the northeastern city of Changchun.

Details of the agreement are not yet available but it is understood to provide for a pilot program of truck production with a large portion of imported Japanese components, leading to the manufacture of larger numbers of trucks under license from Toyota.

The Japanese company will also provide technical assistance and make some kind of technology transfers.

Toyota sources indicate that the company would soon be making an announcement on the project but declined to give details.

Toyota will not, however, invest in the new facility that will be funded by various Chinese companies. No foreign automotive company has formed a joint venture with the Chinese since the American Motors deal with Beijing Jeep in 1983. All agreements since then have not involved capital transfers from overseas.

Changchun is the center of production for the medium-sized Jiefang Liberation truck that provides the backbone of China's transportation fleet.

Daimler-Benz recently signed an agreement for establishing a new heavy-truck facility in the same city.

Meanwhile, a light-truck plant will soon start production in Beijing employing Isuzu technology and components. However, the Japanese company is not a partner in the factory, but merely a supplier. The joint-venture partner of the Beijing Light Automobile factory where the trucks will be produced is the Hong Kong-based Shortridge Ltd.

The agreement with Toyota is a significant breakthrough and comes against a background of considerable misunderstanding and poor relations between the Chinese government and Japanese automotive industry. The Japanese makers are still held responsible for the Hainan Island import scandal in which the island's local government purchased unprecedented numbers of Japanese cars and shipped them at considerable profit to other parts of China.

Chinese officials have accused the Japanese of only being interested in China as a market for their products and have showed an unwillingness to contribute toward the development of the local automotive industry. Toyota, however, has been notably persistent in efforts to do business in China.

In 1984, Toyota signed a contract for the production of pickup trucks in the southern city of Canton. However, a combination of financing problems and the Hainan scandal lead to the contract's cancellation. The Japanese company has maintained a representative office in Beijing and worked hard to get another deal going.

It had previously been assumed that the Changchun contract would have gone to Italy's Iveco, Fiat's truck unit, which has a technology transfer agreement with the Chinese for upgrading medium-size truck production. However, Iveco does not appear to have made much progress with its agreement.

RECREATION ON WHEELS

Recreational Vehicle Wholesale Deliveries

	November 1988	November 1987	% change	11 mos. 1988	11 mos. 1987	% change
Travel trailers	2,700	2,700	— 0.0	[illegible]	[illegible]	[illegible]
Park Trailers	600	500	+20.0	[illegible]	[illegible]	[illegible]
Travel trailers—fifth wheel	1,900	1,900	— 0.0	29,200	25,100	[illegible]
Folding camping trailers	3,100	2,600	+19.2	38,600	37,800	[illegible]
Truck campers	800	800	— 0.0	10,600	9,800	[illegible]
Towable RV total	8,900	8,300	+ 7.2	140,100	134,700	[illegible]
Conventional (type A)	3,200	3,400	— 5.9	[illegible]	[illegible]	[illegible]
Van Campers (type B)	400	500	—20.0	4,800	6,300	[illegible]
Chopped vans (all)	1,700	1,700	— 0.0	24,500	25,000	— 2.0
Motor home total	5,300	5,600	— 5.4	68,200	69,400	— 1.7
Van conversions	18,100	11,900	+52.1	187,200	169,100	+10.7
TOTAL ALL RVs	32,300	25,800	+25.2	[illegible]	373,200	[illegible]

Source: Recreation Vehicle Industry Association

Recreational Vehicle Wholesale Deliveries

	October 1988	October 1987	% change	10 mos. 1988	10 mos. 1987	% change
Travel trailers	4,800	4,900	— 2.0	62,000	63,400	— 1.5
Park Trailers	600	800	—25.0	6,000	5,600	+ 7.1
Travel trailers—fifth wheel	3,000	2,800	+ 7.1	27,300	23,200	+17.7
Folding camping trailers	2,800	3,100	— 9.7	35,500	35,200	+ 0.9
Truck campers	800	800	+ .0	9,800	9,000	+ 8.9
Towable RV total	12,000	12,400	— 3.3	131,200	126,400	+ 3.8
Conventional (type A)	4,100	4,100	+ .0	35,700	34,700	+ 2.8
Van Campers (type B)	500	600	—16.7	4,400	5,800	—24.1
Chopped vans (all)	2,300	2,000	+15.0	22,800	23,300	— 2.1
Motor home total	6,900	6,700	+ 3.0	62,900	63,800	— 1.4
Van conversions	15,800	14,800	+ 6.8	169,100	157,200	+ 7.6
TOTAL ALL RVs	34,700	33,900	+ 2.4	363,200	347,400	+ 4.5

Source: Recreation Vehicle Industry Association

Surge in van conversions ups month's RV shipments

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Van conversions helped the RV industry wholesale a near-record number of vehicles in November.

It wholesaled 32,300 vehicles that month, the second highest total of any November, behind the 33,800 units shipped in November 1977.

Last November's shipments also represented a 25.19 percent increase over the 25,800 units shipped in the like period of 1987, according to the Recreation Vehicle Industry Association.

For 11 months of 1988, industry shipments of 395,200 units were up 5.89 percent from the 373,200-unit level of a year earlier.

Van conversion shipments — with a 52.10 percent surge in November and a 10.70 percent climb for January-November 1988, compared with year-ago marks — made all the difference in the industry's performance.

The 18,100 van conversions shipped in November were easily the highest monthly tally on record, according to RVIA, and pushed the 11-month total of 187,200 units well beyond the previous historical high of 181,900 for all of last year.

Shipments of vans without seats from Detroit automakers to converters tapered off in November, though the 11-month total still led 1987 by a comfortable margin. Detroit's four manufacturers shipped 18,600 raw chassis to converters in November, off from 19,500 a year earlier. For 11 months of last year, they shipped 217,400 such units, up from 200,500 a year earlier.

GM offers RVIA a hand on safety

Converters optimistic they can meet seat, steering wheel rules

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

WARREN, Mich. — Van converters got a new lease on life after their top representatives met with General Motors officials and were assured that there were ways to meet upcoming governmental standards and that GM would help them do so.

The Recreation Vehicle Industry Association's Automotive Liaison Committee met with GM officials here Jan. 26 to discuss crucial new standards that will impact van converters, beginning in the fall of 1991 with the start of 1992 model-year production.

Essentially, the two major new Federal Motor Vehicle Safety Standards are FMVSS 204, which has to do with the intrusion of the steering column into the driver's compartment, and FMVSS 208, which relates to the amount of damage a test dummy may sustain in a frontal barrier crash test.

GM engineers told RVIA that FMVSS 204 is manageable. Its only likely limiting effect will be that converters won't be allowed to change the steering wheel.

FMVSS 208 is much more critical, however. It has to do with seat-belt retention and the height, size and angle of installed seats.

Ford officials previously told RVIA that because of this standard it will stop shipping seat-delete vans to converters by the 1992 model year.

However, GM engineers believe that, if they work jointly with RVIA and its converter members, they would still be able to ship the seat-delete units, which are very important to the work of the converters.

GM said it would be able to ship the seatless vans if the seats that converters installed were put in according to its prescribed envelope of dimensions.

It also said it would assist RVIA in testing representative vehicles that RVIA, through its seat suppliers and installers, was able to supply to make sure they met the FMVSS standard.

RVIA, in turn, said it would focus on getting its converter members to pull together for the effort.

RVIA officials left the meeting rather elated. And they felt that, with GM's offer of help and Chrysler Motors' offer to work with them to provide data for converters so they could get independent testing done, Ford would retreat from its hard-line position as well.

RVIA plans, in fact, to form a new subcommittee of its Automotive Liaison Committee expressly to deal with the upcoming safety issue, according to Jerome Loftus, RVIA's general counsel.

Members have already been selected, and the association expected to officially form the subcommittee as early as this week.

It had been waiting until it met with all the chassis manufacturers before forming the subcommittee.

GM was the third and final chassis manufacturer it met concerning this subject.

RVIA did meet with Ford officials last week in Arizona, but on a different subject.

"We think we may get some change from Ford," Loftus said. "We can't see them remaining as adamant (in refusing to ship seat-delete units) as in the past," he added.

He felt that a meeting of its new subcommittee with Ford might come as early as next month.

"If the industry is forced to use their (Ford's) seats that would present a big problem" in severely hampering the work converters could do, Loftus added.

He said that "from our perspective, the (GM meeting) was very positive. We were very happy that Chevrolet will work with us to try to achieve a certification by the van converters. They were very positive in their approach."

Loftus wasn't sure what restrictions even the GM proposal might place on van converters in terms of the many different seating configurations they now use.

"They may have as much liberty as before or maybe not," he said.

However, "GM has taken a positive approach of working with this industry to determine how much versatility manufacturers will retain in the installation of their seats," Loftus concluded.

The new safety standard itself is very comprehensive and complex. It relates to how much injury may be sustained in the entire front envelope of the vehicle, including the dashboard and windshield.

While Chevrolet will work with the industry to provide as much support to converters as possible, it is under the proviso that if a converter puts his own seats in, he assumes the responsibility for that work.

Ford previously said it wouldn't ship vehicles without seats, regardless of whether the converter assumed the responsibility for his own installations or not.

Meanwhile, a GM source said its future dimensions governing the size of seats and how they should be installed would not force converters to buy their seats from GM. They would still be free to purchase them from any of their current suppliers, as long as they were of certain dimensions and installed according to a certain height, position, etc. in the vehicle.

The GM source did believe, however, that the new installation criteria would impose some restrictions on the multitude of different styles and seating configurations that converters currently use.

"It will have to be according to very rigid criteria, but it's better than not being able to install them at all."

Some GM officials themselves were relieved by the engineering opinions given at the meeting.

In their original discussions of these governmental standards, they had thought the standards were so restrictive that they even governed the coefficient of friction of the fabric — in effect, the manner in which the dummy slid off the seat during a crash test.

"We were ready to sell a pair of Velcro pants with every one of our vans, and that's how we would have handled that problem," the official jokingly said.

Vixen still looking for help, hopes for deal in 30 days

Vixen Motor officials are still working against the clock to come up with a deal to save their motor home company.

Officials of the Pontiac, Mich., firm have been engaged in serious negotiations with several interested parties, but declined to name them.

Al Dryer, Vixen president, said Vixen was talking to "a number of companies in and outside the state. We can't divulge who is looking at us."

"Within the next 30 days, you'll hopefully see some announcement and letter of intent or offering. I think I have a real good chance of bringing a deal to the table," Dryer said.

However, Automotive News was able to uncover one major company that had made a close inspection of Vixen's product and facilities and obtained the following candid assessment of its potential:

"I think the product has some potential, but the thing that concerns me is to first get out of that facility. You will never generate the volume in that facility that it was designed for," said one of the company's officials.

"You would also want to do a lot of durability testing for the vehicle. When the vehicle was originally designed, it was well tested, but then they shut down and had a crash program on a new product. I have some suspicion about the heating," the executive continued.

"Then you'd have to do some market research and find out what's wrong with its sales acceptance. The people we talked to thought the price was stiff," he added, alluding to a price in the low $40,000 range.

He said costs would have to be cut to bring product price down.

"You gotta get out of that facility," he said, indicating its high overhead.

"That's a very expensive clamshell-type body they manufacture. And the other area is the interior upfitting. It's very labor-intensive to upfit the interior," he added.

RV TRENDS

JOSEPH BOHN

"The product has some potential, if you get it down to a realistic planning volume," he said, adding that Vixen's current production facility was too huge for such a volume level.

The official said Vixen might "interest me personally, but we have so much on our pallets that we couldn't jump on it fast enough." Hence, the company elected to pass on the deal.

Another major company also passed on the deal because it has had its own small motor home under development for some time.

Oshkosh restructures

Meanwhile, Oshkosh Truck Corp. of Oshkosh, Wis., said it is forming a chassis division to operate its recreational vehicle and light-truck chassis business.

The company appointed Bud Raupp vice president and general manager of the new division.

Oshkosh recently announced the completion of its purchase of Deere & Co.'s motorized vehicle chassis business. Financial terms were not disclosed.

Oshkosh signed a marketing and field-service support agreement for the chassis business with Clarke Power Products, Cincinnati. Clarke previously provided similar support to Deere through its 44 distributors and 700 service locations.

Under terms of an agreement, the Deere chassis business will be transferred to Oshkosh Truck over a period of about 12 months. As Oshkosh phases in production during the transition period, Deere will continue to supply Oshkosh with support services.

Because the Oshkosh factory will be unable to absorb the volume of this new line of about 8,500 units a year, a plant-site search has begun.

It is expected that about 100 people will be employed at the new facility with administrative and technical personnel remaining at the Oshkosh headquarters.

Ford chassis delay

Ford has delayed production startup of its 16,000-pound Class A motor home chassis until April 3. The unit had originally been slated to go into production last November, but the company says further testing is required.

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AUCTION DATES

Chrysler Motors

Feb. 7 — Dallas Auto Auction, Grand Prairie, Texas; Hatfield Auto Auction, Hatfield, Pa.; Southern Auto Auction, Warehouse Point, Conn.; Clanton's Auto Auction, Darlington, S.C.; Denver Auto Auction, Aurora, Colo.; South Seattle Auto Auction, Kent, Wash.; and Golden Gate Auto Auction, Fremont, Calif.

Feb. 8 — Minneapolis Auto Auction, Plymouth, Minn., and Columbus Fair Auto Auction, Obetz, Ohio

Feb. 9 — Fredericksburg Auto Auction, Fredericksburg, Va.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Big Sky Auto Auction, Billings, Mont.; and Salt Lake Auto Auction, Salt Lake City

Ford Motor Co.

Feb. 7 — South Seattle Auto Auction, Kent, Wash.

Feb. 8 — Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Mississippi Auto Auction, Hattiesburg, Miss.; Lakeland Auto Auction, Lakeland, Fla.; Southern California Auto Auction, Fontana, Calif.; Newburgh Auto Auction, Newburgh, N.Y.; Omaha Auto Auction, Omaha, Neb.; and Salt Lake Auto Auction, Salt Lake City

Feb. 9 — Ohio Auto Auction, Grove City, Ohio; Dallas Auto Auction, Grand Prairie, Texas; Manheim Auto Auction, Manheim, Pa.; St. Louis Auto Auction, Bridgeton, Mo.

Feb. 14 — Greater Chicago Auto Auction, Chicago; Harrisonburg Auto Auction, Harrisonburg, Va.; and Bay Cities Auto Auction, Hayward, Calif.

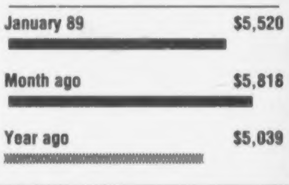
General Motors

Feb. 7 — A.D.E. of Birmingham, Moody, Ala.; Florida Auto Auction of Orlando, Ocoee, Fla.; National Auto Dealer Exchange, Bordentown, N.J.; and Harrisonburg Auto Auction, Harrrisonburg, Va.

Feb. 8 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

Feb. 9 — Southwest Auto Auction, Phoenix, Ariz.; Aptco Auto Auction, Taylor, Mich.; Butler Auto Auction, Gibsonia, Pa.; Big H Auto Auction, Houston; Denver Auto Auction, Aurora, Colo.; and Nashville Auto Auction, Nashville

Used Car Sales
Auction Averages



Model Breakdown
Auction Averages

	JAN. 1989	DEC. 1988	NOV. 1988
1989 ...	$11,031	—	—
1988 ...	$8,678	$9,894	$9,514
1987 ...	$7,003	$7,686	$7,330
1986 ...	$5,912	$4,874	$5,997
1985 ...	$4,933	$4,747	$5,077
1984 ...	$3,772	$3,723	$3,721
1983 ...	$2,730	$2,776	$2,948
1982 ...	$2,213	$2,343	$2,228
Overall Average	$5,520	$5,824	$5,204

Car output running 17% ahead of '88

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

United States automakers scheduled last week's output at 147,425, 7.50 percent below the previous week's 159,378 but 15.76 percent more than the year-ago week's 127,356.

So far this year, 718,465 cars have been assembled, 17.19 percent more than the 613,085 built last year at this point.

Last week's targeted production was shared as follows: General Motors, 45.51 percent; Ford Motor Co., 27.42 percent; Chrysler Motors, 12.96 percent; Honda of America Manufacturing, 5.61 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.86 percent; New United Motor Manufacturing Inc., 2.71 percent; Nissan Motor Manufacturing Co. U.S.A., 1.59 percent; and Diamond-Star Motors, 0.34 percent.

Truck production was scheduled at 92,445 units last week, 3.66 percent below the previous week's 95,961 but 12.66 percent more than the year-ago week's 82,057.

Year-to-date, 438,372 trucks have been assembled, 5.90 percent more than the 413,951 built last year at this time.

GM said it will "idle" its Framingham, Mass., plant permanently on Aug. 1. The plant assembles the A-body Oldsmobile Cutlass Ciera and the Buick Century. Production of the A-bodies will then be consolidated at the Oklahoma City plant.

GM's Fairfax, Kan., plant resumed production today after being idle for one week to adjust inventory.

GM's Tarrytown, N.Y., plant closed today for conversion to the all-purpose vehicles — Pontiac Trans Sport, Oldsmobile Silhouette, and Chevrolet Lumina APV.

On Jan. 30, a fire shut down most of the afternoon shift operations at Ford's Utica trim plant in Utica, Mich. The shift resumed operations the next day.

Ford slated overtime last Saturday at its Wayne, Mich.; Louisville, Ky.; and Twin Cities, Mo., plants.

All Ford plants are scheduled for daily overtime this week. The Norfolk, Va., facility is slated for overtime next Saturday.

Canada trucks near 100,000

Last week's scheduled Canadian truck production of 21,157 units dipped slightly (0.69 percent) from the previous week's 21,303 but increased 17.98 percent from the year-ago week's 17,932.

Year-to-date, 99,545 trucks have been built, 8.96 percent more than the 91,363 completed last year at this point.

Scheduled auto output of 21,133 last week fell only 23 units short of the truck estimate. The carmakers' schedule was 1.64 percent more than the previous week's 20,792 but 7.31 percent below the year-ago week's 22,799.

So far this year, 93,191 cars have been built, 15.59 percent below the 110,397 built last year at this time.

U.S. CAR	Week Ended Feb. 4, 1989	Week Ended Feb. 6, 1988	Week Ended Jan. 28, 1989	Jan. Est.	Jan. 1 to Feb. 4, 1989	Jan. 1 to Feb. 6, 1988
Horizon	0	1,686	0	0	0	8,363
Sundance	2,400	2,368	3,053	11,229	12,669	10,648
Reliant	0	2,737	0	0	0	6,811
Acclaim	1,700	0	1,628	5,918	6,938	0
Caravelle	0	534	0	0	0	1,968
Gran Fury	0	244	0	0	0	1,241
Total Plymouth	4,100	7,569	4,681	17,147	19,607	29,031
LeBaron K	0	471	0	0	0	1,075
LeBaron J	2,200	0	2,727	10,239	11,559	0
LeBaron GTS	200	145	285	1,073	1,193	870
N. Yorker C-Class	2,600	2,158	2,831	10,690	12,250	8,283
Fifth Avenue	0	1,192	0	0	0	6,357
Total Chrysler	5,000	3,966	5,843	22,002	25,002	16,585
Omni	0	1,638	0	0	0	8,015
Daytona	2,200	0	2,750	10,306	11,626	0
Shadow	2,500	2,082	2,900	10,690	12,190	10,753
Aries	0	1,675	0	0	0	6,407
Dodge 600	0	449	0	0	0	1,462
Dynasty	3,500	2,169	3,635	13,924	16,024	6,974
Lancer	100	270	258	880	940	1,208
Spirit	1,700	0	1,666	6,143	7,163	0
Diplomat	0	344	0	0	0	1,709
Total Dodge	10,000	8,627	11,209	41,943	47,943	38,528
CHRYSLER MOTORS	19,100	20,162	21,733	81,092	92,552	84,144
Escort	7,944	8,846	9,465	37,400	42,166	45,184
Mustang	4,568	4,538	4,097	17,793	20,534	22,848
Tempo	3,264	3,760	4,049	16,431	18,339	21,562
Taurus	8,010	7,879	8,564	35,507	40,313	39,985
Thunderbird	4,743	3,461	3,791	15,361	18,207	16,037
Total Ford Div.	28,529	28,484	29,966	122,402	139,609	145,617
Topaz	1,301	1,713	1,481	6,101	6,882	8,385
Cougar	3,162	2,309	2,541	12,268	14,165	12,810
Sable	2,754	2,746	2,946	12,318	13,970	10,904
Total Mercury	7,217	6,768	6,968	30,687	35,017	32,099
Continental	1,557	954	1,564	6,708	7,702	3,953
Mark VII	763	646	769	3,364	3,834	2,925
Lincoln	2,340	3,201	2,345	10,149	11,553	15,733
Total Lincoln	4,660	4,801	4,678	20,281	23,089	22,611
Total L-M Division	11,897	11,569	11,646	50,968	58,106	54,710
FORD MOTOR CO.	40,426	40,053	41,612	173,450	197,715	200,327
Skyhawk	187	0	340	1,958	2,070	3,118
Skylark/Somerset	782	294	1,150	2,891	3,060	3,299
Century	3,255	1,446	3,470	14,217	16,170	4,580
Riviera	373	213	591	2,495	2,719	433
Electra	1,999	1,255	2,003	7,610	8,809	7,227
LeSabre (fwd)	1,528	2,400	546	1,157	2,074	11,855
LeSabre (rwd)	215	118	217	865	994	552
Reatta	0	76	0	766	766	282
Total Buick	8,339	5,804	8,317	31,659	36,662	31,346
Cimmaron	0	294	0	0	0	1,431
Eldorado	447	745	689	2,924	3,192	1,421
Seville	320	535	511	2,202	2,394	1,057
Brougham (rwd)	1,225	0	1,072	4,572	5,307	0
Deville (fwd)	2,856	3,903	4,646	17,265	18,979	18,843
Allante	45	50	75	303	330	80
Total Cadillac	4,893	5,527	6,993	27,266	30,202	22,832
Cavalier	8,923	3,878	8,954	37,374	42,728	33,418
Camaro	2,470	0	2,499	10,419	11,901	5,022
Celebrity	4,175	3,957	4,478	18,829	21,334	10,670
Corsica/Beretta	9,190	7,892	9,365	37,428	42,942	32,145
Caprice	3,800	4,515	3,466	14,498	16,778	21,726
Corvette	520	451	520	2,058	2,370	2,050
Total Chevrolet	29,078	20,693	29,282	120,606	138,053	105,031
Calais	1,378	2,110	1,987	4,446	5,273	10,381
Firenza	0	0	0	0	0	1,568
Cutlass Ciera	1,675	0	1,663	7,015	8,020	0
Cutlass Supreme	3,415	1,847	3,620	12,255	14,304	8,501
Toronado	196	461	303	1,247	1,365	820
88 (fwd)	2,798	3,207	4,020	15,147	16,826	16,675
88 (rwd)	205	238	211	928	1,051	1,538
Olds 98	2,086	1,808	2,156	8,227	9,479	8,429
Total Oldsmobile	11,753	9,671	13,960	49,266	56,318	47,912
Sunbird	3,051	2,329	2,283	10,198	12,029	11,039
Grand Am	4,950	4,838	4,784	20,269	23,239	24,042
Firebird	1,438	0	1,584	6,559	7,422	4,830
Grand Prix	0	1,823	4,001	12,001	12,001	0
Pontiac 6000	2,200	253	2,220	9,194	10,514	1,169
Bonneville	1,265	1,983	2,200	7,844	8,603	9,679
Safari/Parisienne	115	191	148	455	524	454
Fiero	0	283	0	0	0	200
Total Pontiac	13,019	11,700	17,220	66,521	74,332	51,413
GENERAL MOTORS	67,082	53,395	75,772	295,318	335,567	258,534
DIAMOND-STAR	507	0	509	2,277	2,581	0
HONDA	8,275	7,106	8,371	32,426	37,391	35,209
Civic	2,770	1,675	2,810	10,902	12,564	8,512
Accord	5,505	5,431	5,561	21,524	24,827	26,697
MAZDA†	5,695	1,149	4,909	20,579	23,996	4,327
NISSAN	2,340	1,349	2,352	9,988	11,392	8,602
NUMMI	4,000	2,264	4,120	14,871	17,271	16,038
Corolla	1,600	171	1,631	6,669	7,629	5,910
Geo Prizm/Nova	2,400	2,093	2,489	8,202	9,642	10,128
VOLKSWAGEN	0	1,878	0	0	0	5,904
Golf/GTI	0	1,078	0	0	0	4,404
Jetta	0	800	0	0	0	1,500
Total Cars, U.S.	147,425	127,356	159,378	630,010	718,465	613,085
Total Cars, Canada	21,133	22,799	20,792	80,511	93,191	110,397
U.S., Canada Cars	168,558	150,155	180,170	710,521	811,656	723,482
U.S., Canada Cars and Trucks	262,160	250,144	297,434	1,180,277	1,349,573	1,228,796

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended Feb. 4, 1989	Week Ended Feb. 6, 1988	Week Ended Jan. 28, 1989	Jan. Est.	Jan. 1 to Feb. 4, 1989	Jan. 1 to Feb. 6, 1988
Premier	1,275	1,652	1,285	4,383	5,148	7,886
CHRYSLER MOTORS	1,275	1,652	1,285	4,383	5,148	7,886
Tempo	3,452	3,993	4,278	17,594	19,665	20,950
Topaz	1,828	1,476	1,150	5,266	6,363	8,003
Crown Victoria	2,908	2,862	2,895	12,042	13,787	14,127
Grand Marquis	2,852	2,866	2,841	11,833	13,544	13,378
FORD MOTOR CO.	11,040	11,197	11,164	46,735	53,359	56,458
Celebrity	196	369	207	855	973	2,027
Cutlass Ciera	3,916	4,851	4,030	16,461	18,811	19,211
Lumina	376	0	225	569	795	0
Pontiac 6000	0	867	0	0	0	5,668
Regal	2,500	3,122	1,957	4,330	5,830	15,640
GENERAL MOTORS	6,988	9,229	6,419	22,216	26,409	42,546
Civic	1,650	626	1,744	6,440	7,430	2,987
Accord	0	0	0	0	0	0
HONDA	1,650	0	1,744	6,440	7,430	0
VOLVO	180	95	180	737	845	520
Total Cars, Canada	21,133	22,799	20,792	80,511	93,191	110,397

U.S. TRUCK☆	Week Ended Feb. 4, 1989	Week Ended Feb. 6, 1988	Week Ended Jan. 28, 1989	Jan. Est.	Jan. 1 to Feb. 4, 1989	Jan. 1 to Feb. 6, 1988
Caravan	2,100	1,783	2,232	9,710	10,970	9,555
Dakota	2,200	0	2,273	9,042	10,362	12,622
Mini-Ram Van	200	283	228	885	1,005	1,497
Pickups	2,200	0	2,262	9,027	10,347	6,299
Total Dodge	6,700	2,066	6,995	28,664	32,684	29,973
Cherokee	4,300	3,812	5,186	17,793	20,373	18,344
Commanche	700	1,056	863	3,026	3,446	4,993
Grand Wagoneer	300	350	350	1,435	1,615	1,444
Wagoneer	200	285	251	861	981	1,477
Total Jeep	5,500	5,503	6,650	23,115	26,415	26,258
Voyager	2,200	1,611	2,544	9,697	11,017	8,774
Total Plymouth	2,200	1,611	2,544	9,697	11,017	8,774
CHRYSLER MOTORS	14,400	9,180	16,189	61,476	70,116	65,006
Aerostar	5,044	5,097	4,737	20,231	23,257	22,996
Bronco	2,153	1,249	1,870	8,402	9,694	6,318
Bronco II	3,369	2,960	2,890	11,747	13,768	15,670
Econoline	5,232	4,984	5,200	21,549	24,688	25,136
Heavy trucks	1,308	1,324	1,314	5,494	6,279	6,575
Light trucks	11,992	10,403	11,505	48,166	55,361	48,743
Ranger	8,954	7,476	7,605	30,733	36,105	36,319
Total Ford Div.	38,052	33,493	35,121	146,321	169,152	161,759
FORD MOTOR CO.	38,052	33,493	35,121	146,321	169,152	161,759
Astro	3,269	3,616	3,577	14,494	16,455	17,607
Blazer	585	530	539	2,443	2,794	2,763
Mediums/Heavies	0	232	0	0	0	1,888
P-Model	719	910	503	1,659	2,090	4,844
Pickups	8,425	6,576	10,662	39,523	44,578	29,657
S-10	5,730	5,200	5,985	25,282	28,720	25,703
S-10 Blazer	4,347	3,533	3,729	16,393	19,001	12,678
Sportsvan/Van	2,211	1,328	2,235	6,452	7,779	6,538
Suburban	1,695	1,508	1,646	6,713	7,730	7,049
Total Chevrolet	26,981	23,433	28,876	112,958	129,147	108,727
Jimmy	178	170	170	729	836	904
Mediums/Heavies	0	1,014	0	0	0	4,390
P-Model	84	102	122	200	250	337
Pickups	2,213	1,838	3,295	12,659	13,987	10,700
S-15	895	1,832	1,654	5,766	6,303	6,984
S-15 Jimmy	418	705	1,185	4,274	4,525	2,776
Safari	714	908	809	3,547	3,975	4,533
Suburban	551	583	482	2,778	3,109	4,003
Vandura/Rally Vans	587	1,020	671	1,996	2,348	4,917
Total GMC	5,640	8,172	8,388	31,949	35,333	39,524
GENERAL MOTORS	32,621	31,606	37,264	144,907	164,480	148,251
NAVISTAR	1,852	1,794	1,852	6,843	7,954	8,984
NISSAN	2,770	3,235	2,785	11,808	13,470	16,202
AM GENERAL	450	450	450	1,890	2,160	2,250
MISCELLANEOUS	2,300	2,300	2,300	9,660	11,040	11,500
Total Trucks, U.S.	92,445	82,057	95,961	382,905	438,372	413,951

CANADIAN TRUCK	Week Ended Feb. 4, 1989	Week Ended Feb. 6, 1988	Week Ended Jan. 28, 1989	Jan. Est.	Jan. 1 to Feb. 4, 1989	Jan. 1 to Feb. 6, 1988
Caravan	3,282	2,985	3,278	13,883	15,852	15,168
Mini-Ram Van	210	219	205	871	997	1,130
Ram Wagon	690	0	684	2,878	3,292	1,668
Ram Van	1,660	0	1,724	7,332	8,328	4,161
Total Dodge	5,842	3,204	5,891	24,964	28,469	22,125
Voyager	2,652	2,804	2,815	11,476	13,067	14,217
Total Plymouth	2,652	2,804	2,815	11,476	13,067	14,217
Wrangler	1,508	1,044	1,508	5,063	5,968	4,731
Total Jeep	1,508	1,044	1,508	5,063	5,968	4,731
CHRYSLER MOTORS	10,002	7,052	10,214	41,503	47,504	41,073
FORD MTR. (lt. trks.)	3,648	3,625	3,484	14,688	16,877	17,944
Light trucks	3,569	3,721	3,531	14,510	16,651	15,475
Vans	1,523	1,237	1,525	6,210	7,124	6,263
Total Chevrolet	5,092	4,958	5,056	20,720	23,775	21,738
Light trucks	1,581	1,385	1,635	6,237	7,186	6,668
Vans	564	686	641	2,562	2,900	2,814
Total GMC	2,145	2,071	2,276	8,799	10,086	9,482
GENERAL MOTORS	7,237	7,029	7,332	29,519	33,861	31,220
NAVISTAR	270	226	273	1,141	1,303	1,126
Total Trks., Canada	21,157	17,932	21,303	86,851	99,545	91,363
N. American Trks.	113,602	99,989	117,264	469,756	537,917	505,314

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Injury, training woes hit new Mazda plant

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER
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The number of injuries among workers at Mazda's new plant in Flat Rock, Mich., raises fundamental questions about the much-heralded team manufacturing system, about the quality of training programs funded in part by the state and about a provision in the UAW contract that allows Mazda to use part-time workers who collect no benefits after they are injured.

Injuries such as those being seen at Mazda are "an enormous problem in the auto industry," according to the UAW. But the union, as well as worker advocates and health professionals familiar with the situation said they are concerned about the rate at which the workers were injured at Mazda Motor Manufacturing (U.S.A.) Corp.'s new plant.

Mazda reported 97 repeat or cumulative trauma injuries in 1988. By comparison, Chrysler Motors reported 54 for a much larger workforce at its Sterling Heights, Mich., assembly plant. The Sterling Heights plant employed 3,500 workers on two shifts all year. Mazda's workforce started with a single shift early in 1988; a second shift was added in May and the plant now employs 2,770.

These reported injuries at Flat Rock and Sterling Heights were to the upper extremeties and result from repetitive work such as the use of air tools. They include carpal tunnel syndrome — an injury to the hand or wrist — and other injuries from the shoulder to the hand.

AUTOMOTIVE NEWS/JOE WILSSENS

Brian Blanton, an injured team leader, was fired and is suing Mazda

In Big 3 plants, such injuries generally afflict workers only after periods longer than the Mazda workers have been on the line, said health professionals and the UAW.

But Don Kricho, director of safety and health at Mazda, said the injury rate "peaked a couple of months after the first shift began production (in 1987) and then fell off dramatically." The same pattern was repeated when the second shift was added, he said.

Kricho said his counterparts at other Japanese transplants reported the same injury pattern with their new workforces. Gail Neuman, vice president — human resources at Nissan Motor Manufacturing Corp. U.S.A., said that was "generally true" at Nissan.

The Mazda plant has the safest procedures of any plant they have worked in, said Kricho and James F. Korowin, vice president — manufacturing, both veterans of Big 3 plants.

But the contrast to a traditional Big 3 plant lies in more than the number of injuries. The high number of job classifications and union contract provisions at Big 3 plants ensure that injured workers return to less physically demanding jobs.

But Mazda has no contract requirement to bring back injured workers. As a factor of team production, there are no job classifications that would ensure easy work for an injured worker. So an injury that could be nettlesome for a worker in a Big 3 plant can become debilitating at a team production plant such as Mazda.

Workers told Automotive News they were injured at the Mazda plant, then fired or not called back because of those injuries. Two have filed suit.

Most of those familiar with the problems at the Mazda plant agreed to talk to Auto-

see MAZDA, page 52

AD AUDIT

Chevy, GMC look at dealer groups

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Chevrolet and GMC Truck will find out how their dealer groups are spending money generated by their new ad assessments next month when both divisions audit 400 dealer advertising associations.

This is the first audit since September, when the two General Motors divisions instituted a mandatory 1 percent charge on the dealer invoice price of each retail vehicle to cover local advertising.

The audit may turn up a few surprises. For instance, one group — The Chevy Network in Cleveland — sent each of its 73 dealer members a $500 gift certificate for Saks Fifth Avenue from dealer advertising funds.

It also sent each of its members a $2,000 check to attend the National Automobile Dealers Association convention.

Charles Ohl, president of The Chevy Network, defended both expenditures as "administrative expenses." The gift certificates were "one of the benefits of belonging to our dealer group," said Ohl. The checks for the NADA convention were sent to encourage member dealers to attend, he said.

"Going to the NADA convention promotes our business and the automotive business in general," Ohl

see AUDIT, page 49

Acura's new flagship: the 1990 NS-X, a $50,000-plus, two-seat, mid-engine sports car

HOT CARS: *Japan's sport models steal Chicago scene*

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

CHICAGO — The Windy City featured sub-freezing temperatures for the opening of the Chicago Auto Show, but nothing could cool the heat generated by three Japanese automakers who unveiled their sports cars for the coming decade.

That is not to say the domestic automakers did not try to extinguish the fire lit in their own backyard by Mazda's MX-5 Miata, Nissan's redesigned 300-ZX and Acura's flagship sports car prototype, the NS-X.

Ford took the wraps off two vehicles it kept from last month's North American International Auto Show in Detroit. But try as it did to capture overall show star status, Ford — and all most every other automaker, domestic and import — were upstaged by Japan's new sports car entries.

Ford unveiled Mercury One, a concept model that shows the styling cues for the next generation Tracer, and its 1990 high-line sedan, the Lincoln Town Car. The Town Car, however, is not displayed at the show and was shown to the press at a news conference.

Nissan's redesigned 300-ZX packs 222 to 300 hp

Among the other cars making their North American debut were the two-door Audi Coupe; Sterling's new 827 sedan and five-door SLi; and the Subaru Legacy four-door sedan that recently set a world closed-course endurance speed record for cars in its class.

Rounding out the more than 900 vehicles on display at McCormick Place are those show cars and trucks that debuted last month at auto shows in Detroit and Los Angeles.

Acura targets 300,000 cars but no V-8

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

CHICAGO — Although a V-8-powered sedan a la Lexus and Infiniti won't be on the Acura program, the division is expected to contribute 300,000 units toward Honda's goal of selling 1 million cars a year within three years.

Tetsuo Chino, president of Honda North America, said the top position in Acura's lineup will be filled by the V-6-powered NS-X two-seat sports car, unveiled at the Chicago Auto Show. Only 3,000 cars, which will be priced in the $50,000 to $60,000 range, will be sold per year with the remainder of Acura's sales split between Legend and Integra.

Chino also admitted that some Acura dealers have not turned a profit and the company is working with them.

Early reports on the division seemed to indicate that a V-8 engine for both the NS-X and a "flagship" sedan was under development. But Chino denied that either the powerplant or a sedan to compete with Mercedes-Benz, BMW and the coming Lexus and Infiniti sedans was ever under consideration.

Chino said Honda's U.S. staff is "relieved after seeing the (Lexus and Infiniti) cars. Their target market is not the Acura target market."

While he said Acura is competing with European luxury imports, he said the goal was not the upper reaches, but more of the mid-priced segment. "We stick to the original plan," Chino said, adding that

see ACURA, page 50

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on Fords
fire hazards
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GM dealers lose
carryover rebate
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Big riddle remains
in GM job shift
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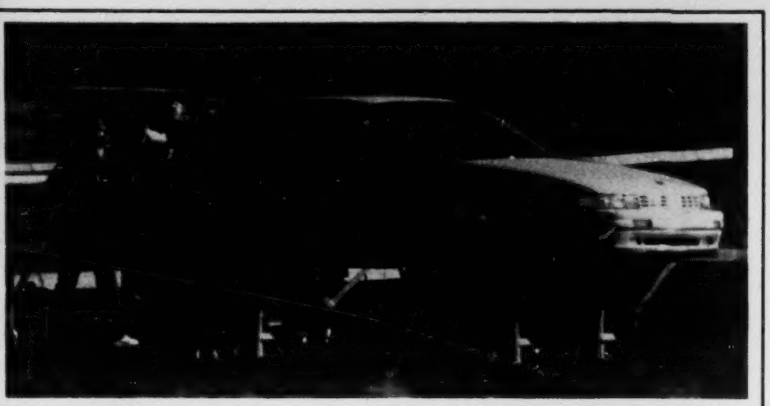

'90 Cutlass Supreme

HIDDEN IMAGE

Look what got caught with its wheels up, er, down. It's Oldsmobile's four-door version of the GM10 sedan, a 1990 Cutlass Supreme. The car features wraparound glass for the backlight. The car was snapped in this compromising position up on jackstands near a hotel in the Phoenix, Ariz., area.

GM dumps carryover allowance

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors will not pay the 5 percent carryover allowance to dealers on 1989 vehicles left in their inventories when the 1990 model year starts.

The move marks a major shift in the way GM has done business since the 1950s and is certain to anger dealers.

GM would not confirm the elimination of the allowance, but said dealers would receive letters in the next couple weeks regarding "modifications" in the allowance.

Select dealers, however, have been notified of the change and have seen a sample of the letter to be mailed to all GM dealers. It spells out the elimination of the allowance.

Those select dealers have been told that instead of paying the dealer the 5 percent allowance, the divisions will use the money for incentive programs before the traditional year-end cleanup. That, GM officials have told dealers, will help dealers clear out 1989 inventory before the 1990 model year starts.

GM generally sends letters to its dealers at this time of year outlining how much the allowance will be. Traditionally, GM has paid a dealer 5 percent of the retail price of the base car plus factory installed options on vehicles left in the dealer's inventory when the next model year starts. A GM representative generally has come into the dealership to count the leftover vehicles, and a check has been issued to the dealer. Now, dealers will not receive such checks.

In recent years, that allowance hasn't always been 5 percent on every vehicle. The amount paid on lower-margin captive imports, for example, has been less than 5 percent or eliminated entirely.

At the end of the 1986 and 1987 model years when GM had a million cars left over, dealers gave up part of the allowance to fund massive year-end cleanup programs. In those years, dealers had the option of taking only half of the allowance to participate in "The Big One" program.

In the 1988 model year, GM reinstated the 5 percent carryover allowance because the automaker had kept production in line with sales throughout the year and dealers were left-with far less inventory than the previous year.

Upcoming changes in the carryover allowance already have drawn criticism from dealers who know about it, and the move undoubtedly will trigger even more protest when the entire GM dealer body is made aware of it.

Dealers say it will force them to be conservative in ordering vehicles for toward the end of the model year.

Dealers aware of the change complain that they will have no way to ascertain whether the carryover money is really used for incentive programs. In addition, some say national programs aren't always helpful since markets vary from region to region. Those individuals argue that they know their markets better than GM does, and therefore they could put the funds to better use than GM can.

Others say it is yet another take-away by GM, which this year has eliminated allowances on demonstrator models and cut new-vehicle prep time.

Virginia megadealer bankrupt

Horvath, former AIADA chairman, had seven stores

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — A megadealer in this area was forced to sell one of the most successful Toyota outlets in northern Virginia and may be forced to sell two other Toyota stores in Virginia due to personal bankruptcy.

A Virginia Hyundai franchise may also become involved in the proceedings, court records show.

Steve P. Horvath of Great Falls, Va., former chairman of the American International Automobile Dealers Association, filed for personal protection under Chapter 11 of the U.S. Bankruptcy Code on Jan. 9. The filing occurred after Horvath sold his flagship store, Tysons Toyota in Tysons Corner, Va., on Jan. 4. Tysons Toyota was bought by the Kline Automotive Group of Gaithersburg, Md., for $2 million, court records show.

Horvath owns or holds controlling interest in six other car dealerships in Virginia and the Southeast. His Horvath Group also controls a variety of other businesses. Horvath was elected chairman of AIADA in 1985. He entered the automobile business in 1946 as the operator of a repair shop.

According to documents filed in U.S. Bankruptcy Court in Alexandria, Va., by Horvath's accountants and lawyers, Horvath has unsecured liabilities estimated at $15 million. Horvath will make an estimated $1.2-million from the sale of Tysons Toyota and hopes to realize additional funds from the sale or restructuring of Fairfax Toyota in Fairfax County, Va., and Charlottesville Toyota in Charlottesville, Va. He also is trying to sell a $1.3 million home in Great Falls, Va.

Horvath could not be reached for comment. Creditors contacted by Automotive News refused to speculate on why Horvath filed for bankruptcy or the disposition of Horvath's debts.

A spokesman for Mid-Atlantic Toyota in Baltimore — which serves as distributor to Horvath's Toyota stores in Virginia — said the company has been notified that Horvath or his representatives will meet with interested buyers for Fairfax Toyota and Charlottesville Toyota.

Horvath also has Toyota franchises in North Carolina and Atlanta. In addition, he owns Manassas Dodge in Manassas, Va. Court documents did not mention those three stores in connection with debt repayment. The documents did mention Horvath's Fairfax Hyundai as a possible source of reorganization capital, however.

Court documents said Horvath owns 75 percent of Fairfax Toyota and 90 percent of Charlottesville Toyota. Those two dealerships generate $65 million to $70 million in annual sales.

Although Fairfax Toyota has been at its present location only about 11 months and is, in effect, a new business, it is the No. 1 Toyota dealership in the five-state Mid-Atlantic region. Charlottesville Toyota has operated at its present location for many years and is well established in the Charlottesville area.

The documents said those dealerships "could serve as the cornerstone of any reorganization effort by Mr. Horvath. Both have a myriad of problems as a result of the manner in which they were capitalized and will require some restructuring if they are to generate cash flow with which to pay the debtor's creditors." The filing added that both businesses would constitute separate reorganization proceedings.

Court records also say Horvath owns 25 percent of Fairfax Hyundai. "This dealership is extremely profitable," the document said. "There is a lien against the debtor's stock in the dealership, which is currently being satisfied out of his share of the profits, all of which are distributed to the shareholders because the dealership is a subchapter S corporation. In approximately 24 months, after the leinholder is paid off, the debtor's share of the profits could be substantial."

Summarizing Horvath's finances, his accountants and lawyers found that "any reorganization of the debtor will depend on the availability of funds from the Tysons Toyota sale and from Fairfax Hyundai; on the successful reorganization or sale of Fairfax Toyota and Charlottesville Toyota so that they will generate funds with which to pay creditors or to provide capital for the debtor's other businesses."

Horvath was also involved in two failed tire recycling enterprises, Georgia Reclamation Center and Maryland Resource Recovery Center. His counsel said, "It is possible that with a modest infusion of capital and/or a joint-venture arrangement, these tire recycling centers would generate sufficient income to service their debt."

The counsel addedy, "At present, neither of these businesses is operating. Their assets are encumbered by millions of dollars of debt."

AIADA President Robert McElwaine said of Horvath, "Nobody in the world deserves this less than Steve Horvath. He gave so much to this business. He was the kind of guy who would lead every fund drive, the first guy you would call if you needed a volunteer."

Horvath's rubber reprocessing system turned out to be a terrible problem, McElwaine said. "I remember how enthusiastic he was about it," said McElwaine. "He thought it made terrific sense from a business and environmental standpoint. He was the kind of guy who could inspire people."

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Prices skid at repeat auction for Pepe deals

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

CAMDEN, N.J. — Five southern New Jersey dealerships in the Pepe chain brought lower prices the second time they were auctioned in U.S. Bankruptcy Court here, and the process is still far from complete.

Last October, the court auctioned 10 dealerships owned by Richard T. Pepe and his wife, Virginia I. Pepe, for a combined total exceeding $30 million, but a second auction became necessary when some of the bids fell through.

The most sought-after Pepe dealerships — Pepe Lincoln-Mercury-Sterling-Merkur and Pepe Toyota, which occupy the same property in Millville, N.J. — brought a combined bid of $10 million in the first auction.

But that bid and the next-highest bid fell through, and in the second auction, held Feb. 3, the same property received a high bid of only $5.5 million.

The process could lag if bankruptcy Judge Judith Wizmur throws out that bid because the amount does not cover a property mortgage.

According to court records, in the summer of 1987 Pepe spent $6.2 million for 19 acres and three buildings for the Toyota and L-M deals.

Monthly interest payments for the complex reached $50,000, Pepe said in the documents.

William Perretti Sr. made the $10 million bid, which was rejected by the court because Toyota and L-M declined to approve his franchise application. The refusal was due to consumer complaints involving his other dealerships that led to a suit filed by the New Jersey state attorney general, attorneys in the case said.

The next-highest bid — $9.6 million — came from partners Richard Catena and Richard Rediker. But they withdrew their bid because Catena had been involved in an odometer tampering case and was unlikely to gain franchiser approval, said Robert Baime, the attorney for the trustee in the case, Sanford Feld.

That withdrawal threw the property back to auction, since only Perretti and the Catena-Rediker partnership had bid on the two stores.

The high bid of $5.5 million in the Feb. 3 auction was submitted by Rediker alone, attorneys said.

Martin Margolis, an attorney and dealership broker who represented the October high bidder for the L-M and Toyota stores, said he found it "incomprehensible" that the court would tentatively accept a bid, which was nearly half the amount of Perretti's bid, from one of two partners that had already encountered problems with obtaining approval.

The judge set a hearing for last Friday to determine whether to accept Rediker's bid.

Other Pepe dealerships that were re-auctioned Feb. 3 were:

- Pepe Oldsmobile-Pontiac-GMC in Millville, N.J. It received a $1.9 million bid from Catena and Rediker in October; Rediker bid $1.1 million for it in the second auction.
- Pepe Nissan-Yugo in Vineland, N.J. Perretti bid $1.7 million for it in October. John Lilliston, who has Chrysler-Plymouth and Dodge franchises and a Ford franchise in Vineland, bid $1.375 million in the second auction.
- VIP Chevrolet-Oldsmobile in Mays Landing, N.J. Manuel Pombo, principal stockholder of Egg Harbor Motors, which has Ford, Volvo, Chrysler-Plymouth and Jaguar franchises in three states, bid $3.2 million for it in October, but couldn't secure franchise approval from General Motors, attorneys said. Charles Foulke, who owns Chevrolet and Chrysler-Plymouth stores in New Jersey, bid $2.6 million in the second auction.

Manufacturers have 60 days in which to rule on the franchise applications of the new buyers, starting from the receipt of the application with all necessary financial information.

Volvo GM sets its sights on 3rd place in Class 8

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

COLUMBUS, Ohio — Volvo GM Heavy Truck is gearing for a major tussle — mostly with Mack — for third place in the Class 8 market.

Officials are convinced that they must move up to third place in industry sales to achieve ultimate success.

"We are position-driven. We think that to be successful in the marketplace from a dealer point of view, we've got to be in the top three. We are planning capacity on that basis," said Terry Young, Volvo GM's marketing director.

The company's isn't particularly concerned about market share.

"If being No. 3 means you gotta have 20 percent of market, fine. If it means 17 percent, that's fine," Young added.

Volvo captured 11.51 percent of the market in calendar 1988.

Its goal is to produce 25,000 trucks a year and to avoid the peaks and valleys of U.S. market demand by balancing it off against Canadian and European export sales.

Volvo finished third in retail sales during the final quarter of calendar 1988. In December, it climbed into second place, displacing Freightliner.

In an uncharacteristic outburst during a press conference here, Thage Berggren, Volvo GM's usually staid president, said, "We're sending a clear message to Mr. Rupp. I hope he focuses on the Congress and the president."

Berggren was alluding to the fact that, as chairman of Daimler-Benz of North America Holding Co., Peter Rupp, who resides in Washington, is no longer involved in the day-to-day operations of Freightliner.

In calendar 1988, Volvo GM's 17,089 sales put the firm in fourth place behind Navistar's 33,808, Freightliner's 24,164 and Mack's 21,846 retail deliveries in Class 8.

Volvo GM, which has been and continues to be capacity-constrained, is not likely to reach its third-place goal until 1990-91.

Young said the company still must develop its Canadian market and also has to recoup the production capacity lost in the shutdown of the GMC plant in Pontiac, Mich.

That plant, which had been supplying Volvo GM with 25 to 28 trucks a day, went down in December. The company's new plant in Orrville, Ohio, is currently producing only five trucks a day and will not be up to full speed until the third or fourth quarter of this year.

Last year, the company expanded production at its other plants. Dublin, Va., output increased 50 percent, and Ogden, Utah, output increased 30 percent. It also expanded cab production at a separate Orrville plant.

It will have capacity to produce 93 trucks a day by the end of this year, according to Gene Tunila, vice president of manufacturing.

By 1991 or 1992, he expects production capacity to increase to 115 trucks a day, "probably by a combination of expanding the Ogden plant and adding a second shift at Orrville."

It is also putting a centralized inventory system for Class D and Class E parts into its Westerville, Ohio, central parts warehouse. Those are low-volume but critical parts.

The project is designed to provide timely delivery of those parts to the three assembly plants by having one central purchasing, warehousing and delivery operation to supply the plants.

Before, the plants bought these parts individually.

Volvo GM's customer order board for new models was a strong 6,700 units as of late January — enough to keep its Dublin and Ogden plants operating until April and the Orrville plant until May.

Officials also said:

- Some 140 of the current 200 dealers, or 70 percent, are exclusive Volvo GM outlets. The company will add 40 more dealers this year.
- The company plans to have enough flexibility at its plants so that each can turn out any model. It is "logistics oriented" and out to control "outbound transportation costs" because it spends more money on them than in direct labor costs, Berggren said.
- To that same end, Volvo GM uses a "family concept" for its parts. There is a 30 to 40 percent parts commonality from one model to another.
- There are no plans to give GM's medium-duty truck line to all Volvo GM Heavy Truck joint-venture dealers.

"I have my job here and am also a member of the (Volvo) worldwide management team. I can look you straight in the eye and say, 'I don't know anything about it,' " Berggren said.

More than 40 percent of Volvo GM dealers already sell the medium-duty GM models, Young estimated.

"About 40 percent of the (Volvo GM) dealer network were former GM dealers and with rare exception all of those (heavy-truck) dealers had the medium-duty line," he said. "Since then, we've added the medium-duty to some of what we would call the old Volvo White factory franchises."

Domestics push sales to record

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Light-truck manufacturers kicked off 1989 with a January record and a continuing gain in market share for domestic manufacturers.

Overall, the industry retailed 343,917 trucks in January, narrowly topping the previous monthly record of 340,807 set last January.

The domestic-based truck makers retailed 296,304 light trucks, up 4.95 percent from 282,323 a year earlier. They garnered 86.16 percent of the market, up from an 82.84 percent market share in 1988.

Foreign-based manufacturers retailed 47,613 trucks, off 18.59 percent from 58,484 a year earlier. Their market share declined to 13.84 percent from 17.16 percent in January 1987.

All the domestic-based manufacturers except Chevrolet had sales increases during the month, while all the foreign-based firms except Range Rover, had declines.

In the largest single truck segment, the full-sized pickup market, all the domestic manufacturers continued to do well with sales increases over a year ago.

GMC's 24,828 sales in January showed the largest percentage gain, a 23.49 percent increase over last year's 20,105. Its strong showing came partly at the expense of Chevrolet, since the two division's trucks are essentially the same.

Chevrolet's 89,372 sales were off 2.32 percent from 91,490 in 1988.

Ford's 107,680 sales were up 4.93 percent from 102,623 last year.

Dodge and Plymouth's 55,627 sales were up 7.91 percent from 51,550 in 1988.

Jeep's 18,797 sales were up 13.54 percent from 16,555 in like 1988.

LIGHT-DUTY TRUCK SALES

	Jan. 1989	Jan. 1988
Vans	11,514	12,199
Aerostar	14,033	12,307
Club Wagon	1,725	1,825
Ranger	22,195	21,347
Bronco	5,149	4,222
Bronco II	9,704	9,552
Pickups	43,360	41,171
Ford	**107,680**	**102,623**
Vans	6,489	9,144
Sportsvan	741	1,004
Geo Tracker	750	0
Astro	9,230	10,358
S-10	16,149	16,726
S-10 Blazer	14,229	11,381
El Camino	0	175
Blazer	1,774	2,372
Suburban	4,498	4,038
Pickups	35,512	34,292
Chevrolet	**89,372**	**91,490**
Vans	4,621	3,505
Ram Wagon	1,804	1,847
Voyager	13,728	11,758
Caravan	14,335	12,690
Mini Ram Van	1,006	1,108
Ram 50	2,567	3,748
Raider	654	918
Ramcharger	2,329	1,642
Dakota	7,592	7,358
Pickups	6,991	6,976
Chrysler	**55,627**	**51,550**
Vans	2,698	2,318
Safari	2,269	1,922
S-15	3,675	3,060
S-15 Jimmy	3,585	2,471
Jimmy	580	564
Caballero	0	33
Suburban	1,745	1,286
Pickups	9,789	8,015
P Model	379	347
W-4	108	89
GMC	**24,828**	**20,105**
Wrangler/CJ	3,071	2,302
Wagoneer	704	743
Cherokee	11,868	9,480
Grand Wagoneer	1,054	1,354
Comanche	2,100	2,635
J-10/J-20	0	41
Jeep	**18,797**	**16,555**
Toyota	15,200	18,584
Nissan	13,947	15,073
Mazda	6,910	8,319
Isuzu	6,626	7,010
Mitsubishi	2,377	3,957
Suzuki	2,058	5,292
Subaru	0	2
Range Rover	495	246
Imports	**47,613**	**58,483**
Industry Total	**343,917**	**340,808**

Compiled by Karen Dettkowski

Volvo GM expects strong sales

Maker also predicts shifts in buying patterns for heavy trucks

COLUMBUS, Ohio — Volvo GM Heavy Truck forecast a strong sales year in 1989. It also noted changes in different truck-buying segments and the increase in its own sales per dealer as a result of efforts last year.

Terry Young, the company's marketing director, said he anticipates industry retail sales of 66,000 to 70,000 units in the first half of the 1989 calendar year and 70,000 to 74,000 in the second half.

That would give the industry another strong year, somewhere between a conservative 135,000 and a high of about 145,000 sales, compared with 148,361 sales in 1988.

Looking ahead, Young predicted continued sales growth in the "for-hire" buyer segment. Volvo GM's definition of "for-hire" truck buyers includes both truckload and less-than-truckload operators who haul on a for-hire basis.

It counts such individuals by looking at R.L. Polk registrations and noting key words like "trucking," "freight cartage" or "transport" included with the registrations of vehicles, such as John Smith Trucking or Bill Brown Transport.

The for-hire buying group accounts for about 23 percent of industry sales, and Young expects that to rise to 30 percent over the long term.

"This growth will come about as the number of private and independent owners of trucks declines," he predicted.

The private-carrier buying segment, now accounting for about 33 percent of industry sales, is expected to account for only 26 percent in the future.

Private carriers are companies like Coca-Cola, Frito Lay and Kroger — wholesalers, retailers or manufacturers that principally own their own trucks to move their own goods.

Some of that segment's sales will move into the for-hire category and some into the full-service leasing category, Young predicted.

Sales to full-service leasing companies, which currently account for 22 percent of industry sales, are expected to increase to 26 percent.

Volvo GM includes any full-service leasing companies, including maintenance-type lessors, in that group. It includes companies like Ryder down to the smallest rental and leasing firms but excludes banks and finance lessors.

Independent truck operators are expected to continue to have difficulty competing. Their share of sales, currently at 17 percent, is expected to decline to 12 percent.

Government sales, including local, state and federal, account for 5 percent of the industry's total and are expected to continue at that level.

Meanwhile, Volvo GM's dealer efforts have paid off with greater volume per retail outlet.

Some 105 of its 200 dealers retailed 50 or more trucks during 1988, and 49 of those 105 sold more than 100 trucks, according to Larry Oliphant, Volvo GM vice president of sales and marketing.

To recognize dealers who sell more than 100 trucks a year, the company is forming the Century Club.

Oliphant said there are also 15 dealers now selling more than 200 trucks a year, including the company's volume leader, Westfall WhiteGMC in Kansas City, Mo., which sold more than 1,600 last year.

In terms of factory shipments, the Midwest, with wholesale shipments of 7,809 units, was Volvo GM's top sales region. A major factor in that was GMC's long-standing strength in the area.

The Northeast, with 4,100 trucks, was the second strongest region, followed by the Southeast with 3,800, the West with 1,900 and the Southwest with 1,800, Oliphant said.

The company's market share increased in all regions last year.

Electronic anti-lock brakes for Rockwell

TROY, Mich. — Rockwell International plans to introduce an electronically activated, anti-lock braking system using sophisticated, built-in diagnostics in 1990.

Rockwell officials discussed the new braking system with 15 of their dealers at a recent Dealer Advisory Board meeting.

The company also discussed new on-highway transmissions it is developing and a "next-generation" of drum brakes.

Separately, Rockwell's automotive electronics business announced development of a purchasing plan for truck fleet customers buying its Tripmaster trip-recording equipment and Tripfax software.

The plan is a conditional sales agreement administered by Chase Manhattan Leasing. For purchases of $25,000 or more, a three-year term is available to help North American motor carriers buy a new Tripmaster or upgrade their current Tripmaster system.

The financing plan offers 72-hour approval, according to Kurt Burmeister, director of sales and marketing for Rockwell's automotive electronics business.

The Tripmaster system consists of a trip recorder, software and major options to tailor information to a fleet's needs. More than 2,000 private and for-hire motor-carrier locations use the system.

Hyundai sets up arbitration program with AAA

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

GARDEN GROVE, Calif. — The introduction of the new Sonata sedan enabled Hyundai Motor America to reaffirm and fortify the service program developed for the Excel, its first entry in the U.S. auto market.

In a continuing effort to beef up the service program introduced in 1986, Hyundai is field-testing a consumer arbitration program it hopes to expand nationally, according to Lee Sawyer, service director.

"We are working with the American Automobile Association on the East Coast," Sawyer said. "We want the AAA to become our arbitration mechanism and the customer's arbitration mechanism."

The AAA Third Party Pilot Arbitration Program is being conducted in Hyundai's Eastern region, which includes Virginia, West Virginia, Pennsylvania, Maryland, Connecticut, Massachusetts, New York, New Hampshire, Vermont, Rhode Island, Delaware, New Jersey, Maine and the District of Columbia.

AAA will perform arbitration services in disputes involving Hyundai's alleged nonconformity, defect or deficient warranty performance and any consumer dispute arising from the service items covered by the company's 3-year/36,000-mile limited warranty from the date of delivery or as required by a state lemon law.

All decisions will be binding on Hyundai but not on the consumer. If the consumer is dissatisfied with the verdict, he/she can take the dispute to court.

AAA will not arbitrate cases involving non-Hyundai products, alleged personal injury or property damage, alleged fraud or other violations of the law, requests for awards of punitive damages or cases involving Hyundai vehicles imported into the United States by an individual or company other than Hyundai Motor America.

Nor will AAA handle cases involving any Hyundai vehicle sold or registered outside the United States, dealer-consumer disputes (sales), cases in litigation and cases previously handled by a dispute resolution mechanism.

Consumers will be notified of the arbitration mechanism through several sources, including a brochure that will be placed in dealerships and Hyundai's regional office. A toll-free AAA arbitration phone number is published in the brochure.

Sawyer said the six-month pilot program began Jan. 1. He said Hyundai hopes to "bring it across the nation between now and the end of 1990."

Sawyer said Hyundai selected AAA "because it has the automotive technical expertise" to arbitrate such disputes.

He said the Sonata was tested numerous times in the prototype stage to get it ready for the U.S. market.

The procedure includes hot testing, cold testing, quality analysis, technical analysis and "then the service side of the car sort of takes care of itself," he said.

"Then we followed that up with quality surveys," he said. "As a result, we went back to the factory three times during the preproduction stage and fed input, as seen through American eyes, as to what we would like to see changed and implemented in the final version of the Sonata."

To verify that production cars reflected U.S. input, Sawyer said, the vehicles were checked again at the port of entry.

At the dealership level, "where pre-delivery service is one of the things we can control," Sawyer said, service representatives visit each dealership at least once every three months and audit vehicles on the lot.

That information, too, is relayed to the factory, Sawyer said. "The next thing is to impart all this knowledge to dealership technicians." In the case of the Sonata, according to Sawyer, two technicians from each dealership participated in a technical training course at one of Hyundai's four regional training centers prior to introduction.

Training included an overview of Sonata technical features as well as proper diagnostic and repair procedures, technical videos and hands-on training.

Sonata courses were conducted by company training managers who studied at the Hyundai Product Development Center in Ulsan, South Korea, and also at Hyundai Motor America headquarters here. Those managers will continue to train additional dealership service personnel.

Hyundai also provides a telephone number technicians can use to contact service experts for help.

Special service tools and diagnostic equipment also were made available to dealers prior to the arrival of the Sonata.

"We worked with tool and equipment manufacturers to come up with national account pricing," said Sawyer, and passed the savings on to the dealers.

In addition, each dealership has received an ample supply of parts to help assure that customers will not experience delays, Sawyer said.

Hyundai now has three parts depots — Garden Grove, Calif.; Lithia Springs, Ga., and Cranbury, N.J. A fourth depot will be opened soon in Chicago, and construction is under way on a national parts distribution center in Ontario, Calif.

Sawyer said Hyundai has a 95 percent fill rate on parts orders and has an all-electronic warranty claim system.

"Given a clean sheet of paper when we started the company," he said, "we elected to have no paper in the system."

He said the all-electronic warranty claim submittal system results in rapid payments to the dealer. "We verify that the claim is accepted and approve payment within 24 hours after receiving the claim," he said. The dealer receives a month-end settlement statement via the parts account.

"We basically pay 87.5 percent of the warranty claims submitted by the dealers," said Sawyer. "The only thing we ask in return from the dealer is that we get value received for our warranty dollar. So we are pretty active in terms of expense control to assure that warranty doesn't cause the price of the car to go up."

Hyundai buyers receive one year's membership in the Cross Country Motor Club. A national toll-free hotline for assistance in infomation, trip planning service and emergency towing service is included.

"Another thing we have done to help service customer cars is to appoint alternate service locations in areas where we have no dealerships," Sawyer said.

"Those are independent service outlets, with towing capabilities, that are tied into Cross Country's network. We have outfitted them with shop manuals, a set of common parts. We (Cross Country) send the owner of the vehicle to the alternate service location for service in an emergency."

Sawyer said the average Hyundai dealer has 17 years' experience and has five other franchises.

"Therefore, when he brings people over from his other stores to open and run the new Hyundai store, they are experienced people," Sawyer said. "And this has shown up in the high customer satisfaction scores in the J.D. Power people-handling survey."

Shop volume dips 7% for November

But index climbs 2% for 11 months

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

Service and parts business at new-car dealerships fell markedly in November, but year-to-date results for the first 11 months of 1988 remained above year-earlier figures.

In November, shop volume fell 7.3 percent from results in November 1987, according to the Automotive News Service Index.

Shop volume for the first 11 months of 1988 was up 2.2 percent over 1987.

Service volume slipped during the second half of 1988 after a strong first half. Every month in the first half of 1988 showed a year-to-year gain over corresponding results posted in 1987.

Shop business in the second half of 1988 was mixed. Volume in August was up sharply, while service business dropped slightly in July and October. Business was up slightly in September.

A Southern Chevrolet dealer hypothesized that lagging new-car sales brought fewer customers to the service bays.

However, industry car sales were up 8.0 percent during November.

Other dealers have attributed sales declines last fall to a normal seasonal slowdown.

Shop parts sales (customer paid and warranty) fell more than any other indicator, declining 12.7 percent in November. Total labor sales (customer paid and warranty) dropped 9.4 percent; sales of all parts and accessories lagged 8.6 percent; gross profit on all labor, parts and accessories sales dipped 5.3 percent, and repair orders written slipped 0.7 percent.

Parts and accessories sales to off-premises customers fell 6.0 percent in November.

Gross profit on all labor, parts and accessories sales led year-to-date indicators with a 5.6 percent increase through November. Parts and accessories sales climbed 4.8 percent, and shop parts sales rose 4.6 percent.

Labor sales dropped 3.1 percent and repair orders written fell 0.7 percent.

Parts and accessories sales to off-premises customers through November outperformed the year-earlier figure by 4.9 percent.

SERVICE INDEX

92.7*

	Nov., '88 vs. Nov., '87	11 mos., '88 vs. 11 mos., '87
Gross Profit on All Labor and P&A Sales	−5.3%	+5.6%
Repair Orders Written	−0.7%	−0.7%
Total Labor Sales (Customer & Warranty)	−9.4%	−3.1%
Shop Parts Sales (Customer & Warranty)	−12.7%	+4.6%
Sales of All P&A...........	−8.6%	+4.8%

* Survey by Automotive News shows that dealers' service and parts business in November 1988 was 92.7 percent of business in November 1987. Service business in the first 11 months of 1988 was 102.2 percent of business in the corresponding period in 1987.

GM warrants replacement panels

General Motors service parts operations has announced a long-term corrosion warranty on its replacement sheet-metal body panels.

The GM parts operation is also certifying a network of service outlets to repair GM cars with GM parts installed by AC-Delco-trained technicians. AC-Delco is a sales activity of GM service parts operations.

GM has long maintained that its replacement sheet metal is far superior in fit, finish and corrosion resistance to aftermarket sheet metal, most of which is produced offshore. The new GM warranty is an apparent effort by the company to back its quality claims.

GM's new sheet-metal warranty covers the company's replacement sheet-metal parts against rust-through corrosion for as long as the customer owns the car on which the parts are installed. Most new GM cars carry a 6-year/100,000-mile corrosion warranty. The only exception is the Cadillac Allante, which has a 7-year/100,000-mile corrosion warranty.

The new replacement sheet-metal warranty starts March 1.

The previous GM replacement sheet-metal warranty covered parts for 90 days or 4,000 miles.

The new warranty covers both inner and outer GM sheet-metal replacement panels, whether installed by a GM dealer or by an independent shop, if the part is purchased through a GM dealer. GM will repair or replace a sheet-metal part that fails due to rust-through corrosion.

"Our new warranty supports GM's claim of offering superior fit, finish and corrosion resistance compared to parts made by non-original-equipment manufacturers," said Timothy O'Connor, GM service parts operations general sales manager for GM dealers.

GM has also certified about 250 independent service outlets as Delco-Tech Service Centers during the last few months and hopes to establish an additional 2,000 outlets during 1989.

The centers are qualified to repair GM cars after the warranty has expired when service is needed on carburetor, fuel injection, ignition and emission systems. They also can conduct diagnostic checks.

The centers have been established to supplement GM dealership service, not to replace dealer service, GM said.

"We realize that some GM owners turn to independent shops for service," GM said. "The establishment of these Delco-Tech centers helps assure the GM owner use of genuine GM parts installed by AC-Delco-trained technicians, leading to our goal of improved customer satisfaction."

SERVICE BRIEFS

Holley offers FI system to replace 4-barrel carb

Colt Industries' replacement parts division has issued its 1989 Holley Performance Parts catalog. The book lists a fuel-injection system that Holley said can replace its four-barrel carburetor. The unit bolts to Holley's four-barrel intake manifold.

Holley said it is possible to use the fuel-injection system instead of a carburetor because the universal mounting plate permits the use of either square or spread bore manifold openings.

Named Pro-Jection, the system consists of a throttle-body injection unit, an adjustable electronic control module and an in-line electric fuel pump.

The unit replaces the Rochester Quadra-Jet carburetor on General Motors' 305- and 350-cid V-8s, Ford's 302- and 351-cid V-8s and Chrysler's 318- and 360-cid V-8s.

Quaker State Minit Lube enters Ontario market

Quaker State Minit-Lube is entering the Canadian market via a joint venture with Peter and George Walsh, who formerly owned Automotive Lube Shops in southeast Ontario. The new partnership is called Minit-Lube Ontario.

Last month, Minit-Lube Ontario opened 16 Minit-Lubes in southeast Ontario in the former Automotive Lube Shops.

Jeffrey O'Neill is chairman of the venture. He formerly was president and chief operating officer of Quaker State Minit-Lube. Peter Walsh was named president, and George Walsh is secretary-treasurer.

NEWSPAPER AD SPENDING

First 3 Quarters 1988 vs. First 3 Quarters 1987

(In thousands)

	Factory				Dealer Association				Local Dealer				Total			
	1988	1987	Change	Percent change	1988	1987	Change	Percent change	1988	1987	Change	Percent change	1988	1987	Change	Percent Change
Chrysler Corp.	$ 2,476	$ 9,807	$ (7,331)	(75)	$ —	$ —	$ —	—	$ 1,298	$ 991	$ 307	31	$ 3,772	$ 10,959	$ (7,187)	(66)
Chrysler-Plymouth	2,881	6,848	(3,967)	(58)	29	1,014	(985)	(97)	8,961	11,120	(2,159)	(19)	11,871	18,982	7,111	(37)
Dodge	2,219	7,070	(4,851)	(69)	464	949	(485)	(51)	8,464	8,983	(519)	(6)	11,147	17,002	(5,855)	(34)
Jeep-Eagle	1,251	—	—	—	2,398	—	—	—	4,851	—	—	—	8,500	—	—	—
Total Chrysler	$ 8,827	$ 23,888	$(15,061)	(63)	$ 2,891	$ 1,963	$ 928	47	$ 23,572	$ 21,092	2,480	12	$ 35,290	$ 46,949	$(11,659)	(25)
Ford Corp.	$ 10,525	$ 607	$ 445	73	$ —	$ —	$ —	—	$ 1,848	$ 1,107	$ 741	67	$ 2,900	$ 1,714	$ 1,186	69
Ford Division	8,668	12,704	(4,036)	(32)	19,257	11,973	7,284	61	33,792	25,004	8,788	35	61,717	49,681	12,036	24
Lincoln-Mercury	1,625	1,846	(221)	(12)	9,524	6,562	2,962	45	10,537	9,226	1,311	14	21,686	17,634	4,052	24
Total Ford	$ 11,345	$ 15,157	$ (3,812)	(25)	$28,781	$18,535	$10,246	55	$ 46,177	$ 35,337	$ 10,840	31	$ 86,303	$ 69,029	$ 17,274	25
GM Corp.	$ 5,772	$ 9,372	$ (3,600)	(38)	$ —	$ —	$ —	—	$ 3,857	$ 347	$ 3,510	101	$ 9,629	$ 9,719	$ 90	1
Buick	6,771	2,208	4,563	206	4,143	1,927	2,216	115	7,069	6,581	488	7	17,983	10,716	7,267	68
Cadillac	722	1,711	(989)	(58)	4,015	1,757	2,258	129	12,710	13,045	(335)	(3)	17,447	16,513	934	6
Chevrolet	22,025	17,047	4,978	29	3,797	2,985	812	24	29,190	22,575	6,615	29	55,012	42,607	12,405	29
Oldsmobile	17,418	7,250	10,168	140	3,702	2,485	1,217	49	7,250	8,409	1,159	(13)	28,370	18,144	10,226	56
Pontiac	10,798	6,854	3,944	58	1,411	345	1,066	309	7,084	5,749	1,335	23	19,293	12,948	6,345	49
Total GM	$ 63,506	$ 44,442	$ 19,064	43	$17,068	$ 9,479	$ 7,589	80	$ 67,160	$ 56,706	$ 10,454	18	$147,734	$110,647	$ 37,087	34
Total domestic	$ 83,678	$ 83,804	$ (126)	(1)	$48,740	$31,622	$17,118	54	$136,909	$116,282	$ 20,627	18	$269,327	$231,677	$ 37,650	16
Total imports	$ 48,912	$ 71,479	$(22,567)	(32)	$19,356	$15,736	$ 3,620	23	$ 91,655	$103,160	$(11,505)	(11)	$159,923	$190,376	$(30,453)	(16)
Total multi-line dealers	$ —	$ —	$ —	—	$ —	$ 965	$ —	—	$ 92,040	$ 72,509	$ 19,531	27	$ 92,040	$ 73,474	$ 18,566	25
Grand total	$132,590	$155,283	$(22,693)	(15)	$68,096	$48,323	$19,773	41	$320,604	$291,951	$ 28,653	10	$521,290	$495,526	$ 25,764	5

SOURCE: Newspaper Advertising Bureau, Media Records, projected to 125 markets. Parenthesis denotes negative change.

Car dollars rise 5% in newspapers

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

The nation's automakers and importers spent 5.2 percent more on newspaper advertising for cars in the first three quarters of 1988 than they did a year earlier.

The Newspaper Advertising Bureau said the auto industry, including factories, dealer associations and dealers, disbursed $521.3 million in the January-September period. That compares with $495.5 million during the same period in 1987. The spending numbers are projected for 125 markets and are collected by Media Records.

William J. Tausch, vice president of automotive marketing for the Newspaper Advertising Bureau in Detroit, said the bureau projected a 6 percent increase for the automotive category in newspaper spending in the 1988 calendar year.

The most dramatic increase among the three spending categories was in the dealer association segment. Dealer groups increased their total newspaper advertising expenditures 41 percent over the year-earlier period. Tausch said incentives and stronger associations fueled bigger ad budgets.

"Last year was an aggressive incentive year and incentives were more evenly dispersed from manufacturer to manufacturer," he said.

"I think associations enjoyed moving product and supporting factory programs," he added.

General Motors' dealer groups increased newspaper spending 80 percent during the first three quarters of 1988. GM is making a concerted effort to increase its share of advertising voice at the local dealer level.

Individual dealers spent 9.8 percent more on newspapers in the 1988 period than in 1987.

Factory expenditures on newspaper advertising were down 14.6 percent in the first nine months of 1988 compared with the same period in 1987. Factories spent $132.6 million in the 1988 period vs. $155.3 million a year earlier.

Most of the dip in factory expenditures was due to reduced spending by the importers. Importers spent 31.6 percent less on newspapers in the first nine months of 1988 than in the same period of 1987, while domestic makers maintained factory spending levels.

Importers as a group spent $48.9 million in the first nine months of 1988 compared with $71.5 million in the year-earlier period. Tausch said most of the decline came from European manufacturers, who have recently suffered sales declines. Domestic makers spent $83.7 million in January-September last year compared with $83.8 million in 1987.

Chrysler Motors' factory expenditures on newspaper advertising for the first nine months of 1988 dropped 63.2 percent. Chrysler spent $8.8 million in 1988 compared with $23.9 percent in 1987.

Ford Motor Co. spent $11.3 million on newspaper ads during the first three quarters of 1988, down 25.7 percent from $15.2 million in 1987.

GM was the only domestic automaker that increased its spending on newspaper advertising. GM spent $63.5 million during the first nine months of 1988, up 43 percent from $44.4 million a year earlier. Newspaper expenditures include car advertising for its five car divisions and corporate advertising.

In light-truck advertising, makers spent $18 million in newspapers in the first three quarters of 1988, down 39.2 from $29.6 million spent in the year-earlier period. Chevrolet was the top spender in the truck category with $7.2 million for newspaper ads in the January-September period of 1988.

IMPORT CAR NEWSPAPER EXPENDITURES

(First 3 Quarters — 1988; in thousands)

	Factory	Dealer Assn.	Local Dealer	Total	$ Change from First 3 Quarters '87	% Change from First 3 Quarters '87
Acura	$ 756	$ 3,700	$ 4,789	$ 9,245	$ 601	6.9
Alfa Romeo	412	65	24	501	(1,803)	(78.2)
Audi	4,943	1,018	1,572	7,533	3,153	72.0
Avanti	N.A.	N.A.	22	22	(6)	27.6
Bertone	N.A.	N.A.	N.A.	N.A.	(28)	N.A.
BMW	6,511	4,613	3,092	14,216	1,423	11.1
Citroen	N.A.	N.A.	N.A.	N.A.	(62)	N.A.
Daihatsu	977	N.A.	388	1,365	N.A.	N.A.
Ferrari	N.A.	N.A.	10	10	3	42.8
Honda	725	290	6,460	7,475	(1,915)	(20.4)
Hyundai	577	N.A.	10,870	11,447	858	8.1
Isuzu	80	N.A.	1,516	1,590	(4,479)	(73.7)
Jaguar	3,036	519	4,243	7,798	(590)	(7.0)
Lotus	94	N.A.	85	179	133	289.1
Maserati	N.A.	N.A.	10	10	(48)	(82.7)
Mazda	3,767	1,154	3,430	8,351	(5,951)	(41.6)
Mercedes-Benz	8,608	3,449	4,029	16,086	(5,492)	(25.5)
Mitsubishi	139	107	4,741	4,987	(205)	(3.9)
Multi-Line	N.A.	N.A.	N.A.	N.A.	(13,159)	N.A.
Nissan	5,105	163	16,366	21,634	4,804	28.5
Peugeot	1,359	117	513	1,989	374	23.1
Porsche	910	N.A.	1,355	2,265	(1,192)	(34.5)
Range Rover	N.A.	N.A.	710	710	(176)	(19.9)
Rolls-Royce	N.A.	N.A.	98	98	20	25.6
Saab	1,737	N.A.	1,232	2,969	(390)	(11.6)
Sterling	246	291	1,362	1,899	(1,073)	(36.1)
Subaru	1,079	818	2,121	4,018	(4,950)	(55.2)
Suzuki	361	N.A.	2,302	2,663	532	25.0
Toyota	3,157	1,601	15,609	20,367	981	5.1
Volkswagen	1,219	444	1,813	3,476	(4,323)	(55.4)
Volvo	1,948	896	2,501	5,345	344	6.9
Yugo	1,166	111	390	1,667	840	101.6
Zimmer Spirit	N.A.	N.A.	N.A.	N.A.	(44)	N.A.
TOTAL	$48,912	$19,356	$91,655	$159,923		

RECAP OF FIRST 3 QUARTERS 1988 (In thousands)

	Factory	Dealer Assn.	Local Dealer	Total	$ Change	% Change
Total domestic	$83,678	$48,740	$ 136,909	$269,327	$37,650	16
Total multi-line dealers	N.A.	N.A.	92,040	92,040	18,566	25
Total imports	48,912	19,356	91,655	159,923	(30,453)	(16)
Grand total	$132,590	$68,096	$320,604	$521,290	$25,764	5

DOMESTIC AND IMPORT TRUCK ADVERTISING IN NEWSPAPERS (In thousands)

	Jan.-Sept. 1988	Jan.-Sept. 1987	$ Change	% Percent
Chevy				
Blazer	$ 434	$ 23		
Multi-trucks	2,723	2,012		
Pickup	2,953	8,776		
Van	1,096	570		
	7,206	11,381	$(4,175)	(36.7)
Dodge				
Multi-trucks	139	862		
Pickup	354	1,531		
Van	593	787		
	1,086	3,180	(2,094)	(65.8)
Ford				
Multi-trucks	2,666	3,655		
Pickup	1,196	4,822		
Van	710	594		
	4,572	9,071	(4,499)	(49.6)
GMC				
Multi-trucks	1,318	821		
Pickup	329	815		
Van	442	287		
	2,089	1,923	166	8.6
Isuzu				
Pickup	202	358		
Trooper	437	N.A.		
Multi trucks	N.A.	12		
Van	N.A.	84		
	639	454	185	40.7
Jeep				
Pickup	18	116		
Cherokee	182	N.A.		
Wagoneer	51	N.A.		
Wrangler	53	N.A.		
	304	116	188	162.1
Mazda				
Pickup	610	148		
Multi trucks	N.A.	6		
	610	154	456	296.1
Mitsubishi				
Multi-trucks	93	27		
Pickup	40	207		
Van	N.A.	63		
	133	297	(164)	(55.2)
Nissan				
Multi-trucks	42	79		
Pickup	156	433		
Van	N.A.	34		
	198	546	(348)	(63.7)
Plymouth				
Van	158	N.A.		
	158	N.A.	158	N.A.
Suzuki				
Pickup	52	5		
	52	5	47	940.0
Toyota				
Multi trucks	209	508		
Pickup	702	1,148		
Van	89	151		
	$1,000	$1,807	$ (807)	(44.7)

Multi trucks—Advertisement of more than one model.

DOMESTIC CAR SALES

	Jan. 21, to Jan. 31, 1989	Same Period, 1988	Jan. 1989	Same Month, 1988	Jan. 1 to Jan. 31, 1989	Same Period, 1988
Alliance	0	381	0	764	0	764
Eagle	0	197	0	421	0	421
Premier	1,304	959	2,828	1,543	2,828	1,543
Total Eagle	1,304	1,537	2,828	2,728	2,828	2,728
Horizon	1,190	1,540	2,947	3,077	2,947	3,077
Laser	253	0	455	0	455	0
Sundance	2,976	2,052	6,315	4,688	6,315	4,688
Turismo	0	73	0	167	0	167
Reliant	1,343	4,085	3,808	8,824	3,808	8,824
Acclaim	1,406	0	2,318	0	2,318	0
Caravelle	48	806	136	2,011	136	2,011
Gran Fury	201	390	505	756	505	756
Total Plymouth	7,417	8,946	16,484	19,523	16,484	19,523
LeBaron K	61	901	170	2,062	170	2,062
LeBaron J	2,953	2,789	6,544	6,108	6,544	6,108
LeBaron GTS	236	669	554	1,558	554	1,558
Fifth Avenue	472	2,550	1,563	5,092	1,563	5,092
New Yorker C	4,190	1,497	9,163	3,040	9,163	3,040
New Yorker E	7	1,079	25	2,284	25	2,284
Total Chrysler	7,919	[illegible],485	18,019	20,144	18,019	20,144
Omni	1,101	[illegible]	2,841	2,688	2,841	2,688
Shadow	2,732	[illegible]	6,010	5,909	6,010	5,909
Charger	0	55	0	136	0	136
Daytona	1,988	2,422	4,599	5,320	4,599	5,320
Aries	1,128	3,745	3,766	8,108	3,766	8,108
Lancer	152	404	375	980	375	980
Spirit	1,215	0	2,458	0	2,458	0
Diplomat	379	526	780	1,060	780	1,060
Dynasty	3,261	1,050	8,061	2,579	8,061	2,579
Dodge 600	39	769	124	1,904	124	1,904
Total Dodge	11,976	12,498	29,014	28,684	29,014	28,684
CHRYSLER MOTORS	28,616	32,466	66,345	71,079	66,345	71,079
Escort	13,395	11,411	30,027	28,296	30,027	28,296
Mustang	6,012	5,654	12,377	11,959	12,377	11,959
Tempo	10,476	9,145	21,518	22,421	21,518	22,421
Taurus	10,952	12,015	25,555	29,935	25,555	29,935
Thunderbird	3,867	4,509	8,619	10,568	8,619	10,568
Probe	3,823	0	9,215	0	9,215	0
Crown Victoria	3,563	3,809	[illegible],209	8,871	8,209	8,871
Total Ford Div.	52,088	46,543	115,520	112,050	115,520	112,050
Lynx/Tracer	1,995	2,085	4,108	5,203	4,108	5,203
Topaz	3,773	2,350	7,784	6,203	7,784	6,203
Sable	3,533	4,049	7,608	8,935	7,608	8,935
Cougar	3,187	2,908	6,780	7,940	6,780	7,940
Grand Marquis	4,339	3,379	9,016	7,767	9,016	7,767
Total Mercury	16,827	14,771	35,296	36,048	35,296	36,048
Continental	2,130	931	5,056	2,368	5,056	2,368
Lincoln	3,941	3,122	8,132	7,973	8,132	7,973
Mark VII	852	686	1,831	1,593	1,831	1,593
Total Lincoln	6,923	4,739	15,019	11,934	15,019	11,934
Total L-M Division	23,750	19,510	50,315	47,982	50,315	47,982
FORD MOTOR CO.	75,838	66,053	165,835	160,032	165,835	160,032
Skyhawk	589	1,134	1,382	2,758	1,382	2,758
Somerset/Skylark	1,555	2,041	3,360	4,564	3,360	4,564
Century	5,637	3,585	10,986	9,347	10,986	9,347
Regal	2,711	3,857	5,198	8,714	5,198	8,714
LeSabre	3,192	5,538	7,078	11,943	7,078	11,943
Reatta	174	134	403	134	403	134
Electra	2,442	3,293	5,254	8,699	5,254	8,699
Riviera	572	591	1,304	1,033	1,304	1,033
Total Buick	16,872	20,173	34,965	47,192	34,965	47,192
Cimarron	44	253	95	534	95	534
Allante	110	96	226	233	226	233
Seville	725	408	1,887	1,275	1,887	1,275
DeVille	5,922	1,170	12,396	11,512	12,396	11,512
Brougham	1,063	1,170	2,324	2,638	2,324	2,638
Eldorado	1,018	622	2,174	1,547	2,174	1,547
Total Cadillac	8,882	7,667	19,102	17,739	19,102	17,739
Chevette	0	13	0	50	0	50
Geo Prizm/Nova	1,290	3,123	3,794	5,095	3,794	5,095
Cavalier	11,525	7,828	21,946	20,083	21,946	20,083
Camaro	3,203	1,915	7,338	5,230	7,338	5,230
Celebrity	8,446	7,580	17,563	19,762	17,563	19,762
Corsica/Beretta	13,188	11,408	24,216	23,490	24,216	23,490
Monte Carlo	122	1,361	310	3,477	310	3,477
Caprice	3,875	4,770	8,959	10,973	8,959	10,973
Corvette	511	644	1,164	1,500	1,164	1,500
Total Chevrolet	42,160	38,642	85,290	89,660	85,290	89,660
Firenza	4	708	4	1,363	4	1,363
Calais	2,863	3,835	6,804	7,512	6,804	7,512
Cutlass Ciera	7,846	8,780	17,035	18,712	17,035	18,712
Cutlass Supreme	5,974	2,615	10,155	6,728	10,155	6,728
Olds 88	4,055	6,537	9,194	15,176	9,194	15,176
Olds 98	2,165	2,286	4,946	6,995	4,946	6,995
Toronado	353	431	724	1,059	724	1,059
Total Oldsmobile	23,260	25,192	48,862	57,545	48,862	57,545
Fiero	104	941	365	2,228	365	2,228
Pontiac 1000	0	22	0	51	0	51
Sunbird	2,241	2,566	5,009	5,998	5,009	5,998
Firebird	1,567	1,341	3,249	3,586	3,249	3,586
Grand Am	7,593	7,115	14,358	17,639	14,358	17,639
Pontiac 6000	2,673	3,729	5,128	8,806	5,128	8,806
Grand Prix	7,475	1,149	11,733	1,774	11,733	1,774
Bonneville H	3,126	4,890	6,073	10,749	6,073	10,749
Paris./Safari	133	255	306	673	306	673
Total Pontiac	24,912	22,006	46,221	51,504	46,221	51,504
GENERAL MOTORS	116,086	113,682	234,440	263,640	234,440	263,640
HONDA	11,802	13,592	22,098	22,371	22,098	22,371
Civic	5,464	3,389	10,266	5,540	10,266	5,540
Accord	6,338	10,203	11,832	16,831	11,832	16,831
MAZDA	1,621	697	2,557	1,342	2,557	1,342
NISSAN	4,227	2,525	7,710	5,114	7,710	5,114
TOYOTA	8,616	3,532	10,775	4,461	10,775	4,461
VOLKSWAGEN	0	1,740	0	3,186	0	3,186
DOMESTIC TOTAL	246,806	234,487	509,760	531,225	509,760	531,225
IMPORT TOTAL			208,856	229,459	208,856	229,459
INDUSTRY TOTAL			718,616	760,684	718,616	760,684

*—U.S.-built Volkswagen models sold after June 30, 1988, are included in import totals.

Car sales decline 5% in January

Total is 718,616; domestics and imports share month's loss

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

January's combined domestic- and import-car sales trailed year-ago totals despite a surge in domestic deliveries in the final 10 days of the month and a large helping of consumer and dealer incentives.

Consumers bought 5.53 percent fewer cars in January than they did last year. January's final 10-day domestic-car sales gain of 5.25 percent was not enough to offset early- and mid-January 10-day domestic delivery declines.

Combined U.S.-built and import-car deliveries slipped to 718,616 units, compared with 760,684 in January 1988.

Although creative incentives — including cut-rate loan programs, special-interest-magazine-coupon inducements, free options and cash rebates — were in place, sales were flat.

"Sales were soft in January," said William J. Griffin III, president of Griffin Ford and Putnam Buick in Greenwich, Conn. "The buying mood of the public was one of caution. It takes place every year after the Christmas business. We should anticipate that sales will be soft. I feel everything will be better from Feb. 1."

This year, domestic carmakers retailed 509,760 units or 4.04 percent fewer than the 531,225 sold in January 1988.

Import-car deliveries declined 8.98 percent to 208,856 units, compared with 229,459 a year ago. Imports accounted for 29.06 percent of total car sales.

The average daily selling rate for the month was 28,744, or 5.53 percent below the 30,427 rate a year earlier. Both months had 25 selling days.

Honda, Hyundai, Porsche and Yugo reported import sales declines of 30-60 percent in January while gains of at least 20 percent were announced by Audi, BMW, Merkur and Peugeot.

Some car market shares were rearranged by several points in January. Ford Motor Co.'s market share rose 2.28 percentage points to 24.08 percent, while General Motors' share fell 2.24 percentage points to 34.17 percent. Chrysler Motors' total car share slipped a fraction of a point to 10.46 percent.

Among the major Japanese carmakers, combined import and domestic car shares also changed. Honda and Toyota each garnered a 6.55 percent share of the car market in January. However, Honda's share dropped nearly half a point, while Toyota's edged up a fraction of a point.

Nissan's car share inched up more than half a point to 5.11 percent, and Mazda's total car share rose nearly half a point to 2.99 percent.

The best gain in total unit sales was reported by Ford Motor Co. Its domestic and captive-import deliveries rose 4.53 percent over last January.

GM's combined car sales fell 11.17 percent, and Chrysler Motors' January domestic and captive import deliveries were down 7.03 percent.

The Japanese-based automakers delivered 0.38 percent fewer U.S.-built and imported cars in January than in the first month of 1988. European carmakers sold 14.64 percent fewer cars than they did a year ago, and Korean car sales fell 32.03 percent.

The seven U.S. carmakers began January with a slight 2.75 percent decline compared with the 10-day period a year earlier. Sales slid even further — 16.32 percent in the mid-month period. A gain of 5.25 percent in the final 10-day period could not recoup the earlier losses.

Ford was the only carmaker to report a domestic sales increase. Deliveries rose 3.63 percent. Sales of Lincoln Continental more than doubled last January's total, and Lincoln sales saved the month for Lincoln-Mercury.

Although GM's January domestic sales declined 11.08 percent, Cadillac sales were up 7.68 percent. John O. Grettenberger, Cadillac general manager, suggested that the new General Motors Acceptance Corp. SmartLease program, introduced Jan. 1, helped boost Eldorado and Seville sales for the month.

Chrysler Motors' domestic-car sales dropped 6.66 percent.

Three of the four Japanese transplant operations reported gains in sales of U.S.-built cars sales. Toyota and Mazda reported big increases. Toyota's U.S.-built car sales more than doubled, and Mazda's were up 90.54 percent.

Toyota reported last week that in January it sold its 9-millionth car since entering the U.S. market in 1957. The figure includes both imported and U.S.-built models.

Nissan sold 50.76 percent more U.S.-built cars in January than it did last year. Only Honda reported a lag in its sales of U.S.-produced cars. The January total was down 1.22 percent from a year ago.

MARKET SHARES, Jan. 1989

	Total Sales	Pct. of Total
SUBCOMPACT	72,923	10.14
COMPACT	130,656	18.18
INTERMEDIATE	219,288	30.53
STANDARD	84,735	11.79
SPECIALITY	2,158	0.30
IMPORT	208,856	29.06
TOTAL	718,616	100.00

IMPORTED CAR SALES

	Jan. 1989	Jan. 1988
Acura	9,513	9,037
Alfa Romeo	218	241
Audi	1,809	1,439
BMW	5,683	4,596
Chevrolet	7,811	9,707
Chrysler	473	549
Daihatsu	1,104	1,023
Dodge	3,025	3,493
Ford	6,453	5,088
Eagle	2,695	2,655
Honda	15,558	22,461
Hyundai	15,174	22,324
Isuzu	1,549	1,561
Jaquar	1,492	1,168
Maserati	22	50
Mazda	18,994	17,995
Mercedes-Benz	5,036	5,809
Mercury	1,061	729
Mitsubishi	5,039	5,280
Nissan	29,108	27,801
Peugeot	448	353
Plymouth	2,796	3,257
Pontiac	3,737	3,579
Porsche	605	1,137
Saab	2,435	2,719
Sterling	788	951
Subaru	10,249	9,959
Suzuki	547	0
Toyota	36,376	42,129
Volkswagen	9,029	11,086
Volvo	9,139	8,669
Yugo	870	2,614
TOTAL	208,856	229,459

*—Volkswagen totals include U.S.-built models sold after June 30, 1988. Sales charts compiled by Karen Dalkowski

U.S. CAR SALES BY MARKETING UNITS

	Jan. 1989	Percent Share	Jan. 1988	Percent Share
Alfa Romeo	218	0.03	241	0.03
American Honda	47,169	6.55	53,869	7.08
BMW	5,683	0.79	4,596	0.60
Buick	34,965	4.86	47,192	6.20
Cadillac	19,102	2.65	17,739	2.33
Chevrolet	93,101	12.93	99,367	13.06
Chrysler	18,492	2.57	20,693	2.72
Daihatsu	1,104	0.15	1,023	0.13
Dodge	32,039	4.45	32,177	4.23
Eagle	5,523	0.77	5,363	0.71
Ford	121,973	16.94	117,138	15.40
Hyundai	15,174	2.11	22,324	2.93
Isuzu	1,549	0.22	1,561	0.21
Jaguar	1,492	0.21	1,168	0.15
Lincoln	15,019	2.09	11,934	1.57
Maserati	22	0.00	50	0.01
Mazda	21,551	2.99	19,337	2.54
Mercedes	5,036	0.70	5,809	0.76
Mercury	36,377	5.05	36,777	4.83
Mitsubishi	5,039	0.88	5,280	0.69
Nissan	36,818	5.11	32,915	4.33
Oldsmobile	48,862	6.79	57,545	7.56
Peugeot	448	0.06	353	0.05
Plymouth	19,280	2.68	22,780	2.99
Pontiac	49,958	6.94	55,083	7.24
Porsche	605	0.08	1,137	0.15
Saab	2,435	0.34	2,719	0.36
Sterling	788	0.11	951	0.13
Subaru	10,249	1.42	9,959	1.31
Suzuki	547	0.08	0	0.00
Toyota	47,151	6.55	46,590	6.12
Volvo	9,139	1.27	8,669	1.14
VWoA	10,838	1.51	15,711	2.07
Yugo	870	0.12	2,614	0.34
TOTAL	718,616	100.00	760,684	100.00
TOTAL GM	245,988	34.17	276,926	36.41
TOTAL FORD	173,369	24.08	165,849	21.80
TOTAL CHRYSLER	75,334	10.46	81,033	10.65
TOTAL JAPANESE	171,177	23.82	170,534	22.42
TOTAL EUROPEAN	37,574	5.22	44,018	5.79
TOTAL KOREAN	15,174	2.11	22,324	2.93

Big 3 totals include their captive imports. Percent share may contain error of one or two points due to rounding.

AUCTION DATES

Chrysler

Feb. 14 — Florida Auto Auction of Orlando, Ocoee, Fla.; Hatfield Auto Auction, Hatfield, Pa.; Arena Auto Auction, Chicago; American Auto Auction, Walpole, Mass.; Clanton's Auto Auction, Darlington, S.C.; Denver Auto Auction, Aurora, Colo.; South Seattle Auto Auction, Kent, Wash.; and Golden Gate Auto Auction, Fremont, Calif.

Feb. 15 — A.D.E. of Birmingham, Birmingham, Ala., and Butler Auto Auction, Gibsonia, Pa.

Feb. 16 — Northway Exchange, Clifton Park, N.Y.; Aptco Auto Auction, Taylor, Mich.; Indianapolis Auto Auction, Indianapolis; Ark-La-Tex Auto Auction, Shreveport, La.; Omaha Auto Auction, Omaha, Neb.; and Southwest Auto Auction, Phoenix, Ariz.

Feb. 17 — Manheim Auto Auction, Manheim, Pa.

Ford Motor Co.

Feb. 14 — Greater Chicago Auto Auction, Chicago; Harrisonburg Auto Auction, Harrisonburg, Va.; and Bay Cities Auto Auction, Hayward, Calif.

Feb. 15 — Albuquerque Auto Auction, Albuquerque, N.M.; Concord Auto Auction, Acton, Mass.; Aptco Auto Auction, Taylor, Mich.; and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

Feb. 16 — Auto Auction of Billings, Billings, Mont.; Greensboro Auto Auction, Greensboro, N.C.; Texas Hobby Auto Auction, Houston; Interstate Auto Auction, Mercer, Pa.; Nashville Auto Auction, Nashville, Tenn.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

Used Car Sales
Auction Averages

January 89	$5,545
Month ago	$5,001
Year ago	$5,522

General Motors

Feb. 14 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and Manheim Auto Auction, Manheim, Pa.

Feb. 15 — Atlanta Auto Auction, Atlanta; Puget Auto Auction, Auburn, Wash.; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Mississippi Auto Auction, Hattiesburg, Miss.; Omaha Auto Auction, Omaha, Neb.; and Southern California Auto Auction, Fontana, Calif.

Feb. 16 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; Utah Auto Auction, West Bountiful, Utah; and Mid Ark Auto Auction, N. Little Rock, Ark.

Feb. 17 — Aptco Auto Auction, Taylor, Mich.

Model Breakdown
Auction Averages

	JAN. 1989	DEC. 1988	NOV. 1988
1989 ...	$12,109	—	—
1988 ...	$8,612	$9,894	$9,514
1987 ...	$7,136	$7,686	$7,330
1986 ...	$5,944	$4,874	$5,997
1985 ...	$4,873	$4,747	$5,077
1984 ...	$3,760	$3,723	$3,721
1983 ...	$2,795	$2,776	$2,948
1982 ..	$2,246	$2,343	$2,228
Overall Average	$5,545	$5,824	$5,204

AUCTION DIRECTORY

NOTICE

Our Offices will be closed Monday, February 20
The deadline for our Feb. 27 issue will be
Thursday, Feb. 16, No Later Than 5 P.M.

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SOUTH CAROLINA

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Clanton's Auto Auction, P.O. Box 51, Darlington, South Carolina, 803-393-2861. Sale every Thurs., Regular Consignment, 11 a.m. & Early Bird, 9 a.m. (repos & lease units).

TENNESSEE

Memphis Auto Auction, 2650 Mt. Moriah Rd, Memphis, Tenn. 38115. 901-794-7700. Sale every Tuesday at 11 AM. Mid-South's newest auto auction.

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TEXAS

San Antonio Auto Auction (div. of GECAA), 1500 Ackerman Rd., San Antonio, Texas 78219. Sale every Weds. Contact: Frank Post or Michael Milikien, 512-661-4200.

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TEXAS

Fort Worth Auto Auction (div. of GECAA), 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Tuesday. Contact: George Horton, 817-626-5494.

WASHINGTON

So. Seattle Auto Auction. The lease & Fleet Specialists. Tom Chase, 1-800-872-6800. P.O. Box 5189, Kent, Washington 98064.

WISCONSIN

Metro Milwaukee Auto Auction. Sale every Wednesday. FMC, GMAC, all leasing. 414-835-4436, Caledonia, Wisconsin.

For sale: Alabama Toyota outlet

Enterprising dealer strikes gold with ad flyer at NADA parley

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Hamp Griffin wanted to sell his Toyota store in Enterprise, Ala.

He tried business-for-sale classified ads in The Wall Street Journal, Automotive News and other trade publications plus daily newspapers in Miami; London; Amsterdam, Netherlands; and major metropolitan areas in the United States and Western Europe.

"As soon as people found out it was in Alabama, they lost interest," Griffin said. "I guess it's because the overall economy in Alabama is so bad.

"When people think about buying dealerships, they think of Florida."

Griffin, who also owns a Volvo store in nearby Mobile, was frustrated, but three days before the National Automobile Dealers Association convention in New Orleans, he had a brainstorm.

So he called the people who design his newspaper advertising and had them design a flyer offering to sell the dealership.

As a result, the flyer looked just like a newspaper ad announcing a special new-car sale, right down to the crossed-out blue-sky number of $650,000. "This week: $250,000," the flyer proclaimed.

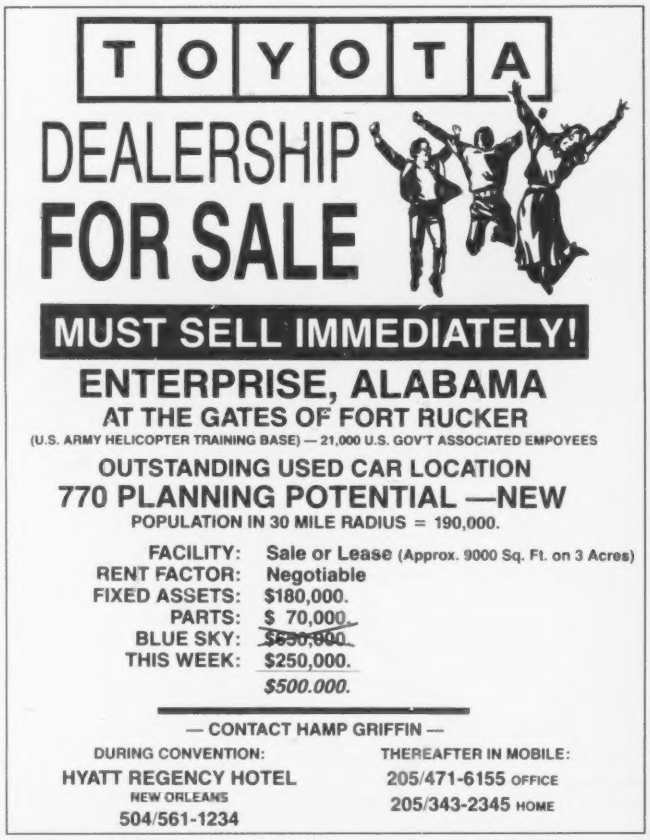
Griffin had thousands printed in red ink and sent to New Orleans.

In New Orleans, Griffin paid workers at various hotels 50 cents a sheet to place the flyers outside the doors of NADA convention attendees.

It worked.

"I've got a buy-sell," he said in a telephone interview last week. Griffin said the prospective buyer is a three-store chain, and the two parties are still negotiating about some of the details, including whether the new owner will buy or rent the real estate.

"I sold the dealership just like I sell cars," Griffin said. "And I got my price."



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$500.000.

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DURING CONVENTION:
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NEW ORLEANS
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THEREAFTER IN MOBILE:
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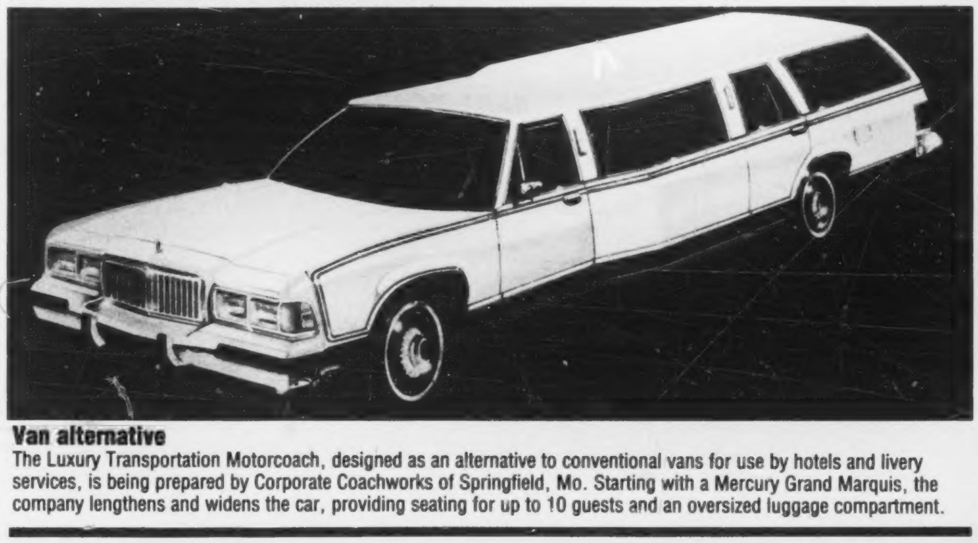
NADA conventioneers found this ad at hotel-room doors; it worked



Van alternative
The Luxury Transportation Motorcoach, designed as an alternative to conventional vans for use by hotels and livery services, is being prepared by Corporate Coachworks of Springfield, Mo. Starting with a Mercury Grand Marquis, the company lengthens and widens the car, providing seating for up to 10 guests and an oversized luggage compartment.

Chevy, Disney a team

Promotion ties Lumina intro, theme park

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Chevrolet will use the power of Walt Disney Co. in what some say is the division's biggest and most important introduction — the launch of its three new Lumina vehicles.

Chevrolet announced last week a joint promotion with Disney to market the new vehicles to young families. The promotion will introduce the Lumina sedan, coupe and all-purpose vehicle and promote the entertainment conglomerate's new Disney MGM Studios Theme Park in Orlando, Fla.

Chevrolet will use animated Disney characters such as Mickey Mouse and Donald Duck in Lumina advertising. The new Disney-MGM Studios, which opens May 1, will be used as a backdrop. Disney will also show Luminas in ads for the new studio.

A sweepstakes promotion for both companies will award Lumina vehicles and Disney vacations. Consumers will sign up for the sweepstakes at Chevrolet dealerships. Dealers will receive more information on the promotion during a March 1 dealer meeting in Orlando.

Advertising for both companies will mention that Lumina is the official line of vehicles for the Disney-MGM Studios. All Chevrolet advertising will be created and handled by Lintas:Campbell-Ewald, Warren, Mich., which has been working with Disney on animation in the Lumina television spots.

"You have the premier family transportation company and the premier family entertainment company. The whole thing screams family. The matchup is excellent," said Steve McAvoy, Chevrolet passenger car marketing manager.

The first spots will air March 29 on the Academy Awards broadcast and will show all three Lumina vehicles even though only the sedan will be available at that time, McAvoy said. Chevrolet officials are hoping to launch the Lumina coupe in July and the APV in the fall.

Lumina print ads will break in April or May in general-interest magazines.

McAvoy said adverting for a cargo version of the APV will target light industry. A "Eurosport" version of the sedan, to be introduced later, will target enthusiasts.

Chevrolet expects the Lumina to be its highest-volume line in the 1990s.

AUDIT

FROM PAGE 1

said. "It (the check) is strictly a benefit."

But Chevrolet doesn't necessarily see things the same way.

Chevrolet General Marketing Manager Michael Erdman, who was shown copies of both the Saks Fifth Avenue gift certificate and the $2,000 check by Automotive News, said gifts to dealers do not qualify as administrative expenses.

He added that money given to dealers to attend a convention falls into a gray area and will have to be reviewed during the audit. If Chevrolet or GMC finds any misuse of advertising funds, it may ask the dealer group to pay for the program instead of using money from the assessment, according to officials from both divisions.

GMC Truck and Chevrolet are asking all their dealer advertising associations to submit financial data and proof of advertisements to verify that funds were spent appropriately. Data will be reviewed by field personnel and the division, according to a GMC dealer advertising representative.

The audit is to make sure each group spent at least 90 percent of its budget on advertising.

The remaining 10 percent may be used for administrative expenses, Erdman said. Administrative expenses can include off-site meetings, legal expenses related to advertising and the salary of an advertising director, he said.

Asked how Chevrolet planned to stop a misuse of advertising funds, Erdman said: "You really don't stop it. You'll always find people beating the system."

The advertising assessment program helped Chevrolet narrow its gap with Ford Division in spending on local advertising, Erdman said. He said the division is now almost even with Ford.

During the fourth quarter of 1988, Ford and its dealer groups were slightly ahead of Chevrolet in local television spending. Ford and its dealer groups spent $32.39 million on local television compared with $32.29 million for Chevrolet and its dealer groups, according to Broadcast Advertisers Report, a service that measures advertising on broadcast media.

By comparison, Ford and its dealers spent $25.27 million on local television during the fourth quarter of 1987 while Chevy and its dealers spent $22.36 million.

Observers said Chevrolet currently trails Ford in local television ad spending because ad dollars are generated on a per-vehicle basis and Ford is selling more vehicles than Chevrolet.

Robert Burger, Chevrolet general manager, said the division has not enjoyed the full impact of the 1 percent program yet.

"It's too early to tell," he said. "The monies are just now being generated and distributed to the dealer associations and their programs are just now starting to take effect. The bottom line is that it's going to have a tremendous impact."

Burger said that next to good products, the increase in dealer association funds will be the biggest factor in helping Chevrolet regain and maintain sales leadership.

Hugh Trenkamp, senior vice president and management director of the regional advertising group for J. Walter Thompson, Ford Division's national advertising agency, said Ford dealers in some parts of the country have been concerned about Chevy's new local advertising strength.

"We believe that the Chevrolet dealer associations are now outspending the Ford dealer associations in many markets," he said. "The 1 percent program has been discussed over the last 18 months. Some (Ford dealers) would like it, some wouldn't. It has put some pressure on (Ford dealers)."

J. Walter Thompson is the advertising agency for 45 of the 65 Ford Dealer Advertising Fund committees, Trenkamp said.

Chevrolet and GMC dealers receive 25 percent of their contributions to advertise their own stores.

DOMESTIC DAYS' SUPPLIES

	Feb. 1, 1989	Jan. 1, 1989	Feb. 1, 1988
Alliance	—	—	119
Eagle	—	—	58
Premier	185	166	167
Total Eagle	185	166	137
Horizon	114	134	63
Laser	100	—	—
Sundance	91	70	98
Turismo	—	—	143
Reliant	72	64	94
Acclaim	63	42	—
Caravelle	108	120	72
Gran Fury	46	43	80
Total Plymouth	86	75	88
LeBaron K	80	94	159
LeBaron J	96	79	132
LeBaron GTS	169	154	176
Fifth Avenue	156	195	98
New Yorker C	52	44	87
New Yorker E	193	177	140
Total Chrysler	81	71	124
Omni	123	125	76
Shadow	86	67	88
Charger	—	—	164
Daytona	128	118	73
Aries	68	53	99
Lancer	215	246	209
Spirit	69	29	—
Diplomat	56	52	146
Dynasty	62	38	73
Dodge 600	136	116	70
Total Dodge	87	65	91
CHRYSLER MTRS.	89	73	101
Escort	90	84	86
Mustang	87	79	84
Tempo	66	55	46
Taurus	78	59	64
Thunderbird	81	57	82
Probe	85	76	—
Crown Victoria	83	74	59
Total Ford Div.	81	69	69
Tracer/Lynx	152	165	86
Topaz	73	68	55
Sable	100	77	63
Cougar	72	54	104
Grand Marquis	57	61	52
Total Mercury	84	76	72
Continental	42	29	26
Lincoln	61	45	82
Mark VII	145	124	74
Total Lincoln	65	48	70
Total L-M Division	78	66	71
FORD MOTOR CO.	80	68	70
Skyhawk	205	167	109
Somerset/Skylark	125	118	114
Century	87	72	73
Regal	141	91	74
LeSabre	85	63	72
Reatta	261	177	67
Electra	127	101	54
Riviera	111	66	60
Total Buick	112	85	75
Cimarron	34	26	145
Allante	146	262	203
Seville	66	56	65
DeVille	61	42	67
Brougham	111	58	153
Eldorado	104	78	61
Total Cadillac	74	51	83
Chevette	—	—	148
Geo Prizm/Nova	129	94	208
Cavalier	74	49	75
Camaro	106	75	166
Celebrity	78	62	96
Corsica/Beretta	115	99	108
Monte Carlo	78	51	191
Caprice	112	64	102
Corvette	156	110	141
Total Chevrolet	97	71	110
Firenza	—	—	92
Calais	116	104	89
Cutlass Ciera	65	65	48
Cutlass Supreme	95	92	89
Olds 88	115	95	67
Olds 98	90	70	60
Toronado	143	107	68
Total Oldsmobile	91	83	66
Fiero	109	64	124
Pontiac 1000	—	—	50
Sunbird	84	52	64
Firebird	164	116	116
Grand Am	68	39	59
Pontiac 6000	112	70	51
Grand Prix	76	100	126
Bonneville H	126	92	57
Paris./Safari	137	107	63
Total Pontiac	92	67	67
GENERAL MTRS.	95	73	84
HONDA	30	12	17
MAZDA	87	69	52
NISSAN	64	56	75
TOYOTA	18	20	22
VOLKSWAGEN	—	—	147
DOM. TOTAL	85	67	79
Subcompact	62	50	64
Compact	75	56	68
Intermediate	89	72	87
Standard	90	68	72
Specialty	167	117	133

Stocks reach 84 days as sales pace falters

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Combined inventories of U.S.-built and imported cars grew last month to equal an 84-day supply on Feb. 1.

Bitter weather in some areas may have kept customers out of showrooms in January, according to some dealers, thereby adding to the inventory bulge. January car sales slipped 5.53 percent below the year-ago total.

On Feb. 1, combined stocks of U.S.-built and imported cars totaled 2,406,310, 6.91 percent higher than the month-earlier total of 2,250,831, which equaled a 67-day supply.

Combined car inventories were 2.89 percent — or 67,512 units — fatter than on Feb. 1, 1988, when there were 2,338,798 cars in stock. That represented a 77-day supply.

On Feb. 1, there were 1,724,158 U.S.-built cars in stock, equal to an 85-day supply. That compares with a 67-day supply on 1,585,922 units in stock one month earlier.

U.S.-built car stocks on Feb. 1 were 2.82 percent higher than a year ago when there were 1,676,858 cars on hand, representing a sluggish 79-day supply.

Import-car stocks rose to 682,152 on Feb. 1, which represented an inflated 82-day supply. Last month, there were 664,909 unsold imported cars on hand, equal to a 67-day supply.

One year ago on Feb. 1, import-car inventories totaled 661,940 units, equal to a 72-day supply.

For the time of year, however, dealers told Automotive News that stock levels were stable and not too worrisome.

"We're still short on the very desirable models: the Grand Voyager and Voyager LE and the New Yorker Landau," said Lou Turiano, general sales manager for Bill Luke Chrysler-Plymouth, Phoenix, Ariz. He said his store is in good shape with a 60-day supply.

"Traffic was down," said Keith Vincent, new-car sales manager at College Park (Md.) Volkswagen. "Customers are recovering from the Christmas cold; we have a 60- to 75-day supply."

An 80-day supply is a little high for February, according to Steve Bird, new car and truck sales manager at Bud Young Chevrolet-Oldsmobile, Shellby, Ohio. He said his store is short on trucks.

"We're right where we want to be, with about a 45-day supply," said Jack Lebo, new-car sales manager, Miami Lincoln-Mercury. "We lost about 25 car sales during the riots. We're back on track now. Sables are profitable and any Continentals sell. Cougars are not selling, probably because of the problems reported."

Import makes with stocks that grew to 130 to 265 days included: Isuzu, Suzuki, Porsche, VW, Alfa Romeo, Yugo and all General Motors and Chrysler Motors captives.

All seven domestic producers reported higher days' supply numbers, and Toyota was the only one of the seven to reduce combined domestic and import-car inventories from Jan. 1.

GM stocks, including captives, totaled 967,069, equal to a 98-day supply. That was up 8.14 percent from 894,303 on Jan. 1, which equaled a 75-day supply.

Ford Motor Co.'s combined car stocks climbed 10.24 percent to 567,200, equal to an 82-day supply. A month ago, Ford had 514,500 cars in stock for a 70-day supply.

Including captives, Chrysler Motors had 307,116 cars in stock on Feb. 1. That represented a 102-day supply. Stocks were 2.58 percent higher than on Jan. 1 when unsold cars stocks totaled 299,403, equal to 85 days' worth.

Toyota was able to lower its transplant and import car stocks by 18 units to 52,110, equal to a 28-day supply. Last month it had 52,128 cars, representing a slightly lower 20-day supply.

Honda's stocks of U.S.-produced and import cars more than doubled during January. On Feb. 1, Honda's combined car stocks were 71,571, equal to a 38-day supply. Honda began last month with 32,674 unsold cars, equal to a meager 13-day supply.

Nissan's combined car stocks were 125,437, equal to an 85-day supply on Feb. 1. On Jan. 1, Nissan had 4.86 percent fewer cars in stock or 119,619 units, representing 80 days' worth.

Mazda also had higher U.S.-built and import car stocks on Feb. 1. Inventories rose to 53,059, representing a 62-day supply. At the beginning of January, Mazda had 44,431 cars in stock, equal to a 57-day supply.

The import car and truck stockpile on Feb. 1 grew to 845,733, representing an 81-day supply. That was up from 821,907 cars and trucks a month earlier, when there was a 67-day supply.

Feb. 1 import-truck stocks grew to 163,581 units — a 79-day supply.

IMPORT DAYS' SUPPLIES

	Feb. 1, 1989	Jan. 1, 1989	Feb. 1, 1988
Chevrolet	173	141	166
Chrysler/Mitsubishi	202	188	180
Acura	71	65	18
Daihatsu	85	83	45
Honda	29	14	15
Isuzu	176	188	168
Mazda	58	55	57
Mitsubishi	104	105	107
Nissan	91	86	133
Subaru	96	79	83
Suzuki	237	—	—
Toyota	30	19	25
JAPAN	75	56	71
Audi	123	159	133
BMW	79	86	80
Mercedes-Benz	63	31	52
Merkur	90	180	154
Porsche	166	80	139
VW	158	131	75
GERMANY	112	95	79
Alfa Romeo	137	125	77
Festiva	117	136	121
Hyundai	62	66	41
Jaguar	38	36	40
Peugeot	96	95	129
Pontiac	144	75	152
Eagle/Renault	182	224	64
Saab	81	81	90
Sterling	80	155	91
Volvo	53	94	72
Yugo	265	148	140
Other Countries	88	90	73
Total Import Cars.	82	66	72
Geo Tracker	130	—	—
Isuzu	134	103	92
Mazda	74	79	66
Mitsubishi	103	107	65
Nissan*	49	47	98
Range Rover	6	21	34
Suzuki	178	99	63
Toyota	49	37	36
Chrysler	173	153	144
Total Imp. Trucks	79	68	73
Total Imp. Vehicles	81	67	72

*Includes domestic vehicles.

Truck output highest ever for January

Truckmakers continued breaking monthly records as they opened the year with a January total of 381,272, the highest output ever for that month. It topped the previous peak of 336,734 in January 1979.

Last month's truck production was 19.90 percent above the December total of 317,999 and was 15.05 ahead of the year-ago month's 331,392.

The growing light-duty truck market has kept the truckmakers' weekly schedules a bit above 90,000 for several weeks; during the past couple years, the weekly schedules were in the mid-80,000 range.

Last week's estimated truck output of 90,364 dipped 5.31 percent from the prior week's 95,427 but increased 10.42 percent over the year-ago week's 81,834.

So far this year, 531,718 trucks have been assembled, 7.32 percent more than the 495,443 completed last year at this point.

Carmakers built 638,129 units in January, 12.45 percent more than December's 567,492 and 33.75 percent above the year-ago month's 477,103 when several plants were idled for inventory adjustment.

Last week's scheduled car production totaled 153,941, slightly below (0.80 percent) the previous week's 155,188 but 15.63 percent more than the year-ago week's 133,137.

Companies split last week's targeted production as follows:

General Motors, 48.30 percent; Ford Motor Co., 24.98 percent; Chrysler Motors, 12.41 percent; Honda of America Manufacturing, 5.37 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.14 percent; New United Motor Manufacturing Inc., 2.60 percent; Nissan Motor Manufacturing Co. U.S.A., 1.52 percent; Toyota Motor Manufacturing U.S.A., 1.26 percent; and Diamond-Star Motors, 0.42 percent.

Truck mark set in Canada, too

Canadian truckmakers set a January record while car output slipped to the lowest January total in six years.

Truck output of 86,281 for January not only topped car output for the month but surpassed the previous January high point of 81,115, which was reached in 1986.

January's truck build was 21.23 percent more than December's 71,174 and 17.11 percent above the year-ago month's 73,674.

Last week's scheduled truck production of 21,342 was slightly lower (0.22 percent) than the previous week's 21,389 but 14.77 percent more than last year's 18,596.

Car output last month totaled 80,125, the lowest January figure since the 75,937 built in 1983. Last month's car output was 33.99 percent more than December's 59,799 but 7.28 percent below the year-ago month's 86,420.

Automakers scheduled assembly of 22,247 units last week, 5.89 percent more than the prior week's 21,009 and 2.34 percent more than the year-ago week's 21,739.

U.S. CAR	Week Ended Feb. 11, 1989	Week Ended Feb. 13, 1988	Week Ended Feb. 4, 1989	Jan. Total	Jan. 1 to Feb. 11, 1989	Jan. 1 to Feb. 13, 1988
Horizon	0	1,826	0	0	0	9,949
Sundance	2,300	2,063	2,390	11,258	14,959	12,816
Reliant	0	2,753	0	0	0	10,248
Acclaim	2,400	0	2,015	5,927	9,653	0
Caravelle	0	448	0	0	0	2,352
Gran Fury	0	326	0	0	0	1,385
Total Plymouth	4,700	7,418	4,405	17,185	24,612	36,750
LeBaron K	0	495	0	0	0	1,596
LeBaron J	2,200	1,173	2,288	10,290	13,847	900
LeBaron GTS	300	131	367	1,135	1,660	915
N. Yorker C-Class	2,200	2,310	2,383	10,609	14,733	10,641
Fifth Avenue	0	1,087	0	0	0	7,349
Total Chrysler	4,700	5,196	5,538	22,034	30,240	21,401
Omni	0	1,868	0	0	0	9,653
Daytona	2,200	761	2,284	10,331	13,910	600
Shadow	2,500	2,250	2,604	10,718	14,794	12,935
Aries	0	1,842	0	0	0	8,032
Dodge 600	0	483	0	0	0	2,011
Dynasty	2,900	2,359	3,552	13,729	18,976	11,443
Lancer	100	265	181	925	1,121	1,428
Spirit	2,000	0	2,178	6,366	9,641	0
Diplomat	0	490	0	0	0	2,103
Total Dodge	9,700	10,318	10,799	42,069	58,442	48,205
CHRYSLER MOTORS	19,100	22,932	20,742	81,288	113,294	106,356
Escort	7,910	8,692	7,980	37,420	50,112	53,696
Mustang	4,260	4,589	4,485	17,756	24,711	27,430
Tempo	3,213	3,582	3,292	16,442	21,630	24,929
Taurus	7,949	7,909	7,985	35,567	48,237	47,885
Thunderbird	4,055	3,470	4,505	15,000	22,024	19,516
Total Ford Div.	27,387	28,222	28,247	122,185	166,714	173,456
Topaz	1,297	1,261	1,273	6,123	8,151	9,645
Cougar	2,694	2,300	2,996	12,029	16,693	15,101
Sable	2,400	2,724	2,536	12,272	16,152	13,630
Total Mercury	6,391	6,285	6,805	30,424	40,996	38,376
Continental	1,403	670	1,558	6,768	9,104	4,771
Mark VII	468	440	774	3,364	4,293	3,481
Lincoln	2,809	2,219	2,340	10,149	14,362	18,481
Total Lincoln	4,680	3,329	4,670	20,281	27,759	26,733
Total L-M Division	11,071	9,614	11,475	50,705	68,755	65,109
FORD MOTOR CO.	38,458	37,836	39,722	172,890	235,469	238,565
Skyhawk	206	651	262	2,018	2,351	3,723
Skylark/Somerset	1,310	285	1,304	2,787	4,892	3,593
Century	1,445	1,204	3,249	14,239	17,609	5,639
Riviera	631	189	604	2,592	3,581	646
Electra	1,959	1,249	2,005	7,631	10,774	8,482
LeSabre (fwd)	1,848	2,400	1,526	1,135	3,920	14,255
LeSabre (rwd)	200	94	209	864	1,188	500
Reatta	0	85	0	766	766	378
Total Buick	7,599	6,357	9,159	32,032	45,081	37,296
Cimmaron	0	290	0	0	0	1,725
Eldorado	744	640	721	3,031	4,210	2,166
Seville	651	478	516	2,293	3,241	1,592
Brougham (rwd)	1,250	0	957	4,572	6,289	0
Deville (fwd)	4,760	3,614	4,740	18,029	25,623	22,746
Allante	75	60	75	315	435	140
Total Cadillac	7,480	5,082	7,009	28,240	39,798	28,369
Cavalier	8,158	6,644	8,855	37,257	50,818	34,423
Camaro	2,510	1,218	2,546	10,419	14,487	5,022
Celebrity	3,120	4,350	3,697	18,839	23,976	15,127
Corsica/Beretta	9,470	7,849	9,138	37,427	52,360	40,032
Caprice	3,980	4,540	3,281	14,498	20,239	26,238
Corvette	525	451	523	2,058	2,898	2,501
Total Chevrolet	27,763	25,052	28,040	120,498	164,778	123,343
Calais	2,290	1,918	2,316	4,836	8,501	12,491
Firenza	0	436	0	0	0	2,068
Cutlass Ciera	1,775	0	1,672	7,018	9,792	0
Cutlass Supreme	3,660	1,847	3,516	12,240	18,065	9,988
Toronado	222	381	328	1,310	1,719	1,281
88 (fwd)	3,914	3,240	4,042	14,702	21,984	19,882
88 (rwd)	143	257	154	928	1,143	1,812
Olds 98	2,184	1,755	2,254	8,273	11,831	10,237
Total Oldsmobile	14,188	9,834	14,282	49,307	73,035	57,759
Sunbird	2,806	2,470	3,000	10,058	14,784	13,368
Grand Am	5,100	4,760	4,989	20,239	28,378	28,880
Firebird	1,605	779	1,376	6,557	8,965	4,830
Grand Prix	4,060	1,823	0	12,001	16,061	3,646
Pontiac 6000	1,325	621	2,222	9,249	11,861	1,929
Bonneville	2,315	1,973	2,012	8,142	11,665	11,662
Safari/Parisienne	110	159	109	456	628	709
Fiero	0	389	0	0	0	683
Total Pontiac	17,321	12,974	13,708	66,702	92,342	65,707
GENERAL MOTORS	74,351	59,299	72,198	296,779	415,034	312,474
DIAMOND-STAR	648	0	531	2,283	3,253	0
HONDA	8,270	7,287	8,407	32,087	45,793	42,562
Civic	2,705	1,620	2,822	10,865	15,321	9,997
Accord	5,565	5,667	5,585	21,222	30,472	32,565
MAZDA†	4,834	1,176	5,699	20,260	28,834	5,478
NISSAN	2,340	1,326	2,352	9,971	13,744	8,041
NUMMI	4,000	3,281	3,603	14,665	20,874	18,302
Corolla	1,600	1,232	1,512	6,609	9,141	6,081
Geo Prizm/Nova	2,400	2,049	2,091	8,056	11,733	12,221
TOYOTA	1,940	0	1,934	7,906	11,008	0
VOLKSWAGEN	0	0	0	0	0	5,782
Golf/GTI	0	0	0	0	0	3,982
Jetta	0	0	0	0	0	1,800
Total Cars, U.S.	153,941	133,137	155,188	638,129	887,303	737,560
Total Cars, Canada	22,247	21,739	21,009	80,125	115,314	134,171
U.S., Canada Cars	176,188	154,876	176,197	718,254	1,002,617	871,731
U.S., Canada Cars and Trucks	287,894	255,306	293,013	1,185,807	1,655,454	1,478,045

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended Feb. 11, 1989	Week Ended Feb. 13, 1988	Week Ended Feb. 4, 1989	Jan. Total	Jan. 1 to Feb. 11, 1989	Jan. 1 to Feb. 13, 1988
Premier	1,275	1,652	1,283	4,391	6,431	9,538
CHRYSLER MOTORS	1,275	1,652	1,263	4,391	6,431	9,538
Tempo	3,452	3,635	3,449	17,616	23,114	24,943
Topaz	1,828	1,241	1,760	5,172	8,123	9,479
Crown Victoria	2,908	2,802	2,790	11,960	16,577	16,989
Grand Marquis	2,852	2,772	2,789	11,782	16,333	16,244
FORD MOTOR CO.	11,040	10,450	10,788	46,530	64,147	67,655
Celebrity	196	252	204	860	1,177	2,751
Cutlass Ciera	3,720	4,611	3,766	16,418	22,381	24,062
Lumina	498	0	500	582	1,417	0
Pontiac 6000	0	854	0	0	0	6,535
Regal	3,688	3,192	2,630	4,165	9,648	19,402
GENERAL MOTORS	8,102	8,909	7,100	22,025	34,623	52,750
Civic	1,650	614	1,658	6,442	9,088	3,613
Accord	0	0	0	0	0	0
HONDA	1,650	0	1,658	6,442	9,088	0
VOLVO	180	114	180	737	1,025	615
Total Cars, Canada	22,247	21,739	21,009	80,125	115,314	134,171

U.S. TRUCK☆	Week Ended Feb. 11, 1989	Week Ended Feb. 13, 1988	Week Ended Feb. 4, 1989	Jan. Total	Jan. 1 to Feb. 11, 1989	Jan. 1 to Feb. 13, 1988
Caravan	2,000	2,167	2,374	9,608	13,244	11,638
Dakota	2,200	0	2,280	9,075	12,642	12,622
Mini-Ram Van	100	369	223	883	1,126	1,830
Pickups	2,200	0	2,279	9,071	12,626	6,299
Total Dodge	6,500	2,536	7,156	28,637	39,640	32,389
Cherokee	5,000	3,230	4,206	17,639	25,279	22,158
Commanche	800	846	695	2,983	4,241	6,049
Grand Wagoneer	300	350	350	1,455	1,965	1,794
Wagoneer	200	224	184	868	1,165	1,712
Total Jeep	6,300	4,650	5,435	22,945	32,650	31,711
Voyager	1,900	1,987	2,479	9,693	13,196	10,585
Total Plymouth	1,900	1,987	2,479	9,693	13,196	10,585
CHRYSLER MOTORS	14,700	9,173	15,070	61,275	85,486	74,685
Aerostar	4,960	4,433	4,995	22,257	28,168	27,405
Bronco	1,729	1,259	2,168	8,288	11,438	7,582
Bronco II	2,835	3,039	3,224	11,564	16,458	18,640
Econoline	5,237	5,205	5,190	21,538	29,883	30,332
Heavy trucks	1,315	1,294	1,325	5,496	7,611	7,952
Light trucks	11,257	10,064	12,034	47,946	66,660	59,112
Ranger	7,617	7,550	8,733	30,174	43,501	43,768
Total Ford Div.	34,950	32,844	37,669	145,263	203,719	194,791
FORD MOTOR CO.	34,950	32,844	37,669	145,263	203,719	194,791
Astro	3,207	3,240	3,274	14,554	19,667	20,622
Blazer	498	443	637	2,414	3,344	3,293
Mediums/Heavies	0	2,180	0	1,312	0	2,119
P-Model	696	875	631	1,633	2,698	5,754
Pickups	9,367	6,105	8,949	37,032	54,469	36,233
S-10	5,852	5,327	6,537	25,454	35,379	30,969
S-10 Blazer	3,002	2,995	4,484	16,271	22,140	16,211
Sportsvan/Van	1,974	1,462	2,240	6,374	9,782	7,866
Suburban	1,458	1,209	1,825	6,683	9,318	8,557
Total Chevrolet	26,054	23,836	28,577	111,727	156,797	131,624
Jimmy	152	192	194	733	1,004	1,074
Mediums/Heavies	0	917	0	1,496	0	5,493
P-Model	121	121	117	222	404	439
Pickups	2,434	1,937	2,667	11,597	16,875	12,538
S-15	1,292	1,632	1,064	5,982	7,764	8,791
S-15 Jimmy	1,587	1,111	561	4,386	6,255	3,481
Safari	742	848	922	3,627	4,925	5,290
Suburban	446	693	661	2,755	3,665	4,586
Vandura/Rally Vans	496	721	582	2,018	2,839	5,937
Total GMC	7,270	8,172	6,768	32,816	43,731	47,629
GENERAL MOTORS	33,324	32,008	35,345	144,543	200,528	179,253
NAVISTAR	1,870	1,796	1,820	6,832	9,792	10,777
NISSAN	2,770	3,263	2,773	11,809	16,243	19,437
AM GENERAL	450	450	450	1,890	2,610	2,700
MISCELLANEOUS	2,300	2,300	2,300	9,660	13,340	13,800
Total Trucks, U.S.	90,364	81,834	95,427	381,272	531,718	495,443

CANADIAN TRUCK	Week Ended Feb. 11, 1989	Week Ended Feb. 13, 1988	Week Ended Feb. 4, 1989	Jan. Total	Jan. 1 to Feb. 11, 1989	Jan. 1 to Feb. 13, 1988
Caravan	3,084	2,989	3,379	13,863	19,033	18,153
Mini-Ram Van	210	221	207	857	1,204	1,355
Ram Wagon	690	492	675	2,866	3,967	2,256
Ram Van	1,660	1,291	1.755	7,386	10,083	5,461
Total Dodge	5,644	4,993	6,016	24,972	34,287	27,225
Voyager	2,850	2,868	2,669	11,137	15,934	17,015
Total Plymouth	2,850	2,868	2,669	11,137	15,934	17,015
Wrangler	1,700	1,058	1,671	5,110	7,831	5,775
Total Jeep	1,700	1,058	1,671	5,110	7,831	5,775
CHRYSLER MOTORS	10,194	8,919	10,356	41,219	58,052	50,015
FORD MTR. (lt. trks.)	3,648	3,271	3,459	14,617	20,336	21,569
Light trucks	3,547	2,605	3,446	14,155	20,075	19,210
Vans	1,680	1,380	1,408	6,135	8,689	7,500
Total Chevrolet	5,227	3,985	4,854	20,290	28,764	26,710
Light trucks	1,613	1,729	1,794	6,419	9,012	7,725
Vans	660	482	654	2,585	3,650	3,500
Total GMC	2,273	2,211	2,448	9,004	12,662	11,225
GENERAL MOTORS	7,500	6,196	7,302	29,294	41,426	37,935
NAVISTAR	0	210	272	1,151	1,305	1,352
Total Trks., Canada	21,342	18,596	21,389	86,281	121,119	110,871
N. American Trks.	111,706	100,430	116,816	467,553	652,837	606,314

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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GM tries 3-tiered car loans

Pilot charges according to risk

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

General Motors Acceptance Corp. is on the threshold of rewriting the way it writes auto loans.

GMAC, once considered to be among the country's most conservative lending institutions, has been regionally test-marketing a multi-tiered lending program that grades retail paper based on a buyer's credit worthiness.

The program is designed to attract more buyers who are good credit risks and better protect GMAC on loans made to buyers who are poorer credit risks.

The move will also allow GMAC to group the graded paper and sell it to investors.

GMAC said if testing is successful, it will take the program nationwide. Dealers participating in the pilots say that could be as early as March 1, when many of the current cut-rate-loan incentives expire.

The program met with mixed reviews during its two months of test marketing in Boston, Chicago, New York, Dallas and parts of New Jersey. Pilots may be running in other areas as well but GMAC declined to say where.

Some dealers polled think the plan will succeed in moving more vehicles. Others fear that it will lessen GMAC's traditional buyer quality and run retail paper costs too high.

Though some lending institutions have offered graded paper, this marks the first time one of the captive finance companies has tried the system.

Spokesmen for both Ford Motor

see LOANS, page 52

According to the U.S. Treasury, this four-door Mitsubishi Montero is a car . . .

. . . while the version with two fewer doors is a truck

U.S. tones down MPV tariff hike

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — In a partial reversal of a hotly disputed ruling by U.S. Customs, the U.S. Treasury Department last week said a 25 percent truck tariff applies to two-door sport-utility vehicles and cargo vans but not to four-door versions or vans equipped for passenger use.

It was a victory for European manufacturers such as Range Rover and Volkswagen and a partial win for Japanese makers looking to step up four-door sport-utility and van imports. Domestic manufacturers, who were pressing for the tariff on all vehicles in the class, were unhappy with the decision.

The Treasury said that four-door sport-utility vehicles and vans with side windows and rear seats that can hold at least two persons are passenger cars, and they will continue to be taxed at the 2.5 percent car rate. The announcement came after an intense six-week review of the Jan. 4 Customs ruling.

Officials of the Japan Automobile Manufacturers Association said four-door sport-utility vehicles and vans imported for passenger-use will count toward that country's voluntary export restraints.

The Treasury said of the 193,000 sport-utility vehicles and 45,000 vans imported last year, 42 percent were subject to the 25 percent truck tariff. As a result of the change classifying all two-door versions as trucks, the Treasury said 62 percent of a similar number of multipurpose vehicles imported this year would be subject to the tariff and will cost importers $83 million more in 1989.

The domestic manufacturers maintain that if all vehicles in the class were taxed as trucks, the Treasury would realize $500 million a year in extra revenue.

Deputy Treasury Secretary John McPherson said the government collected $324 million last year

see MPV, page 49

More Yugo grief — maker plans termination

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEWARK, N.J. — The Yugoslavian manufacturer of the Yugo subcompact has notified Global Motors it intends to terminate its distribution agreement with Global's Yugo America unit.

But until Global's bankruptcy proceedings are concluded, Yugo maker Zavodi Crvena Zastava is assembling an interim management team to run the distributor firm through Impex Car Corp., its agent in the United States, a Zastava spokesman said.

Meanwhile, it was revealed in a U.S. Bankruptcy Court hearing last week that Norauto, an Ohio-based liquidator, essentially paid $1,500 each for the 5,000 Yugos it purchased from Global. Global's Yugo America subsidiary paid Zastava $2,100 for cars, which were sold to dealers for $3,500.

Norauto was seeking the court's permission to sell the vehicles, but Judge Vincent J. Commisa left in place a temporary restraining order putting the sale and other Global financial dealings, including Zastava's termination notice, on hold.

Yugo dealers have scheduled a Wednesday meeting to form a dealer committee to protect their interests, including some $2.5 million, mostly for rebate claims.

Zastava has agreed to back the car's warranty and Yugo America's obligations to dealers and to provide between $1 million and $1.5 million to keep Yugo America functioning for the next few weeks, according to lawyers in the case.

But beyond the contingencies forced on them by the bankruptcy, the relationship between Zastava and Yugo America appears strained.

Marcel Kole, acting chief executive officer for Yugo America, testified in Bankruptcy Court here last week that Zastava sent a termination notice some time before Yugo America and parent company Global Motors filed for Chapter 11 protection from creditors Jan. 30.

Kole testified that Yugo America contests the termination.

"We have received a document (from Zastava). We have not acknowledged that," Kole said.

Commisa said at last Tuesday's hearing that

see YUGO, page 51

Tonkin's Rough Riders

Fleet sales, CSI, dealer programs targeted

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

Ron Tonkin is quickly moving on his promise to turn up the heat on auto manufacturers this year.

The new president of the National Automobile Dealers Association went public last week with the names of his first 205 "Rough Riders" — car dealers he hopes will provide the muscle in his new factory relations counter-offensive.

Tonkin said members of the group will meet with auto manufacturers primarily over three issues that have angered dealers: manufacturer subsidies of fleet sales; the use of customer satisfaction indexes; and the instigation of "dealer improvement programs," which Tonkin claimed are "efforts to strong-arm dealers into higher sales."

Among those listed as Rough Riders are Penske Corp. Chairman Roger S. Penske; Mark Eddins, owner of the second largest Chevrolet dealership in the country,

see TONKIN, page 53

2

AUTOMOTIVE NEWS/JOE WILSSENS

Tonkin's pledge: No rest for the automakers on dealer relations

Big 3 profits set record with overseas help

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

While the Big 3 last week reported record sales and net income for the fourth quarter and year, their combined North American profits were flat compared to 1987 and fell almost $1 billion from 1986.

Combined overseas profits climbed steadily from $100 million in 1986 to $5.0 billion in 1988. The weaker dollar has helped the U.S.

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Chrysler is about to decide whether to produce a version of the V-10-powered Viper show car

AUTOMOTIVE NEWS/JOE WILSSENS

VIPER: *Shelby says Chrysler is near decision on whether to produce hot little sports car*

By Richard Truett
SPECIAL CORRESPONDENT

DAYTONA BEACH, Fla. — Specialty-car builder Carroll Shelby said Chrysler Motors executives may decide within days whether to produce the sporty show car called Dodge Viper.

Chrysler Motors President Robert Lutz and Vice President of Vehicle Engineering Francois Castaing are "makin' noises like they want to build it," said Shelby, who has produced a number of souped-up car lines with Chrysler, starting with the 1983 Shelby Charger.

"The volumes haven't been defined," Shelby said. "Where we would build it hasn't been defined. None of that stuff has. I'll probably be back there (Detroit) in the next 10 days and we'll get into that."

Shelby was in Daytona Beach Feb. 9 to deliver a speech at the National Conference for Automotive Technology.

Asked what he thought the chances were for the Viper going into production, Shelby said, "I wouldn't want to make that prediction right now. They're doing a few studies back there to see if they want to produce it. I'd like to see it built, but I'm not so sure that our little company out in Whittier, Calif., is capable of building it, especially if they want to do a volume thing like the Corvette is."

The styling of the Viper, which debuted at the Detroit auto show last month, has much in common with the Cobras that Shelby created with Ford Motor Co. in the 1960s. But the similarities don't stop with design. He cited "a big ol' pushrod engine, probably a production transmission, probably a production rear end and mechanical gauges so that we can keep costs down on it."

From February 1962 to December 1966, Shelby modified 1,011 British-built AC Cars sports cars by equipping them with 260-, 289-, 427- and 428-cid Ford engines and racing equipment. Today some of those cars in top condition fetch nearly half a million dollars at auctions. They are among the fastest cars ever sold and are arguably Shelby's most famous products.

"We believe it should be an American-type sports car," Shelby said of the Viper. That has been the mission of the previous Dodges that Shelby Automobiles has modified. He predicted that people are going to be surprised at how "forward thinking" Chrysler is with some of its 1990s models.

Irregularities surface in Chrysler audit

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — Chrysler Corp. has placed its administrative services office under the supervision of the company controller after disclosing last week that an internal audit uncovered irregularities in its facilities management group.

Facilities management is responsible for maintenance of Chrysler's headquarters and is one of three operations in the administrative services office.

The company also has moved its special security operation out of administrative services and placed it under the supervision of the company's general counsel.

The internal company investigation involves allegations of fraud within the facilities management operations, according to a source familiar with the probe. The source added the probe covers dealings with outside contractors and involves less than $500,000.

Four to six mid-level managers are affected, the source said, indicating that the affected employees are expected to lose their positions as a result of the investigation.

"Chrysler, like most companies, routinely conducts audits of its internal operations," a company statement said. "For several weeks, the company has been auditing its facilities management operations. This audit was begun after its internal control systems spotted some concerns."

In 1988, Chrysler created an office of ethics that permits employees to anonymously report alleged improprieties. "The internal control systems worked and the problem has been solved," a spokesman said. "There is no law enforcement involvement of any sort."

Chrysler Corp. Chairman Lee Iacocca issued an open letter to employees, describing the incident as "an isolated situation involving a tiny number of people."

"No matter how small the number of people or dollars involved, Chrysler will not tolerate unethical behavior that jeopardizes the hard work we've all put in to make this company a success," Iacocca said.

Dickinson, Wright, Moon, Van Dusen & Freeman, a Detroit law firm, is handling the probe.

Taiwan-built Justy may come to U.S.

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Fuji Heavy Industries is looking at Taiwan as a possible export base for up to 12,000 Justy models per year for the U.S. market.

Senior Managing Director Akira Soejima said the recent reorganization at Subaru of America was intended to improve communications between Fuji's three main production bases that will be in operation by the end of this year.

In addition to the operation in Gunma Prefecture in Japan, the Subaru-Isuzu Automotive Co. joint-venture plant in Indiana is scheduled to begin production this fall, and the plant in Taiwan will begin operations in May.

Initial production plans at the Taiwan plant call for 1,000 units a month of a 1.2-liter Domingo class van, an additional 1,000 units of a one-liter truck and 1,000 units a month of the 1.2-liter Justy.

If volume from the Japanese base is not sufficient for the U.S. market, Soejima said, the Taiwan plant would have the capacity to add 1,000 Justy models per month for export to the United States, bringing the plant's annual capacity to 48,000 units.

The company's three-plant, three-country setup is complex and requires better communication, Soejima said.

Soejima is one of two members who will be added to the Subaru of America board when it is expanded from 10 to 12 seats within a month. The position of vice chairman also will be established at that time, a post Soejima described as a kind of symbol.

But not a symbol of more control from Fuji, according to Soejima. From time to time, he said, the people at Subaru of America may think they are in a separate organization. "But we are in the same group together," he said.

Although Fuji recently purchased $20 million in preferred stock from Subaru of America, its stake in the company remains at 49 percent and that will not change, Soejima said. Fuji is not looking for more control of the American operation, he said. The preferred stock purchase was intended to help Subaru of America strengthen its financial position, he said.

Other sources have said Fuji has been negotiating to get an Isuzu vehicle for sale in the Subaru channel. But Soejima said it is still too early to talk about receiving another model. If Subaru of America should make such a decision in the future, that will be its decision as an independent company, he said. Fuji and Isuzu have shared some models in the Japanese market.

For the time being, Subaru will concentrate on three series, the Justy, Loyale and Legacy, in the United States, according to Soejima. There is an interest in a sport-utility vehicle or minivan, but at the moment there is no possibility of production, he said.

Fuji's interest in setting up production in France has been delayed, primarily because of uncertainty over the European situation and the demand for 80 percent local content that the French raised in opposition to Nissan's British-built Bluebird. The European Commission's decision on that issue is pending.

If Justy booms, Taiwan may answer

Soejima said Fuji is not in a hurry on the French project because a new model of the Leone-type vehicle would be required for a production start-up, and the Leone isn't due for a revision for another year or two. Fuji is now looking at the possibility of production at such a site in 1992 or 1993, he said.

The original plan for a French production site called for volume of less than 30,000 vehicles per year, but Fuji has increased that estimate to 48,000.

Fuji has had discussions in China, along with General Motors, about possible production there. The Chinese apparently have been looking for a Japanese and a Western partner to form a joint venture. However, those talks are apparently stalled, Soejima said.

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Big rise predicted in Canada's output share

By Alex Law
STAFF CORRESPONDENT

TORONTO — Canada is on the way to providing 20 percent of all North American vehicle production in the next five years, according to a leading Canadian auto analyst.

Dennis DesRosiers also predicted that none of Canada's automotive assembly plants will close in the event of a North American overcapacity situation. His remarks came during a Financial Post conference on the Canadian auto industry here last week.

Speaking at a session on quality, productivity and profitability, the president of DesRosiers Automotive Research said, "Canada has been gradually increasing its share of North American vehicle production from under 10 percent in the 1960s to current levels of about 14-15 percent."

He added that "simple mathematics tell me that, if the markets hold, Canada will have at least 20 percent of North American production within three to five years."

As for an overcapacity situation, DesRosiers downplayed the chances of it ever happening.

"I think this issue is overplayed in the industry," he said. "Essentially, the adjustment mechanisms are working. Inefficient plants have been closed, exchange rates have blunted the growth of imports and indeed imports are falling."

He said, "We do not have to close 18 to 20 plants as some predicted. Indeed, there may only be one or two more vulnerable plants in North America and none, I believe, in Canada.

The only Canadian sites that might be vulnerable in the event of an extreme overcapacity situation, DesRosiers said, are General Motors' plant in Ste. Therese, Quebec, and Ford's plant in St. Thomas, Ontario.

DesRosiers received support for his prediction that no Canadian plants would close from John H. Hammond Jr., a managing partner of J.D. Power and Associates, a market research firm in Agoura Hills, Calif. Hammond qualified his remarks, noting that quality of production is the critical consideration when it comes to closing a plant.

DesRosiers's claim that the 20 percent level would be "very good news for those in the industry" did not apply to everyone at the conference. UAW President Owen Bieber, when asked how he felt about Canadian auto workers building 20 percent of North America's vehicles, said, "I don't like it one bit."

Bieber also told the conference that he hasn't made up with Canadian Auto Workers President Robert White. He said they haven't spoken since the Canadian branch broke away from the UAW in 1984.

He said officials from the two unions are in regular contact, but he didn't know when or if a high-level rapprochement was possible.

Bieber reminded the audience that the UAW represents a local in Wallaceburg, Ontario, whose membership is growing.

Bieber then moved quickly to dull any possible edge management could take from the unions' animosity: "I can tell you this — since this is a management function — that because we have some differences, that doesn't mean you have an advantage with one or the other."

January truck sales by manufacturer and segment

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1989	TOTAL 1988
CHRYSLER-PLYMOUTH	MO	13,728						13,728	11,758
	YR	13,728						13,728	11,758
DODGE	MO	41,899						41,899	39,792
	YR	41,899						41,899	39,792
JEEP	MO	18,797						18,797	16,556
	YR	18,797						18,797	16,556
TOYOTA	MO	15,200						15,200	18,584
	YR	15,200						15,200	18,584
NISSAN	MO	13,947						13,947	15,073
	YR	13,947						13,947	15,073
MAZDA	MO	6,910						6,910	8,319
	YR	6,910						6,910	8,319
ISUZU	MO	6,626						6,626	7,010
	YR	6,626						6,626	7,010
MITSUBISHI	MO	2,377						2,377	3,957
	YR	2,377						2,377	3,957
SUZUKI	MO	2,058						2,058	5,292
	YR	2,058						2,058	5,292
RANGE ROVER	MO	495						495	247
	YR	495						495	247
FORD	MO	105,282	2,399		718	2,502	1,042	111,943	107,089
	YR	105,282	2,399		718	2,502	1,042	111,943	107,089
FREIGHTLINER	MO						1,940	1,940	1,741
	YR						1,940	1,940	1,741
CHEVROLET	MO	89,372		26	395	796		90,589	92,890
	YR	89,372		26	395	796		90,589	92,890
GMC	MO	24,828		790	454	1,333		27,405	22,505
	YR	24,828		790	454	1,333		27,405	22,505
KENWORTH	MO					23	1,428	1,451	1,020
	YR					23	1,428	1,451	1,020
MACK	MO				202	270	1,208	1,680	1,420
	YR				202	270	1,208	1,680	1,420
MERCEDES	MO				66	82		148	187
	YR				66	82		148	187
NAVISTAR	MO		18	15	1,371	2,129	2,754	6,287	6,627
	YR		18	15	1,371	2,129	2,754	6,287	6,627
PETERBILT	MO					57	1,399	1,456	907
	YR					57	1,399	1,456	907
VOLVO	MO					103	1,150	1,253	762
	YR					103	1,150	1,253	762
HINO	MO	15		28	45	76		164	142
	YR	15		28	45	76		164	142
NISSAN DIESEL	MO	26		50	16	29		121	147
	YR	26		50	16	29		121	147
ISUZU TRUCK	MO	570	52	2	34	30		688	189
	YR	570	52	2	34	30		688	189
MITSUBISHI FUSO	MO	117		28	20	37		202	91
	YR	117		28	20	37		202	91
SCANIA	MO						6	6	7
	YR						6	6	7
IVECO TRUCKS	MO	76	50	18	8			152	123
	YR	76	50	18	8			152	123
WESTERN STAR	MO						100	100	185
	YR						100	100	185
OTHER DOMESTICS	MO					24	45	69	56
	YR					24	45	69	56
GRAND TOTAL	MO	342,323	2,519	957	3,329	7,491	11,072	367,691	362,676
	YR	342,323	2,519	957	3,329	7,491	11,072	367,691	362,676
1988 YR to DATE		341,087	627	634	4,504	6,510	9,414		

NOTE: January 1988 includes 2 Subarus.

Truck sales at peak

Light models set record; others strong

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Domestic truck sales set a record in January as light-duty models reached an all-time high and most of the medium- and heavy-duty segments turned in exceptionally strong performances.

Overall, the industry retailed 367,691 light, medium and heavy trucks in January, edging last year's 362,676, the previous record, by a slim margin.

The light-duty Class 1-3 segment accounted for a record 342,323 sales during the month, up a scant 0.36 percent from 341,087 a year earlier.

Medium-duty Class 4-7 sales of 14,296 trucks were up a hefty 17.42 percent during the month from 12,175 a year earlier.

All medium segments except Class 6 showed gains for the month.

Heavy-truck manufacturers have been talking about their strong backlog of orders, and January confirmed Class 8's abiding robustness.

The heavy segment retailed 11,072 trucks, up 17.61 percent from the year-ago's 9,414.

All the major Class 8 manufacturers showed solid gains in January, though the numbers continue to be somewhat distorted because of Volvo GM Heavy Truck's lack of production availability.

Navistar and Freightliner continued to lead the segment. They also finished first and second, respectively, last year.

Navistar's sales of 2,754 Class 8 models were up from 2,599 a year earlier. Freightliner's sales of 1,940 were up from 1,741 in the year-ago period.

Paccar's Kenworth and Peterbilt, which combined for a sensational year in 1988, continued to do well in January. Kenworth jumped to third place from fifth for all of 1988, and Peterbilt was fourth after finishing sixth for all of 1988.

Kenworth retailed 1,428 trucks in January, up from 1,011 a year ago. Peterbilt retailed 1,399, up from 897 a year earlier.

Mack had a solid gain with sales of 1,208 Class 8 models, up from 1,066 in 1988.

Volvo GM still has to recoup the production capacity it lost with the shutdown of its GMC plant in Pontiac, Mich. It retailed 1,150 Class 8 trucks in January, up from the 948 Class 8 sales recorded for Volvo and GM in the Class 8 market last year.

Ford also had a very respectable gain in January. It retailed 1,042 Class 8 models, up from 855 in the year-earlier period.

TOP 10 WORLDWIDE HEAVY TRUCK PRODUCERS

	1988		1987		1986	
1. Daimler Benz ...		76,000		68,000		60,000
Daimler	49,000		41,000		40,000	
Freightliner ..	27,000		27,000		20,000	
2. Volvo Truck.....		54,000		40,000		38,000
Volvo	33,000		29,000		27,000	
WhiteGMC ...	21,000		11,000		11,000	
3. Renault..........		52,000		46,000		41,000
Renault.......	27,000		22,000		20,000	
Mack	25,000		24,000		21,000	
4. Navistar		36,000		36,000		33,000
5. Paccar...........		35,000		32,000		24,000
6. Scania...........		28,000		27,000		28,000
7. Iveco		26,000		24,000		22,000
8. Hino		26,000		19,000		14,000
9. Daf...............		23,000		20,000		18,000
Daf............	16,000		14,000		12,000	
BR Leyland ..	7,000		6,000		6,000	
10. Ford		20,000		19,000		17,000

NOTE: Figures represent factory sales for each of the past several calendar years. The 1988 data is preliminary. Compiled by Volvo Truck.

World's big-truck makers hike sales; Volvo now 2nd

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Last year was a good one for the world's top 10 heavy-truck manufacturers.

They all increased their factory sales, though some gained a lot more than others.

The sales data for 1988 was compiled by Volvo Truck from various international sources. It is still preliminary, though officials expressed confidence in its accuracy. Worldwide sales totaled 379,000 last year, compared with 333,000 in 1987. Sales are rounded to the nearest thousand.

Volvo's interest in the sales data is obvious. The merger of its U.S. heavy-truck operations with General Motors' enabled it to leap-frog Renault and become the second-largest Class 8 heavy-truck producer worldwide.

The Daimler-Benz group, including Freightliner in the United States, consolidated its first-place standing. It is in no danger of being unseated from first place in the near term.

Renault, with the strengthening operations of Mack in the United States and improvements in its other worldwide operations, shored up its lead over fourth-place Navistar International. Renault owns 42 percent of Mack's stock.

Among the independent U.S. manufacturers, Navistar and Paccar continued to show good gains, though Ford in 10th place had only a marginal gain in factory sales.

Navistar and fifth-place Paccar kept their lead over Scania, Iveco, Hino and Daf, which finished sixth through ninth, respectively.

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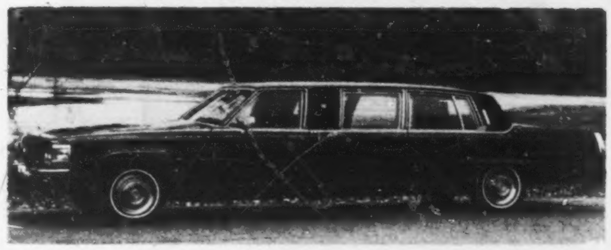

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Early-February sales plunge 17%

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

In the first 10 days of February, sales of U.S.-built cars fell 17.79 percent below the total for the year-ago period.

They also fell 36.94 percent below last month's final 10 days.

Highly erratic is how automotive analyst, Michael Luckey of Luckey Consulting Group, Cresskill, N.J., described the pattern.

Sales shot up in the final 10 days of January before plunging in early February. Luckey suggested that "all the car companies are doing with these 10-day totals is borrowing numbers from the future."

Offering a different viewpoint was L. Ray Windecker, Ford Motor Co. research and analysis manager, who said, "Year-ago early February sales were well above trend. A sales decline was expected as a logical occurrence." However, he said, 10-day sales follow a "saw-toothed pattern."

Among the eight domestic carmakers, which now include the Mitsubishi-Chrysler Diamond-Star joint venture in Normal, Ill., only the four Japanese transplants sold more cars than last year. Each of the Big 3 reported a decline.

Early February sales of U.S.-built cars totaled 157,849, compared with 192,001 in the Feb. 1-10 period a year ago.

The early February total also dropped 88,957 units below the final 10 days of January 1989, when 246,806 cars were delivered.

The average daily selling rate in early February fell to 17,539 vs. 21,333 last year. There were nine selling days each year.

Toyota sold nearly three times as many U.S.-built cars as it did last year, and Mazda's sales soared 86.89 percent. Toyota now produces cars at two U.S. sites, and Mazda's Michigan plant is in full operation.

Nissan delivered 27.37 percent more cars in the Feb. 1-10 period this year, and Honda's sales rose 17.19 percent.

Mitsubishi, which began selling U.S.- made Eclipses produced by Diamond-Star in January, delivered 358 cars in early February.

Ford Motor Co. reported the slimmest 10-day loss. Its sales were down 9.53 percent.

General Motors reported that Feb. 1-10 car sales fell 23.04 percent below last year's comparable 10-day period. Chrysler Motors' 10-day car sales fell 30.91. percent.

U.S. light-truck sales dipped 10.96 percent to 93,426, down from 104,920 a year ago.

Combined sales of U.S.-built cars and light trucks were 257,275, down 15.37 percent from last year's 296,921.

DOMESTIC SALES

	Feb. 1-10, 1989	Feb. 1-10, 1988
Eagle	844	807
Chrysler	5,190	9,269
Plymouth	4,620	8,519
Dodge	9,150	10,070
Chrysler Motors	19,804	28,665
Ford	35,811	38,346
Mercury	9,528	12,111
Lincoln	4,675	4,827
Ford Motor Co.	50,014	55,284
Buick	10,792	15,375
Cadillac	6,167	6,196
Chevrolet	27,098	40,884
Oldsmobile	14,606	17,563
Pontiac	16,528	17,563
General Motors	75,191	97,701
Volkswagen	—	944
Honda	8,447	7,208
Nissan	1,489	1,169
Toyota	1,890	679
Mazda	656	351
Mitsubishi	358	—
U.S. Ind. Total	157,849	192,001

Trucks lead Canada to 1988 sales gain

By Bill Vance
SPECIAL CORRESPONDENT

TORONTO — Despite a booming truck market last year, a drop in imported-car sales held Canada's overall vehicle sales to a 2.48 percent increase over the 1987 total.

Combined domestic and imported car and truck sales totaled 1,537,986 in 1988, compared with 1,500,809 a year earlier.

Canadian dealers sold 1,049,898 domestic and imported cars, compared with 1,054,708 in 1987, a 0.46 percent drop. Domestic-car sales increased 29,552 for the year, while imports dropped 34,362.

A 13.36 percent rise in December car sales helped improve the domestic lot. GM led the monthly gain, posting an 11.21 percent increase. Ford followed with an 8.58 percent rise while Chrysler was up 4.20 percent.

For the year, Ford was up 10.02 percent, selling 201,240 domestically produced cars, compared with 182,912 in 1987. Chrysler had sales of 149,604, up 5.19 percent over 1987.

Market leader GM slipped less than 1 percent, retailing 352,203 domestic cars last year, compared with 355,691 in 1987. GM's imports, however, were up 16.70 percent to 27,386 units, compared with 23,468 in 1987.

The importers, however, did not fare so well. Sales of imported cars were down 14.81 percent in December and 9.55 percent for the year. December's losers among the volume sellers were Nissan, down 47.86 percent; Hyundai, down 29.44 percent; and Toyota, down 9.95 percent. Volkswagen, meanwhile, was up 18.63 percent.

For the year, Toyota managed to stay 2.40 percent ahead of 1987, selling 70,400 cars vs. 68,753.

Losing sales during calendar 1988 were Hyundai, down 38.77 percent, followed by Nissan, 18.13 percent; and Volkswagen, 14.27 percent.

Luxury imports also lost ground last year compared with 1987. Mercedes-Benz sales were off 4.13 percent; Saab, 16.47 percent; and Jaguar, 19.02 percent. Overall, total import-car sales were down from 359,852 in 1987 to 325,490.

On the truck scene, combined domestic and imported truck sales totaled 488,088 for the year, up 9.41 percent over 446,101 in 1987.

In December, GM's domestic truck sales were up 19.45 percent over December 1987, while Chrysler increased 11.62 percent. Ford was off 13.24 percent.

For the year, domestic trucks also showed good strength. Chrysler Motors sales, reflecting strong demand for minivans and Jeeps, recorded a 16.70 percent increase over 1987. GM was 11.94 percent ahead of 1987 while Ford was up 4.14 percent.

Among the volume truck importers, Toyota posted a 49.89 percent gain in December over the year-earlier month, while Nissan suffered a 53.91 percent loss.

Import-truck sales for the year were up 2.95 percent to 53,485 units, compared with 51,952 in 1987. Nissan's truck sales, however, slipped 26.23 percent.

CANADIAN CAR AND TRUCK SALES

Domestic cars	Dec. 1988	Dec. 1987	12 mos., 1988	12 mos., 1987
General Motors	24,277	21,829	352,203	355,691
Ford	13,105	12,069	201,240	182,912
Chrysler	8,614	8,267	149,604	142,225
Honda	2,309	589	18,676	11,749
Volvo	235	66	2,685	2,279
Domestic car total	**48,540**	**42,820**	**724,408**	**694,856**
Import cars				
Toyota	4,372	4,855	70,400	68,753
Volkswagen	2,993	2,523	35,553	41,470
Honda	2,687	4,536	56,369	61,227
Hyundai	2,123	3,009	31,013	50,648
General Motors	1,723	1,013	27,386	23,468
Mazda	1,416	1,425	27,656	26,635
Nissan	1,342	2,574	29,812	36,416
Chrysler	1,174	967	9,056	8,437
Subaru	534	428	7,759	8,447
BMW	366	289	5,016	4,864
Mercedes-Benz	275	347	4,221	4,403
Suzuki	251	266	6,588	3,810
Ford	250	459	6,299	10,088
Volvo	163	325	3,491	5,208
Jaguar	162	177	2,154	2,660
Saab	105	127	1,369	1,639
Lada	53	121	970	1,054
Skoda	19	47	378	625
Import car total	**20,010**	**23,488**	**325,490**	**359,852**
TOTAL — ALL CARS	**68,550**	**66,308**	**1,049,898**	**1,054,708**
Domestic trucks (including vans)				
GM	12,794	10,711	175,677	156,944
Ford	10,331	11,907	148,336	142,438
Chrysler	8,213	7,358	110,590	94,767
Domestic truck total	**31,338**	**29,976**	**434,603**	**394,149**
Import trucks (including vans)				
Toyota	1,424	950	15,736	14,312
GM	847	68	3,594	373
Nissan	736	1,597	13,118	17,782
Mazda	700	729	11,597	10,686
Suzuki	306	350	5,438	3,586
Chrysler	167	271	2,910	3,757
Volkswagen	128	58	934	1,329
Lada	15	5	158	128
Import truck total	**4,322**	**4,028**	**53,485**	**51,952**
TOTAL — ALL TRUCKS	**35,660**	**34,004**	**488,088**	**446,101**
TOTAL — CARS, TRUCKS	**104,210**	**100,312**	**1,537,986**	**1,500,809**

Punitive damages restored in Audi runaway

By Helen Kahn
SENIOR CORRESPONDENT

A three-judge panel of an intermediate New Jersey appellate court has reinstated punitive damages of $100,000 against Volkswagen of America in an Audi 5000 unintended-acceleration case.

The case, Gibbs v. VWoA and Bell Porsche-Audi and Harold Horowitz, is the first Audi 5000 case in which VWoA has faced punitive damages.

The panel, in reinstituting the damages, found without merit VWoA's arguments that the trial judge had improperly allowed into evidence VWoA recall notices, VWoA internal memoranda and NHTSA documents.

The appellate panel also found without merit VWoA's claim that the jury selection process had been tainted by adverse publicity.

A spokesman for VWoA said it will appeal for a rehearing before the full appellate division of the New Jersey Superior Court and, if necessary, will consider appealing to the state Supreme Court.

An Audi spokesman told Automotive News that the three-judge panel had hopelessly confused "sudden acceleration, unwanted engine power and simultaneous actuation of gas and brake pedals" and had also blurred the differences between pre-1984 and post-1984 Audi 5000s.

The case stems from injuries incurred by Germaine Gibbs and her three children when a 1979 Audi 5000 driven by Harold Horowitz crashed through a brick wall into the Gibbs apartment.

The lower court jury awarded Gibbs $14,000 in compensatory damages and also awarded $100,000 in punitive damages and assessed 80 percent of the blame to VWoA and 20 percent to the driver. But Judge A. Donald McKenzie eliminated the punitive damages since he did "not believe a reasonable jury could find that Volkswagen did not move on this problem and try to ascertain the cause and correct it."

The accident occurred between the time VWoA told NHTSA that it would make its first recall to adjust the height and space between the gas pedal and brake pedal and when dealers were ready to make the fix.

James Hely, attorney for the plaintiffs, used NHTSA documents to assert that VWoA knew earlier of Audi 5000 problems with "simultaneous actuation" and had delayed recalling the vehicles. But McKenzie — while admitting a possible VWoA "delay" — said punitive damages depended on a "type of intent to cover it up, conscious disregard, reckless indifference, etc.," which he did not find in VWoA's conduct.

But the Superior Court's appellate division reviewed not only NHTSA documents but depositions taken from VWoA employees as well as internal VWoA memos referring to the problem as early as 1979 and 1982.

A letter sent by NHTSA to VWoA in August 1983 noted that simultaneously hitting of gas and brake pedals in a 1981 and a 1982 Audi 5000 resulted in acceleration whereas when "24 domestic vehicles were tested in the same manner, all of them remained stationary."

The judges also noted that VWoA's quality assurance department was not involved in "investigating sudden unwanted acceleration in Audi 5000 cars" since the "product liaison group" (part of VW's legal department) was "created to handle the situation."

After reviewing that evidence, the three judges decide that McKenzie erred, and while they stopped short of finding anything "wantonly reckless or malicious" on VWoA's part, they were satisfied that a "jury could reasonably have concluded that Volkswagen was guilty of deliberate acts or omissions with knowledge of a high degree of probability of harm and reckless indifference to the consequences."

Bendix teams with Hyundai

MORRIS TOWNSHIP, N.J. — Allied-Signal's Bendix safety restraints division has formed a joint venture with Hyundai Cement Co. to supply air-bag and other passive-restraint systems to Hyundai Motor Co.

A spokesman for Allied-Signal declined to disclose how the joint venture will be capitalized except to say that Bendix has a minority stake. Sales are expected to reach $90 million annually in four years.

The joint venture will supply more than 250,000 seat-belt systems to Hyundai in South Korea for its 1990 vehicles and nearly 900,000 systems — a majority of Hyundai's domestic and export passive-restraint requirements — by 1993.

The company will design, manufacture and produce the air bags. Bendix will provide the licensing and technology for the venture.

Construction will begin this spring on a 75,000-square-foot manufacturing facility in Mun Mag, South Korea. The facility will employ 100 workers, increasing to nearly 500 by 1992.

16,800 '89 cars recalled by GM

DETROIT — General Motors is conducting safety-related recalls of about 16,800 compact and mid-sized 1989 cars for problems with the fuel tanks and fuel lines.

The problems were discovered at the factory, and GM said it is not aware of either of the recall conditions occurring in customers' cars.

The recalls involve 13,000 Chevrolet Cavalier, Corsica and Beretta; Pontiac Sunbird; and Buick Skyhawk models. Over time, normal pressure cycling of the fuel tank may cause a small crack in the tank, resulting in a fuel leak. Dealers will replace the tank if necessary.

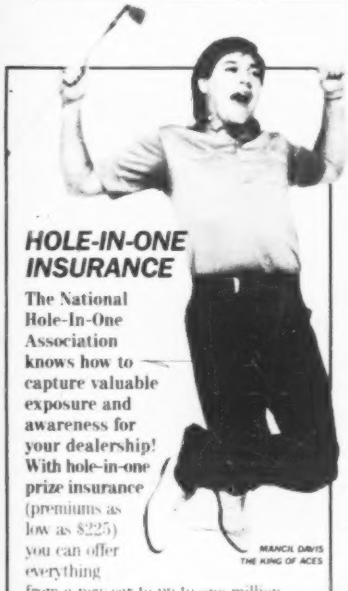
Also affected are 3,800 Buick Regal and Pontiac Grand Prix models. The cars may have been built with a fuel return line that could leak in the area of the fuel tank. Dealers will replace the fuel return pipe assembly on the cars.

IMPORT SALES BY MODEL

	Jan. 1989	Jan. 1988
ACURA	9,513	9,037
Integra	4,085	4,112
Legend	5,428	4,925
ALFA ROMEO	218	241
Milano	111	116
Spider	107	125
AUDI	1,809	1,439
4000S	3	40
4000CS Quattro	3	20
5000S	48	281
5000CS Turbo	18	89
5000CS Turbo Quattro	8	239
80	757	370
90	507	348
100/200	300	0
100/200 Quattro	161	0
Coupe GT	4	52
BMW	5,683	4,596
3 Series	2,769	2,711
5 Series	1,700	865
635 CSi	143	63
7-Series	868	782
M3	89	129
M5	49	25
M6	65	21
CHEVROLET	7,811	9,707
Spectrum	4,114	5,536
Sprint	3,697	4,171
CHRYSLER MOTORS	8,989	9,954
Colt	4,647	5,473
Conquest	473	549
Medallion	612	2,655
Summit	2,083	0
Vista	1,174	1,277
DAIHATSU	1,104	1,023
FORD Festiva	6,453	5,088
HONDA	15,558	22,461
Civic/CRX	3,711	10,650
Accord	9,016	7,122
Prelude	2,831	4,689
HYUNDAI	15,174	22,324
Excel	13,092	22,324
Sonata	2,082	0
ISUZU	1,549	1,561
I-Mark	1,355	1,034
Impulse	194	527
JAGUAR	1,492	1,168
XJ6	1,136	907
XJS	356	261
MASERATI	22	50
MAZDA	18,994	17,995
323	6,474	7,653
626	3,847	4,635
MX-6	2,778	1,503
929	1,507	1,783
RX-7	1,917	2,221
MPV	2,471	0
MERCEDES-BENZ	5,036	5,009
190	983	904
260E	245	454
300	1,394	1,629
300 SE	548	0
300SDL Turbo	0	59
300SEL	256	532
420SEL	525	761
560SEL	403	524
560SL	542	757
560SEC	117	165
Tourist	23	24
MERKUR	1,081	729
XR4Ti	401	415
Scorpio	590	314
MITSUBISHI	5,039	5,280
Starion	185	195
Cordia	281	451
Tredia	5	92
Mirage	756	994
Galant	1,918	910
Precis	1,669	2,257
Van/Wagon	225	381
NISSAN	29,108	27,801
Sentra	10,557	10,520
Pulsar	1,400	3,052
Stanza	2,252	4,860
Maxima	8,407	5,687
200SX	4,819	1,383
300ZX	1,313	2,124
Hawaii	360	175
PEUGEOT	448	353
PONTIAC LeMans	3,737	3,579
PORSCHE	605	1,137
924S	28	115
944	79	293
944S	4	40
944 Turbo	40	120
911 Coupe	178	237
911 Turbo	90	91
911 Cabriolet	110	121
928S	76	120
SAAB	2,435	2,719
900	409	525
900S	528	715
900 Turbo	747	573
9000S	206	260
9000 Turbo	534	589
Tourist	9	37
STERLING	788	951
SUBARU	10,249	9,957
Hatchback	351	633
3-Door	589	476
4-Door Sedan	4,053	1,380
XT	621	828
Station Wagon	3,099	4,133
Justy	1,536	2,507
SUZUKI	547	0
TOYOTA	36,376	42,129
Corolla	7,930	11,106
Tercel	7,204	6,230
Celica	4,597	4,425
Supra	1,423	1,525
Camry	10,631	14,612
Cressida	2,126	919
Land Cruiser	479	551
Van	499	501
4Runner SR 5	1,128	1,499
MR2	359	761
VOLKSWAGEN*	9,029	11,086
Cabriolet	370	704
Jetta	3,660	4,399
Golf/GTI	1,453	0
Vanagon	275	509
Quantum	155	255
Scirocco	192	256
Fox	2,924	4,963
VOLVO	9,139	8,669
240 Series	3,738	3,715
740 Series	4,446	3,914
760 Series	621	919
780	92	102
Tourist	42	19
YUGO	670	2,614
IMPORT TOTAL	208,856	229,457

*Volkswagen has reported sales of U.S.-built Golf and GTI models as imports after June 30, 1988.

Compiled by Karen [illegible]



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Southgate
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Palatine
  Tucker Automotive

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Indianapolis
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Iowa
Davenport
  Spectrum Automotive

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Kansas City
  Top King Inc

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Lexington
  Car Customizing Co
Louisville
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  Car Customizing Co

Louisiana
Harahan
  Top Hatch Inc
Shreveport
  Faries Top & Trim

Maine
S. Portland
  Automotive Enhancements Inc

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Capital Heights
  Creative Customs
Glen Burnie
  American Auto Classics
Rockville
  Adler & Mandel
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  Remes Auto Parts
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  Glorified Bodies
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  Trim Line of Reno

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  Craftsman Automotive
Bogata
  Purich Inc
Cinnaminson
  Auto Sunroof Inc
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  Autobahn Custom Car

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  J R Pride Auto Center
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AUCTION DATES

Chrysler

Feb. 21 — Dallas Auto Auction, Grand Prairie, Texas; Hatfield Auto Auction, Hatfield, Pa.; Southern Auto Auction, Warehouse Point, Conn.; Clanton's Auto Auction, Darlington, S.C.; Denver Auto Auction, Aurora, Colo.; South Seattle Auto Auction, Kent, Wash.; and Golden Gate Auto Auction, Fremont, Calif.

Feb. 22 — Minneapolis Auto Auction, Plymouth, Minn.; and Columbus Fair Auto Auction, Obetz, Ohio.

Feb. 23 — Fredericksburg Auto Auction, Fredericksburg, Va.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Big Sky Auto Auction, Billings, Mont.; and Salt Lake Auto Auction, Salt Lake City

Ford Motor Co.

Feb. 22 — Atlanta Auto Auction, Red Oak, Ga.; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Fort Worth Auto Auction, Fort Worth, Texas; Lakeland Auto Auction, Lakeland, Fla.; Southern California Auto Auction, Fontana, Calif.; and Newburgh Auto Auction, Newburgh, N.Y.

Feb. 23 — Ohio Auto Auction, Grove City, Ohio; Brasher's Sacramento Auto Auction, Rio Linda, Calif.; and St. Louis Auto Auction, Bridgeton, Mo.

Feb. 28 — Greater Chicago Auto Auction, Chicago; Harrisonburg Auto Auction, Harrisonburg, Va.; and Bay Cities Auto Auction, Inc., Hayward, Calif.

General Motors

Feb. 21 — A.D.E. of Birmingham, Moody, Ala.; Florida Auto Auction of Orlando, Ocoee, Fla.; and Harrisonburg Auto Auction, Harrisonburg, Va.

Feb. 22 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansan City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

Feb. 23 — Denver Auto Auction, Englewood, Colo.; Aptco Auto Auction, Taylor, Mich.; Butler Auto Auction, Gibsonia, Penn.; Nashville Auto Auction, Nashville, Tenn.; and Big H Auto Auction, Houston

Feb. 28 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and Manheim Auto Auction, Manheim, Pa.

Used Car Sales
Auction Averages

February 89	$5,729
Month ago	$5,416
Year ago	$5,441

Model Breakdown
Auction Averages

	FEB. 1989	JAN. 1988	DEC. 1988
1989 ...	$14,775	$12,109	—
1988 ...	$7,764	$8,612	$9,894
1987 ...	$7,189	$7,136	$7,686
1986 ..	$5,961	$5,944	$4,874
1985 ...	$4,618	$4,873	$4,747
1984 ...	$4,228	$3,760	$3,723
1983 ...	$2,899	$2,795	$2,776
1982 ...	$2,426	$2,246	$2,343
Overall Average	$5,729	$5,545	$5,824

Welcome home, Lou Lou Fusz Jr., recently named 1989 Time Magazine Quality Dealer of the Year, is greeted at the St. Louis airport by family and friends. Dolores Schaper, controller for Lou Fusz Automotive Network, pins a boutonniere on Fusz as he returns from the National Automobile Dealers Association convention in New Orleans, where he received the award.

Nissan cuts print ads, targets TV

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

CARSON, Calif. — Nissan Motor Corp. in U.S.A. canceled most of its $35 million 1989 magazine advertising schedule and said it will shift the money to spot television.

The sudden move, which caught affected newsweekly, lifestyle and business magazines by surprise, is an effort to increase Nissan's presence in a single medium and coordinate national advertising with regional campaigns, said Terry Foutz, national car advertising manager

Car and truck enthusiast magazines, which Foutz described as appealing to those "closer to the buying decision" than other magazines, are not affected.

Sports Illustrated is one weekly that while losing its schedule of product-oriented advertising retains a series of motor sports-oriented Nissan ads.

Japanese automakers are stepping up demands on U.S. sales subsidiaries as volumes shrink and margins — both dealer and factory — tighten, analysts say.

"I think (U.S.) Nissan executives have this year to prove themselves," said Christopher Cedergren, senior analyst for J.D. Power and Associates, Agoura Hills, Calif.

Foutz said the change was not an effort to dress up the U.S. sales arm's bottom line, which was battered by heavy use of cash-back incentives in the first part of the model year.

"The total advertising budget is unchanged," Foutz said. "We'll spend all of it."

Advertising Age, a Crain Communications publication, estimates that budget at $280 million — $200 million in national advertising and $80 million for regional spending formerly controlled by Nissan's dealer ad associations.

Nissan has set very agressive sales goals for 1989 and the shift is part of an effort to focus advertising to reach those goals, he said.

Referring to last fall's introduction of new-generation Maxima and 240-SX models and upcoming introductions of the new 300-ZX and Axxess models, he said, "We have an opportunity to do well this year. We intend to make the most of that opportunity."

The magazine cutback should not be viewed as disillusionment with print advertising — nor as an attempt to bludgeon magazines into rate reductions or other massive concessions, Foutz said. It does reverse a sharp increase in magazine buys last year when Nissan spent $36 million, compared with $19.6 million on magazines in 1987.

Once Nissan and ad agency Chiat/Day had decided to put more weight behind television, Foutz said print was the only medium with a large enough budget to supply the money needed to beef up television spending. He said television was favored over print in boosting Nissan's ad spending because print is less flexible, requiring lead times for materials of up to 90 days.

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Cami workers OK pact at Canada plant

By Alex Law
STAFF CORRESPONDENT

INGERSOLL, Ontario — Workers at Cami Automotive, the General Motors-Suzuki joint venture, overwhelmingly approved a contract negotiated by the Canadian Auto Workers union.

About 80 percent of the 225 workers voted for the contract. It [illegible] the plant that will build the [illegible]ki Sidekick/Chevrolet Tracker [illegible] utility vehicle and Suzuki [illegible]hevrolet Metro subcompact [illegible] Canadian versions of the [illegible] be sold as Chevrolet Spri[illegible]nd Pontiac Firefly.

GM, Suzuki and the CAW formally agreed last October that the Cami workers should be represented by the union, although Robert White, CAW president, had worked out an agreement in principle with the company in 1986.

The contract was effective immediately after the vote and runs until September 1992.

A production worker will start at $13.44 an hour ($11.33 U.S.) and will be receiving $18.71 ($15.77 U.S.) by the end of the agreement. The skilled trades will start at $18.19 ($15.33 U.S.) and go to $22.24 ($18.74 U.S.). The workers will receive a full cost-of-living allowance with the same payout as the Big 3.

Production at the plant is expected to begin in April, with the number of workers reaching about 2,000 by October 1990.

TRW purchases air-bag maker

CLEVELAND — TRW continued its thrust into the safety restraint business by announcing it has reached an agreement to acquire Talley's air-bag unit for $85 million, plus royalties on the technology to be paid over 12 years.

Talley, based in Mesa, Ariz., is a supplier of driver-side air-bag modules for automakers. The business will become a part of TRW's occupant restraint systems unit, a supplier of seat belts and air-bag systems for the industry.

A TRW spokesman said the company expects to finalize the acquisition by March 31. In 1987, the two firms signed a long-term contract for Talley to supply TRW with 100 percent of its requirements for driver-side air-bag modules for several vehicles.

TRW manufactures crash-detecting sensors, diagnostic units and front passenger-side air-bag modules. TRW sales for passive and active safety restraints in 1988 were $550 million.

"We expect 65 percent of the cars produced for model-year 1994 will have air bags or complete air-bag systems," said the spokesman.

The company expects its sales for all types of safety restraints to be about $1.9 billion by 1993.

Code-Alarm earmarks $5 million for takeovers

MADISON HEIGHTS, Mich. — Code-Alarm, a maker of vehicle security systems, has received a $5 million revolving credit line from Comerica Bank-Detroit.

The company said the money will be used for making acquisitions.

U.S. AUTOMOTIVE TRADE BY QUANTITY

Country	Trade	Nov. 1987	Nov. 1988	Dec. 1986-Nov. 1987	Dec. 1987-Nov. 1988
Passenger cars					
Japan	Export	747	2,768	4,256	19,936
	Import	219,950	212,784	2,416,435	2,125,551
Canada	Export	58,596	48,983	558,993	618,054
	Import	103,073	101,018	908,060	1,195,189
West Germany	Import	37,340	28,013	374,924	267,534
South Korea	Import	29,254	34,136	367,111	458,028
Sweden	Import	9,756	9,800	142,685	108,959
Mexico	Import	11,635	9,725	106,403	146,112
Yugoslavia	Import	3,582	2,493	49,851	32,458
United Kingdom	Import	3,148	2,147	47,210	33,357
Italy	Import	1,072	426	21,538	5,668
France	Import	647	1,073	28,455	16,010
Brazil	Import	6,045	4,903	38,996	64,379
Others	Export	10,736	18,036	62,633	130,670
	Import	2,278	2,698	19,247	18,836
Car total	Export	70,078	69,735	625,882	768,660
	Import	427,780	409,216	4,520,915	4,472,780
TRADE BALANCE		(357,702)	(339,481)	(3,895,033)	(3,704,120)
Light trucks (up to 10,000 lbs. GVW)					
Canada	Export	16,783	7,954	160,390	157,461
	Import	13,067	21,131	170,583	201,029
Japan	Import	54,991	46,697	782,951	557,104
Mexico	Import	57	0	12,298	29
Others	Export	2,232	3,681	15,464	30,178
	Import	414	5	2,346	2,582
Truck total	Export	19,015	11,634	175,855	187,639
	Import	68,529	67,833	968,178	850,744
Trade balance		(49,514)	(56,199)	(792,323)	(663,105)
Car and truck total	Export	89,093	81,369	801,737	956,299
	Import	496,307	477,049	5,489,093	5,323,524
TRADE BALANCE		(407,214)	(395,680)	(4,687,356)	(4,367,225)

Compiled by Automotive News from official statistics of the U.S. Commerce Department, as reported by the U.S. International Trade C[illegible]sion. Because of rounding, figures may not add to the totals shown.

U.S. AUTOMOTIVE TRADE BY VALUE

(x $1,000)

Country	Trade	Nov. 1987	Nov. 1988	Dec. 1986-Nov. 1987	Dec. 1987-Nov. 1988
Passenger cars					
Japan	Export	$ 12,598	$ 39,169	$ 68,514	$ 249,785
	Import	1,888,901	2,005,280	21,294,851	19,755,889
Canada	Export	668,312	536,369	5,650,875	6,254,147
	Import	1,151,667	1,129,208	9,873,651	13,280,890
West Germany	Import	866,041	602,957	8,207,129	6,429,322
South Korea	Import	155,139	189,661	1,876,241	2,464,076
Sweden	Import	148,671	150,649	1,965,099	1,710,389
Mexico	Import	99,785	85,217	1,000,097	1,253,792
Yugoslavia	Import	9,025	5,818	281,012	86,005
United Kingdom	Import	92,426	78,216	1,017,482	980,912
Italy	Import	20,455	12,466	287,134	143,339
France	Import	8,464	12,667	203,201	172,401
Brazil	Import	31,086	28,672	192,052	365,751
Others	Export	146,364	234,688	814,752	1,669,571
	Import	36,812	44,233	299,611	295,501
Car total	Export	525,271	810,227	6,561,143	8,173,503
	Import	4,506,450	4,354,842	47,096,580	46,938,267
Trade balance		(3,681,179)	(3,544,615)	(40,353,437)	(38,764,764)
Light trucks (up to 10,000 lbs. GVW)					
Canada	Export	$ 169,646	$ 84,732	$ 1,535,724	$ 1,590,764
	Import	124,759	224,024	1,592,865	3,276,980
Japan	Import	302,520	296,737	4,268,449	3,265,462
Mexico	Import	139	1,333	95,936	9,023
Others	Export	30,848	46,626	185,223	374,107
	Import	6,474	5,299	60,540	152,127
Truck total	Export	200,[illegible]	131,358	1,720,947	1,964,871
	Import	433,892	627,393	6,017,790	6,703,593
Trade balance		(233,398)	(396,035)	(4,296,843)	(4,738,722)
Car and truck total	Export	1,025,765	941,585	8,282,090	10,138,374
	Import	4,940,342	4,882,235	53,114,370	53,641,860
VEHICLE TRADE BALANCE		(3,914,577)	(3,940,650)	(44,832,280)	(43,503,486)
TOTAL U.S. Merchandise trade (customs value)	Export	23,094,900	27,177,800	249,224,300	318,817,800
	Import	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]

Trade gap widens in November

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The U.S. automotive trade deficit in passenger cars and light trucks increased 0.7 percent last November due to a surge in truck imports from Canada, coupled with a drop in U.S. truck exports to that country.

November's increase in the automotive trade deficit follows a 3.5 percent decrease in October.

Comparing the 12-month period ending Nov. 30, 1988, with the year-earlier period, the automotive trade deficit actually declined 3 percent, standing at $43.5 billion, down from $44.8 billion.

The 12-month figure reflects a 3 percent decline in the number of vehicles imported to the United States, while exports jumped 19.3 percent.

For the month of November, however, U.S. Commerce Department figures show a trade deficit for passenger cars and light trucks of $3.94 billion, compared with November 1987's figure of $3.91 billion.

Total car and truck exports had a value of $941.6 million during the month while monthly car and truck imports were valued at $4.882 billion.

Passenger-car exports reached 69,735 vehicles with an estimated value of $810.2 million in November. Light-truck exports for the month totaled 11,634 vehicles with an estimated value of $131.4 million.

Passenger-car exports were up 270.5 percent to Japan and 68.0 percent to nations labeled "others" by the Commerce Department. Passenger-car exports to "others" totaled 18,036 units for the month.

On the import side for the month, Japan continued to show a downturn in the number of cars shipped to the United States, but the value of these shipments increased. Both the value and quantity of truck shipments from Japan declined, however.

Total car and truck imports from all nations had a value of $4.88 billion in November, down 1.2 percent from $4.94 billion in November 1987. There were 477,049 finished vehicles imported to the United States in November 1988, compared with 496,307 vehicles in November 1987.

Imports of passenger cars reached 409,216 units for the month with a value of $4.35 billion. Light-truck imports totaled 67,833 units, with a value of $527.4 million. The value of imported trucks increased 21.5 percent in November while shipments declined 1 percent.

Japanese-car imports dropped 3.3 percent for the month but the value of the shipments increased 6.3 percent. Japanese-truck imports were off 15.1 percent and their value was down 1.9 percent.

Japan shipped 212,784 cars to the United States in November, down from 219,950 cars one year earlier. Truck shipments were 46,697 units, down from 54,991 units in November 1987.

Also shipping fewer cars in November were: West Germany, off 25 percent; Mexico, 16.4 percent; Brazil, 18.9 percent; Yugoslavia, 30.4 percent; Italy, 60.3 percent; and United Kingdom, 31.8 percent.

PROFITS

FROM PAGE 1

makers' overseas profit picture.

Ford's North American net income fell from $3.6 billion in 1987 to $3.3 billion, still significantly above the 1986 level of $2.6 billion.

Meanwhile, Chrysler's North American profits have slid steadily — from $1.4 billion in 1986 to $1.1 billion in '88. Chrysler's automotive profits in North America fared even worse, slipping from $1.2 billion in 1986 to $842 million last year.

General Motors' North American net income dropped from $3.4 billion in 1986 to $1.7 billion in 1987, then edged back to $2.2 billion last year.

GM and Ford announced their record 1988 results last week and Chrysler released its results February 2.

GM officials said they were "pleased with GM's record performance." Chrysler trumpeted "net earnings for the company of more than $1 billion for the fifth straight year." And Ford basked in its "continued success."

But the numbers tell a story of fierce competition in North America.

Chrysler's profits simply sagged.

GM's struggling North American profits show none of the momentum of its overseas operations. GM earned a record $2.7 billion on overseas sales in 1988, up from last year's $1.9 billion and from a $600 million loss just three years ago.

Ford's respectable but declining North American profits are greater than its overseas earnings. But Ford's overseas earnings soared from $700 million in 1986 to $2.3 billion last year.

Part of the automakers' North American problem is the cost of doing business in an increasingly competitive market.

They are all committed to cost-cutting, but it's getting tougher "to get cost savings down to bottom line," said David Healy, an analyst with Drexel Burnham Lambert. "They will be eaten up in the form of sales incentives" and other expenses tied to holding on to market share.

Declining profits at the automakers' financial subsidiaries show they are taking the heat.

OVERSEAS PROFITS MOUNT

Dollars in billions

	NORTH AMERICAN			OVERSEAS		
	1988	1987	1986	1988	1987	1986
GM.....	$2.2	$1.7	$3.4	$2.7	$1.9	($0.6)
Ford....	3.3	3.6	2.6	2.3	1.0	0.7
Chrysler	1.1	1.3	1.4	—	—	—
BIG 3	$6.6	$6.6	$7.4	$5.0	$2.9	$0.1

Chrysler overseas operations are negligible.

General Motors Acceptance Corp. reported 1988 earnings down 18 percent from 1987. At Ford Motor Credit Co., 1988 profits declined 17 percent. Both companies attributed the declines to narrower interest margins and high loan losses.

GMAC earned $1.2 billion in 1988, down from the record $1.5 million in 1987.

Ford Credit earned $564.2 million in 1988, down from record net income of $678.8 million in 1987.

David McCammon, Ford treasurer and vice president — finance, emphasized that the big problem at Ford Credit in 1988 was interest margins, not bad loans. He noted, however, that personnel are being trained in collection methods.

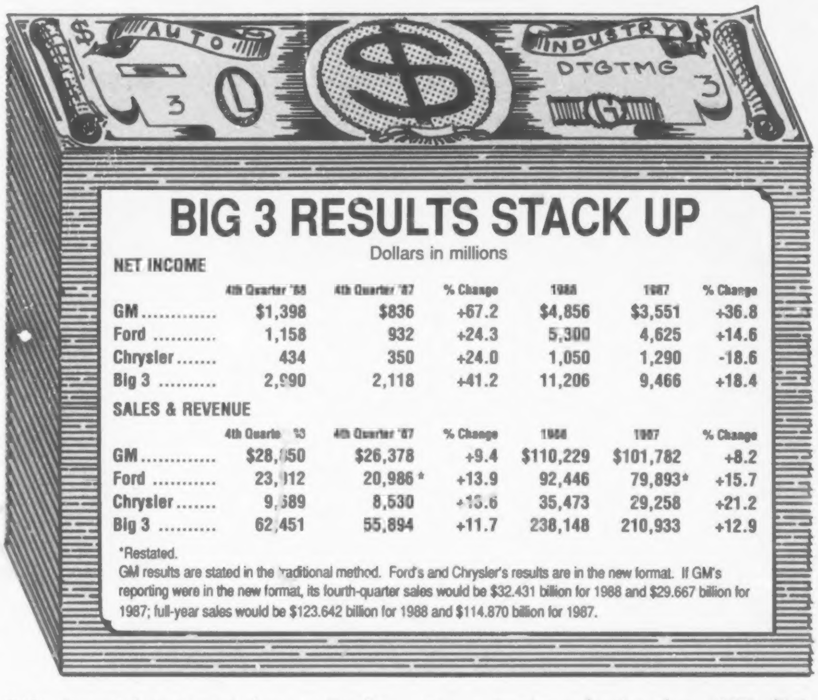
Because more buyers with long-term loans are just walking away from cars that are worth less than the amount due on the loans, Ford is also working with dealers to push shorter-term loans.

Ford's profit slide in North America occurred despite manufacturing efficiencies that helped take a total of $5 billion out of the company's costs worldwide since 1979, McCammon said.

Ford's North American profits slipped in 1988 also because of "a less favorable product mix and higher product and marketing costs," Ford said. Ford's new Thunderbird and Mercury Cougar were not available for the full year and plants making the old models were down for retooling.

McCammon said the company spent $400 million more on incentives in 1988 than in 1987, but he would give no base amounts.

High selling costs are more evident on GM's financial statement than on Ford's. GM spent $759 million more to market its products in 1988 than in 1987.



BIG 3 RESULTS STACK UP

Dollars in millions

NET INCOME

	4th Quarter '88	4th Quarter '87	% Change	1988	1987	% Change
GM............	$1,398	$836	+67.2	$4,856	$3,551	+36.8
Ford	1,158	932	+24.3	5,300	4,625	+14.6
Chrysler.......	434	350	+24.0	1,050	1,290	-18.6
Big 3	2,990	2,118	+41.2	11,206	9,466	+18.4

SALES & REVENUE

	4th Quarter '88	4th Quarter '87	% Change	1988	1987	% Change
GM............	$28,850	$26,378	+9.4	$110,229	$101,782	+8.2
Ford	23,912	20,986*	+13.9	92,446	79,893*	+15.7
Chrysler.......	9,689	8,530	+13.6	35,473	29,258	+21.2
Big 3	62,451	55,894	+11.7	238,148	210,933	+12.9

*Restated.

GM results are stated in the traditional method. Ford's and Chrysler's results are in the new format. If GM's reporting were in the new format, its fourth-quarter sales would be $32.431 billion for 1988 and $29.667 billion for 1987; full-year sales would be $123.642 billion for 1988 and $114.870 billion for 1987.

Ford's U.S. automotive profits of $2.5 billion were down $249 million from 1987. McCammon attributed the decline to higher factory and facility costs, as Ford added capacity last year.

"We plan to spend substantially more in 1989 than in 1988," he said. Through 1993, the capital outlay will be "substantially more than $19 billion," he said.

McCammon expects that improved performance will offset the rise in capital spending. "We'll be spending more but doing better," he said.

Ford's worldwide automotive operations in 1988 had net income of $4.6 billion on sales of $82.2 billion. Automotive earnings were up $841 million over 1987, because of higher profits outside the United States, the company said.

Those overseas automotive profits were a record $2.1 billion, up $1.1 billion from 1987.

GM last year continued a steady three-year profit climb to $4.9 billion, up 36.8 percent over 1987 earnings of $3.6 billion, which in turn were 20 percent above 1987 earnings. GM net income in 1988 was its highest since 1984, when it earned $4.5 billion.

GM's profit came on industry record sales of $110.2 billion. The more-efficient Ford set another industry profit record — $5.3 billion — on sales 16 percent lower than GM's.

GM showed significant gains in areas the company targeted for improvement, such as cost reduction and return on equity.

But a sign of the immense job required to turn the behemoth around is that big improvements in several areas were not enough to buoy North American earnings, which GM obliquely said were $500 million more than 1987 profits.

GM called 1987 North American profits "nominal."

The bulk of GM's 1988 profits came from record earnings at Electronic Data Systems, GM Hughes Electronics and GM's overseas operations. While earnings at GMAC were off from last year's record, they were still the second-best in its history.

A big chunk of EDS earnings in 1988 was GM money. EDS signed several fixed-price contracts with GM and its subsidiaries to the tune of $2.8 billion, compared with $1.9 billion in contracts outside GM.

GM's 1988 profit margin of 4.4 percent improved almost a full point, from 3.5 percent in 1987. GM is obviously becoming more efficient, but just as obviously has not done enough.

Robert O'Connell, GM's chief financial officer, called the improvement in North American operations significant. "We think they're on the road," he said.

GM's cost-cutting program, called the GM Action Plan, slashed $4.8 billion in costs last year, a greater reduction than 1987's $3.7 billion. Costs are being cut by product simplification, such as reductions in the number of models offered, sharing of components among models and higher facility utilization.

GM is now well on its way to its target of getting a total of $13 billion out of costs by 1990. That target has been moving since GM set it at $10 billion in 1986.

Capital spending was down to $5.6 billion in 1988, from $7.2 billion in 1987 and a whopping $11.8 billion in 1986.

Analysts expect the cost-cutting to continue. But it won't mean instant profits — not with expenses such as the cost of rebates and incentives in the fourth quarter, which amounted to up to $1,000 per vehicle.

Joseph Paul of Bernstein Research in New York expects GM to save a total of $15 billion by 1990 and $19 billion by 1992 through its cost-reduction program.

GM has eliminated 40,000 salaried and 87,000 hourly workers since 1986. Most of those salaried workers left in 1987. Last year, 34,700 hourly workers left, about the same as the 34,300 who left in 1987.

GM has closed seven assembly plants since 1987.

Besides still having to cut more staff, GM has 15 percent unused capacity and will need to close more plants, Drexel's Healy said. Other analysts concur.

"But these are real people and real plants. The translation from the theoretical to the real will be difficult," Healy said.

GM's financial statement for 1988 shows another problem with cost reduction efforts: For a giant employer, trimming costs in one area can increase costs in another. This is happening in the growing cost of health care and life insurance benefits for retirees.

Costs for retiree benefits at GM grew as the number of active employees decreased to 766,000 last year.

Last November, O'Connell said he expected that through attrition, 20,000 hourly workers would leave the payroll annually through 1992.

Predictably, retiree benefit costs, which are affected by the skyrocketing costs of health care, have been growing steadily, from $864.6 million in 1986 to $1.1 billion last year.

Retiree benefit costs will pale when, in a couple of years, a new Financial Accounting Standards Board rule is expected to take effect. At that time, GM and other corporations will have to change their pay-as-you go method of accounting for retiree benefits and charge those benefits as they are earned by active employees. For one of the biggest employers in the world, that could mean $2 billion to $3 billion set against profits annually, analyst Healy predicted.

GM's headcount reductions will pay off in the future, as both active and retiree pools dwindle.

GM expenses for a program promoting early retirement for salaried employees slowed last year to $144.1 million from $437.7 million in 1987, as target reduction levels were reached.

But Ronald Glantz of Montgomery Securities believes GM has to cut another 40,000 of its 108,000 white-collar workers because they make up the excess layers of management that are standing in the way of new products GM needs to gain market share, Glantz said.

GM's O'Connell disagrees. With 40,000 salaried workers gone since 1986, "we have a pretty tight ship," and further staff reductions will be taken care of by attrition. He said GM will focus on "aggressively getting improvements in market share on a profitable basis."

GM said it gained one-half point of market share — to 35.2 percent — in sales of U.S. cars and trucks in 1988. But without trucks, its new-car share slipped to 36.08 from 36.47.

GM's 1988 results showed impressive gains. Earnings per share for 1988 were $7.17 (after the two-for-one stock split announced earlier this month), compared to $5.03 per share (adjusted for the split) earned in 1987.

GM's industry-record sales of $110.2 billion were up from $101.8 billion in 1987. GM's previous record was $102.8 billion in 1986.

GM nearly doubled its year-earlier final-quarter earnings. Net income for the October-December period was $1.4 billion, up from $835.8 million in 1987.

Worldwide factory sales totaled 8,108,000 units, up 4.4 percent from 1987.

GM ended the year with a cash till of $6.8 billion, compared with $4.7 billion at the end of 1987. Including GMAC, cash and marketable securities at year-end were $10.2 billion.

Operating income was better than at any time since 1985 — $4.7 billion, up from $2.6 billion in 1987. Working capital at year-end was $16.5 billion, up from $13.0 billion in 1987.

Because of improvements in its U.S. operations and a change in the profit-sharing formula, GM hourly workers will get an average profit-sharing check of $254. Profit sharing funds of $114 million will be distributed to about 470,000 employees.

In the fourth quarter, GMAC's net income totaled $257.4 million, up from $235.0 million in the 1987 quarter.

GMAC financed or leased 2.0 million new cars and trucks in 1988 — 30 percent of new GM vehicles sold. That compares with 2.6 million in 1987, or 41 percent of new GM vehicles sold.

Low-interest consumer incentive programs offered in 1987 were not repeated in 1988.

GM Hughes achieved record earnings and revenues for the third consecutive year. The company had net income of $802.1 million on sales of $11.2 billion in 1988, compared with $670 million on sales of $10.5 billion in 1987.

EDS posted record net income of $384.1 million in 1988, a 19 percent increase over $323.1 million in 1987.

Sales for 1988 totaled $4.8 billion, compared with $4.4 billion in 1987.

Ford's 1988 net income of $5.3 billion amounted to $10.96 a share. Factory unit sales were 6,517,000, up 402,000 units from last year.

Ford's share of the U.S. car market was 21.7 percent, the highest in 10 years and up 1.5 percentage points from 1987.

Because its North American profits slipped, Ford's profit-sharing payout to its workers will average $2,800, down from $3,700 in 1987.

Ford had $9.2 billion in cash at the end of 1988, down from $10,175 billion in December 1987.

As for spending it, McCammon said Ford will be patient until the right acquisition comes along.

Ford's subsidiary First Nationwide Bank, which acquired several thrifts in 1988, needs "time to digest" them, McCammon said.

Without major low-rate financing programs, Ford Credit financed 29 percent of all new vehicles sold by Ford dealers in the United States in 1988. That compares with 25 percent in 1984.

Car output tops million, leads 1988

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Domestic automakers built their one-millionth car of the year last Thursday, 10 days ahead of 1988.

So far this year, 1,043,466 cars have been assembled, 20.11 percent more than the 868,757 completed last year at this point.

Last week's scheduled car output totaled 157,862, 3.69 percent more than the previous week's 152,242 and 17.54 percent above the year-ago week's 134,306.

Companies split last week's estimated build as follows: General Motors, 48.59 percent; Ford Motor Co., 24.21 percent; Chrysler Motors, 13.18 percent; Honda of America Manufacturing, 5.27 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.06 percent; New United Motor Manufacturing Inc., 2.53 percent; Nissan Motor Manufacturing Co. U.S.A., 1.48 percent; Toyota Motor Manufacturing U.S.A., 1.24 percent; and Diamond-Star Motors, 0.44 percent.

Truckmakers targeted 93,554 units last week, 1.55 percent below the prior week's 95,026 and 7.94 percent above the year-ago week's 86,670.

Year-to-date, 629,934 trucks have been assembled, 8.36 percent more than the 581,322 built last year at this time.

GM closed its Doraville, Ga., and Fairfax, Kan., plants today until March 6 for inventory adjustment. Doraville builds the Oldsmobile Cutlass Supreme, and Fairfax assembles the Pontiac Grand Prix.

GM's Tarrytown, N.Y., plant remains idle for conversion to the all-purpose vans — Pontiac Trans Sport, Oldsmobile Silhouette and Chevrolet Lumina APV.

GM's Reatta Craft Centre in Lansing, Mich., resumed production last week after being idle for three weeks to adjust inventory and prepare the plant for convertible production.

Overtime was scheduled last Saturday at four GM plants: Lordstown, Ohio; Arlington, Texas; Flint, Mich.; and Baltimore.

Ford slated overtime last Saturday at Lorain, Ohio; Wayne, Mich.; and Louisville, Ky.

All Ford plants are scheduled for daily overtime this week except the Atlanta and Chicago facilities.

Cars and trucks rise in Canada

Canadian auto production was targeted at 22,033 units last week, 4.58 percent more than the prior week's 21,069 but 3.30 percent below the year-ago week's 22,786.

So far this year, 136,169 cars have been built, 12.67 percent below the 155,930 completed last year at this point.

Truckmakers scheduled assembly of 21,777 units last week, 1.94 percent more than the previous week's 21,362 and 8.55 percent more than the year-ago week's 20,061.

Year-to-date, 142,916 trucks have been assembled, 10.11 percent more than the 129,799 built last year at this time.

U.S. CAR	Week Ended Feb. 18, 1989	Week Ended Feb. 20, 1988	Week Ended Feb. 11, 1989	Feb. to Date	Jan. 1 to Feb. 18, 1989	Jan. 1 to Feb. 20, 1988
Horizon	0	2,005	0	0	0	11,775
Sundance	2,700	2,085	2,248	6,382	17,607	14,779
Reliant	0	1,675	0	0	0	11,701
Acclaim	2,500	0	1,970	5,679	11,723	0
Caravelle	0	531	0	0	0	2,850
Gran Fury	0	337	0	0	0	1,713
Total Plymouth	5,200	6,633	4,218	12,061	29,330	42,818
LeBaron K	0	0	0	0	0	1,641
LeBaron J	2,200	1,858	2,283	5,856	16,130	2,773
LeBaron GTS	300	129	379	899	2,039	1,146
N. Yorker C-Class	2,400	2,124	2,381	6,511	17,314	13,051
Fifth Avenue	0	1,318	0	0	0	8,536
Total Chrysler	4,900	5,429	5,043	13,266	35,483	27,147
Omni	0	1,974	0	0	0	11,521
Daytona	2,200	1,510	2,282	5,852	16,192	2,161
Shadow	2,900	2,361	2,497	6,959	17,691	15,185
Aries	0	1,129	0	0	0	9,424
Dodge 600	0	492	0	0	0	2,494
Dynasty	3,400	2,576	3,043	8,574	22,519	13,902
Lancer	100	275	158	367	1,279	1,743
Spirit	2,100	0	2,732	6,139	12,473	0
Diplomat	0	549	0	0	0	2,643
Total Dodge	10,700	10,866	10,712	27,891	70,154	59,073
CHRYSLER MOTORS	20,800	22,928	19,973	53,218	134,967	129,038
Escort	5,642	5,783	7,910	18,340	55,754	59,334
Mustang	4,565	4,152	4,226	11,482	29,242	31,811
Tempo	3,228	4,108	3,200	8,403	24,845	28,540
Taurus	7,814	7,667	7,950	20,555	56,052	55,834
Thunderbird	3,983	3,467	3,839	10,525	25,791	22,991
Total Ford Div.	25,232	25,177	27,125	69,305	191,684	198,510
Topaz	1,301	1,422	1,249	3,314	9,404	10,870
Cougar	3,767	2,303	2,560	8,125	20,326	17,396
Sable	2,536	2,982	1,797	5,855	18,085	16,331
Total Mercury	7,604	6,707	5,606	17,293	47,815	44,597
Continental	1,614	1,064	1,405	3,053	10,720	5,665
Mark VII	537	557	465	1,466	4,827	3,928
Lincoln	3,228	3,248	2,810	7,442	17,591	21,160
Total Lincoln	5,379	4,869	4,680	12,861	33,138	30,753
Total L-M Division	12,983	11,576	10,286	30,154	80,953	75,350
FORD MOTOR CO.	38,215	36,753	37,411	99,459	272,637	273,860
Skyhawk	208	1,051	207	572	2,560	5,029
Skylark/Somerset	1,310	356	1,303	3,395	6,195	3,878
Century	1,525	980	[illegible]	4,960	19,175	6,768
Riviera	631	284	590	1,583	4,171	835
Electra	1,952	1,259	1,960	5,122	12,734	9,731
LeSabre (fwd)	2,328	2,442	1,862	5,106	6,262	16,655
LeSabre (rwd)	200	99	205	530	1,393	714
Reatta	160	87	0	160	926	485
Total Buick	8,321	6,558	7,613	21,429	53,416	44,095
Cimmaron	0	280	0	0	0	2,015
Eldorado	744	986	706	1,882	4,915	2,806
Seville	651	729	593	1,554	3,834	2,070
Brougham (rwd)	1,110	0	1,162	2,846	7,311	0
Deville (fwd)	4,760	4,170	4,780	12,384	30,403	26,360
Allante	75	65	75	195	510	205
Total Cadillac	7,340	6,210	7,315	18,860	46,973	33,456
Cavalier	8,834	6,324	8,028	22,175	59,522	44,280
Camaro	2,335	1,106	2,194	6,057	16,506	6,265
Celebrity	3,025	4,864	3,043	8,286	26,924	19,652
Corsica/Beretta	9,355	8,540	9,210	24,048	61,455	45,126
Caprice	4,894	4,320	3,852	10,715	25,005	31,138
Corvette	525	450	525	1,364	3,423	2,952
Total Chevrolet	28,968	25,604	26,852	72,644	192,835	149,411
Calais	2,290	2,100	1,949	5,629	10,450	14,409
Firenza	0	523	0	0	0	2,504
Cutlass Ciera	1,715	0	1,875	4,593	11,607	0
Cutlass Supreme	3,615	1,847	3,630	9,355	21,650	12,569
Toronado	222	597	232	651	1,951	1,662
88 (fwd)	4,074	3,225	3,925	10,424	26,069	23,122
88 (rwd)	126	273	114	332	1,240	2,064
Olds 98	2,184	1,841	2,159	5,695	13,990	11,992
Total Oldsmobile	14,226	10,406	13,884	36,679	86,957	67,588
Sunbird	3,354	2,085	2,645	7,799	17,977	15,498
Grand Am	5,100	4,851	5,073	13,166	33,451	33,640
Firebird	1,723	891	1,401	3,950	10,484	5,624
Grand Prix	3,955	1,823	4,000	7,955	19,956	14,579
Pontiac 6000	1,290	1,014	1,371	3,994	13,197	2,890
Bonneville	2,315	1,999	2,301	5,823	13,966	13,635
Safari/Parisienne	115	119	110	290	743	833
Fiero	0	556	0	0	0	1,157
Total Pontiac	17,852	13,338	16,901	42,978	109,774	78,746
GENERAL MOTORS	76,707	62,116	72,565	192,591	489,955	373,296
DIAMOND-STAR	695	0	637	1,651	3,937	0
HONDA	8,325	6,315	8,149	21,518	53,997	49,179
Civic	2,705	1,399	2,740	7,138	18,061	11,697
Accord	5,620	4,916	5,409	14,380	35,936	37,482
MAZDA†	4,830	1,571	4,792	13,041	33,622	6,652
NISSAN	2,340	1,341	2,300	6,051	16,044	9,367
NUMMI	4,000	3,282	4,503	10,665	25,377	21,583
Corolla	1,600	1,264	1,920	4,427	11,061	7,313
Geo Prizm/Nova	2,400	2,018	2,583	6,238	14,316	14,270
TOYOTA	1,950	0	1,912	5,022	12,930	0
VOLKSWAGEN	0	0	0	0	0	5,782
Golf/GTI	0	0	0	0	0	3,982
Jetta	0	0	0	0	0	1,800
Total Cars, U.S.	157,862	134,306	152,242	403,217	1,043,466	868,757
Total Cars, Canada	22,033	22,786	21,069	55,707	136,169	155,930
U.S., Canada Cars	179,895	157,092	173,311	458,924	1,179,635	1,024,687
U.S., Canada Cars and Trucks	295,226	263,823	289,699	760,733	1,952,485	1,735,808

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended Feb. 18, 1989	Week Ended Feb. 20, 1988	Week Ended Feb. 11, 1989	Feb. to Date	Jan. 1 to Feb. 18, 1989	Jan. 1 to Feb. 20, 1988
Premier	1,275	1,652	1,290	3,335	7,721	11,190
CHRYSLER MOTORS	1,275	1,641	1,290	3,335	7,721	11,190
Tempo	3,204	1,641	3,276	8,549	26,142	28,578
Topaz	1,692	4,073	1,709	4,457	9,696	10,720
Crown Victoria	2,554	1,387	2,488	6,716	18,711	19,791
Grand Marquis	3,206	2,774	3,083	7,962	19,770	19,016
FORD MOTOR CO.	10,656	2,830	10,556	27,685	74,319	78,105
Celebrity	214	11,064	199	535	1,394	2,993
Cutlass Ciera	4,058	352	3,721	10,039	26,440	28,673
Lumina	722	4,923	528	1,550	2,169	0
Pontiac 6000	0	791	0	0	0	7,369
Regal	3,278	3,358	2,793	7,649	12,031	22,594
GENERAL MOTORS	8,272	9,424	7,241	19,773	42,034	61,649
Civic	1,650	560	1,802	4,447	10,890	4,257
Accord	0	0	0	0	0	0
HONDA	1,650	560	1,802	4,447	10,890	4,257
VOLVO	180	97	180	468	1,205	729
Total Cars, Canada	22,033	22,786	21,069	55,707	136,169	155,930

U.S. TRUCK☆	Week Ended Feb. 18, 1989	Week Ended Feb. 20, 1988	Week Ended Feb. 11, 1989	Feb. to Date	Jan. 1 to Feb. 18, 1989	Jan. 1 to Feb. 20, 1988
Caravan	2,300	2,227	2,128	5,852	15,672	13,805
Dakota	2,200	1,683	2,251	5,819	14,893	14,322
Mini-Ram Van	200	365	180	514	1,408	2,149
Pickups	2,200	795	2,242	5,809	14,868	7,099
Total Dodge	6,900	5,070	6,801	17,995	46,841	37,375
Cherokee	5,100	3,843	5,169	12,793	30,548	25,086
Commanche	700	1,072	897	2,014	5,038	6,995
Grand Wagoneer	300	350	350	860	2,315	2,144
Wagoneer	200	267	233	543	1,398	1,986
Total Jeep	6,300	5,527	6,649	16,210	39,299	36,211
Voyager	2,200	2,072	1,940	5,627	15,436	12,572
Total Plymouth	2,200	2,072	1,940	5,627	15,436	12,572
CHRYSLER MOTORS	15,400	12,669	15,390	39,832	101,576	86,158
Aerostar	4,822	5,242	4,994	12,813	33,024	32,567
Bronco	2,101	1,224	1,694	5,096	13,504	8,853
Bronco II	3,294	2,997	2,822	8,050	19,739	21,638
Econoline	5,215	5,241	5,231	13,560	35,092	35,575
Heavy trucks	1,471	1,337	1,387	3,653	9,154	9,242
Light trucks	11,680	10,216	11,189	30,089	78,272	69,218
Ranger	8,494	7,444	7,603	21,337	51,981	51,370
Total Ford Div.	37,077	33,701	34,920	94,598	240,766	228,463
FORD MOTOR CO.	37,077	33,701	34,920	94,596	240,766	228,463
Astro	3,821	3,931	3,557	9,342	23,838	24,463
Blazer	552	699	[illegible]	1,469	3,933	3,786
Mediums/Heavies	0	332	0	0	0	4,300
P-Model	682	962	685	1,746	3,369	6,629
Pickups	8,375	5,623	11,068	24,812	64,545	42,338
S-10	5,329	5,202	6,689	15,940	41,545	36,305
S-10 Blazer	3,748	2,821	3,233	9,671	26,119	19,206
Sportsvan/Van	2,285	1,342	1,961	5,590	12,054	9,328
Suburban	1,690	1,680	1,540	4,325	11,090	9,903
Total Chevrolet	26,482	22,592	29,268	72,896	186,493	156,258
Jimmy	225	106	169	510	1,246	1,281
Mediums/Heavies	0	952	0	0	0	6,321
P-Model	141	47	150	361	574	560
Pickups	2,740	2,815	2,410	6,750	19,591	14,475
S-15	1,328	1,901	1,561	3,527	9,361	10,428
S-15 Jimmy	766	1,397	1,861	2,964	7,295	4,592
Safari	800	1,020	962	2,315	5,945	6,289
Suburban	617	735	562	1,576	4,398	5,338
Vandura/Rally Vans	603	999	493	1,445	3,439	6,658
Total GMC	7,220	9,972	8,168	19,449	51,849	55,942
GENERAL MOTORS	33,702	32,564	37,436	92,345	238,342	212,200
NAVISTAR	1,852	1,731	1,815	4,759	11,589	12,551
NISSAN	2,773	3,255	2,715	7,152	18,961	22,700
AM GENERAL	450	450	450	1,170	3,060	3,150
MISCELLANEOUS	2,300	2,300	2,300	5,980	15,640	16,100
Total Trucks, U.S.	93,554	86,670	95,026	245,836	629,934	581,322

CANADIAN TRUCK	Week Ended Feb. 18, 1989	Week Ended Feb. 20, 1988	Week Ended Feb. 11, 1989	Feb. to Date	Jan. 1 to Feb. 18, 1989	Jan. 1 to Feb. 20, 1988
Caravan	3,084	3,138	3,088	8,199	22,121	21,142
Mini-Ram Van	210	220	208	542	1,412	1,576
Ram Wagon	690	544	691	[illegible]	4,658	2,748
Ram Van	1,660	1,407	1,757	[illegible]	11,840	6,752
Total Dodge	5,644	5,309	5,744	[illegible]	40,031	32,218
Voyager	2,850	2,988	2,943	7,394	18,877	19,883
Total Plymouth	2,850	2,988	2,943	7,394	18,877	19,883
Wrangler	1,700	1,069	1,758	4,461	9,589	6,833
Total Jeep	1,700	1,069	1,758	4,461	9,589	6,833
CHRYSLER MOTORS	10,194	9,366	10,445	21,853	68,497	58,934
FORD MTR. (lt. trks.)	3,648	3,658	3,389	11,112	23,725	24,840
Light trucks	3,794	3,430	3,286	[illegible]	23,608	21,836
Vans	1,540	1,256	1,541	3,926	10,090	8,880
Total Chevrolet	5,334	4,686	4,827	13,073	33,698	30,716
Light trucks	1,726	1,520	1,903	4,705	11,028	9,797
Vans	605	640	798	1,795	4,393	3,982
Total GMC	2,331	2,160	2,701	6,501	15,421	13,779
GENERAL MOTORS	7,665	6,846	7,528	19,574	49,119	44,495
NAVISTAR	270	191	0	433	1,575	1,530
Total Trks., Canada	21,777	20,061	21,362	55,972	142,916	129799
N. American Trks.	115,331	106,731	116,388	301,808	772,850	711,121

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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SAE show to rev up Motor City

40,000 on hand to trade ideas

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

Magna's jewel, Page 59

Planes, trains and automobiles, the title of a comic movie, might also describe the 1989 SAE International Congress and Exposition, meeting this week at Detroit's Cobo Hall.

The official theme is "Engineering the Excitement." The exposition runs through Thursday while the congress ends Friday.

The meeting will focus on an exchange of information between "mobility" engineers from a variety of disciplines, including aerospace, electronics, computers, automobiles and heavy trucks, according to Howard F. Voigt, SAE Detroit section chairman and chief engineer, overseas product engineering, for Ford's international automotive operations.

Although SAE is focused on the automobile, the engineering society includes representatives from every transportation medium.

Aerospace and automotive technologies in particular are becoming more closely linked — an example is the marriage between General Motors and Hughes. And that new relationship between industries

see SAE, page 59

Mercedes-Benz is set to introduce its replacement, above, for the 18-year-old SL series at Geneva. Also bowing will be Alfa Romeo's limited-edition SZ coupe based on the 75/Milano series and built by coachbuilder Zagato.

2 big intros set for Geneva

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

GENEVA — Successors to a pair of Europe's longest-running hits debut at next week's Geneva Auto Show, but there also will be plenty of other attractions vying for the spotlight.

Replacements for Mercedes' 18-year-old SL range and the 13-year-old Ford Fiesta will be displayed at Geneva, closing out eras in each case.

The world also gets a first look at Alfa Romeo's aggressively styled, limited-edition coupe from Italian coachbuilder Zagato Car as well as Zagato's limited-series joint-venture sports car with Japan's Autech.

And the European supercar stakes could go up further next week as Jaguar is expected to announce whether it will put its XJ-220 show car into production.

Volkswagen will present a Golf rally car that should signal the future direction of the hot hatchback wars, and Daihatsu, which two years ago launched the new Charade at Geneva, will preview the next-generation Charmant.

But Geneva's real importance is as an industry gathering place. While not the largest motor show in Europe, it is the only international show held annually and is probably the best attended among auto leaders.

Mercedes-Benz begins its long-awaited response to BMW's recent product offensive with the SL range. The 2+2 convertible se-

see GENEVA, page 62

No third plant for minivans, Chrysler says

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — In a decision indicating caution in the face of growing competition, Chrysler Motors President Robert A. Lutz said the company has ruled out adding a third minivan plant.

Just last month, Chrysler Corp. Vice Chairman Gerald Greenwald described the possibility of a third plant as "an open question."

Lutz

Lutz said the company decided against another minivan plant in order to balance its product plans and shore up weak spots — and because Chrysler's minivan market share could someday be threatened by a successful competitor. In 1988, the company held 51.6 percent of the compact van market.

Chrysler's top management has said repeatedly that minivan demand will exceed industrywide availability for several years.

Chrysler's decision to rein in its optimism as it heads into the next decade comes as new minivan entries from General Motors and a handful of Japanese players are scheduled for introduction beginning next fall.

With that key minivan decision behind it, Chrysler now must tackle how it will anchor the bottom end of its lineup in the next decade after the Dodge Omni and Plymouth Horizon are dropped.

"The decision on what we do in the lower end of the market is one of the most pressing management decisions and one of the greatest dilemmas we currently face," said Lutz, speaking to the Detroit Auto Writers Group last week.

In a reversal of the stance held by Chrysler and other

see CHRYSLER, page 61

D-DAY NEAR

Japanese view '89 as year to decide on Europe plants

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Japanese automakers believe they are facing a deadline for setting up assembly plants in Europe, and most view 1989 as the year of decision.

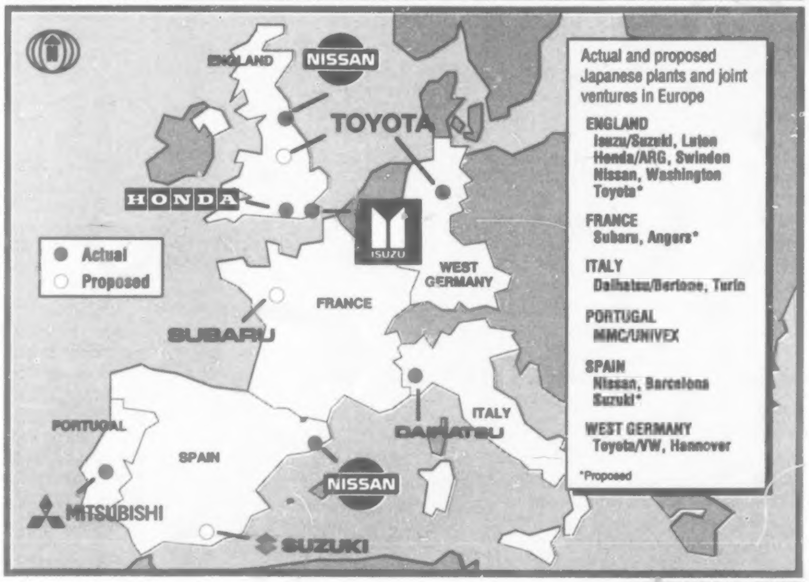
And though the Japanese were recently said to be rethinking plans to come to Europe because of uncertainties about the post-1992 unified market, they nonetheless appear to be forging ahead.

There remain some deep concerns and a sense that except perhaps for the United Kingdom, Japan's carmakers are unwelcome in Europe. But they also recognize that to be established in protectionist-minded Europe on Jan. 1, 1993 — when the borderless internal market is scheduled to be in place — they need to move quickly.

Toyota has given the first indication of its European plans and there are rumblings elsewhere. While Ford and Mazda deny ever-increasing speculation that they plan to build cars together in Europe,

see JAPANESE, page 60

Japanese transplants in Europe



Actual and proposed Japanese plants and joint ventures in Europe

ENGLAND
Isuzu/Suzuki, Luton
Honda/ARG, Swindon
Nissan, Washington
Toyota*

FRANCE
Subaru, Angers*

ITALY
Daihatsu/Bertone, Turin

PORTUGAL
MMC/UNIVEX

SPAIN
Nissan, Barcelona
Suzuki*

WEST GERMANY
Toyota/VW, Hannover

*Proposed

Yugo maker plans to run U.S. firm

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEWARK, N.J. — Yugo dealers were told last week that the manufacturer intends to stand by Yugo America as the U.S. distributor, but will probably control the company once Chapter 11 bankruptcy proceedings are concluded.

Miroslav Spagnut, deputy general manager of exports for Yugo maker Zavodi Crvena Zastava, said, "Zastava is not intent on terminating Yugo America. Our basic intent is reorganizing it.

"It is quite clear when the company comes out from Chapter 11 that certain changes will take place. Yugo America must look entirely different than it does now," Spagnut said.

see YUGO, page 62

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PV duty
Page 2

'Rough Riders' hit by first defections
Page 3

Declines by Big 3 cut mid-month sales
Page 6

Bricklin beset by cash woes

Tax, debt claims pile up in Colo.

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Malcolm Bricklin is wooing Wall Street in an effort to raise $2 billion through the sale of high-yield bonds so Bricklin Motors can buy 1,000 dealerships this year.

But in tiny Meeker, Colo., where Bricklin keeps residence, court records show that his business and personal finances are in disarray.

Bricklin may owe the Internal Revenue Service as much as $131,000 in overdue income taxes for 1986, a local bank wants to seize his helicopter for defaulting on payments, one of his ranches is in foreclosure and a plan to breed mules has apparently run aground.

Bricklin, Bricklin Properties and Bricklin Industries are the targets of a slew of lawsuits from businessmen demanding everything from payment for stacking hay to payment for architectural services, according to records at the Rio Blanco County District Court in Meeker.

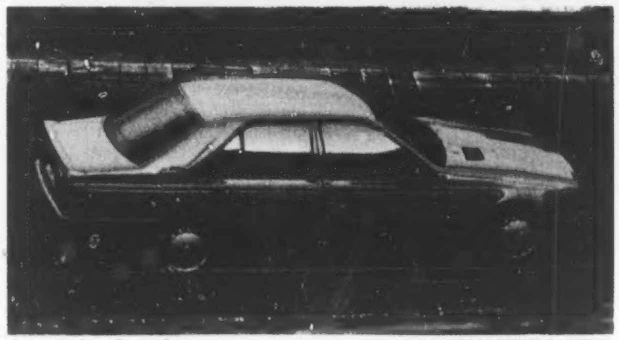
Bricklin

Says Bricklin: "This is a small community and there are a number of people who like to play games, and they want to play games with me."

Last April, Bricklin Industries sold its share of Global Motors — importer of the Yugo and would-be importer of the Proton Saga — to a Wall Street investment firm for an estimated $20 million.

Ron Warnicke, Bricklin's attorney, attributed Bricklin's financial troubles to Global Motors' January filing for bankruptcy protection.

"When Global filed for bankruptcy, the deferred payments to Bricklin Industries stopped," Warnicke said. "When cash flow ceases, it is difficult to refinance properties and it takes time to resolve issues."


HIDDEN IMAGE/HANS G. LEHMANN

Slipperier S series
The next-generation Mercedes-Benz S-class cars are larger than current models and adopt the aerodynamic styling of the E series. Overall length, width and wheelbase are stretched a bit, and the cars will pack engines ranging from six to 12 cylinders, pumping out about 240 to 400 horsepower. The series is expected to debut at the 1990 Paris auto show.

On Feb. 21, the Colorado Department of Revenue entered a claim against Bricklin in District Court seeking $58,875.77 in unpaid individual income taxes for 1987.

Last June, the IRS filed a lien against Bricklin's property and assets seeking $131,356.47 in unpaid income taxes for 1986.

Bricklin said last week that he paid his 1986 tax bill, but there is no release of lien in court records.

An IRS spokeswoman said a lien would not be released until the whole bill is paid. She would not disclose if Bricklin had made any payments toward the bill.

On Feb. 10, United Bank of Broomfield asked the sheriff of Rio Blanco to seize Bricklin's helicopter, valued at $100,000, for defaulting on his payments.

Although Bricklin said the helicopter has been sold, a court official said the lawsuit is still active.

Last April, Bricklin told Automotive News he would concentrate on the real estate business.

St. Louis businessman Thomas Moore Sr., former owner of the Bricklin Ranch (known as the Bar-Bell Ranch), told Automotive News he has yet to receive the 1988 payment for the property due Dec. 31. Bricklin bought the ranch in 1986.

"We have put it in the hands of the banks and the lawyers," Moore said. "If he doesn't come up with the money, we will take the necessary steps."

Foreclosure proceedings against Bricklin's other ranch, known locally as the Franklin Ranch, are under way. Bricklin Industries purchased the property for $1.3 million in 1987 but has defaulted on payments, according to the lawsuit filed on behalf of Benjamin P. Franklin Jr., representing the estate of his father.

Bricklin and Bricklin Properties also are named in a lawsuit by John Avery, who says Bricklin hired him to manage the Bricklin Ranch and establish facilities to breed mules. Avery alleges that Bricklin failed to pay him the agreed-upon finder's fee for assisting in the acquisition of six properties near the ranch.

He also alleges that Bricklin owes him $150,000 in back wages dating back to August 1987.

The lawsuit also says Bricklin has failed to keep his promise to spend $1 million for facilities to raise and breed mules.

And laborer Mike Sullivan sued Bricklin Properties Jan. 23, asking for payment of $10,000 for stacking hay last summer.

There is also a lawsuit and accompanying lien against the Bricklin Ranch for $140,000 from Ohio-based Schmidt Copeland & Associates, an architectural firm employed by Bricklin to build a summer youth camp on the ranch.

Several weeks ago, Bricklin announced his next venture — the first national dealership chain, comprising 1,000 points. Two New York investment banking houses are lined up as financial advisers.

Bricklin entered the automotive business by importing Subarus in 1968. He later launched his own company to build a gull-wing sports car, but it went bankrupt.

In 1983, he formed International Automobile Importers to import the Bertone X 1/9 and Pininfarina Spider after Fiat left the U.S. market. In 1984, Bricklin formed a company to import the Yugo.

'Rough Riders' hit by first defections

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

Ron Tonkin's "Rough Riders" got off to a rough start last week as a prominent member of his ad hoc industry relations subcommittee declined to participate.

And several dealers contacted about their inclusion on a list of more than 200 either don't want to participate or are warily eyeing Tonkin's agenda before saddling up.

Roger S. Penske, chairman of Penske Corp., sent a mailgram to the National Automobile Dealers Association president last week, saying, "I am not a rough rider and I do not want to be involved in any action against OEMs. Also I did not agree to give anyone the right to use my name."

Two weeks ago, Tonkin announced the names of his first 205 Rough Riders, a group of large-volume dealers who, he said, will work outside NADA to challenge factories on their subsidized sales to leasing companies and on issues of dealership control. Tonkin said the group had rallied as volunteers around his criticism of fleet subsidies and factory control of customer satisfaction indexing and "dealer improvement programs."

Penske

But before the group's first meeting had been scheduled, Penske notified Tonkin that he had not asked to serve either on the 15-member steering committee nor as one of the 200 to 300 rough riders named by Tonkin.

Tonkin maintains that he had spoken to Penske about the idea last July in Detroit at the Automotive News World Congress.

"He gave me his card and said he'd be happy to help," Tonkin said of Penske. "I tried several times to reach him to make sure he was still interested before going public with the list but I was unsuccessful."

Several of the dealers have expressed surprise at seeing their names listed among the Rough Riders.

Gordon L. Stewart, a Chevrolet dealer in Garden City, Mich., believes his relationship with the factory may have been damaged by the list.

"I was totally stunned when I saw my name on the list as a Rough Rider," Stewart said. "I've gotten phone calls from people at the factory asking me what it means. I don't know what it means."

Stewart said he fired off a letter to Tonkin asking him why he included Stewart's name. "I'm not interested in this fisticuffs approach to solving problems," Stewart commented. "I'd like to see an end to fleet subsidies, certainly. But this isn't the way to accomplish that."

In response to uncertainty on the part of some Rough Riders, Tonkin said, "I need to clarify my position on these issues. It's up to me to convince dealers that it's time to get involved."

A number of other steering committee appointees also said they were taken by surprise at seeing their name on the list. However, most said they agreed with some elements of Tonkin's activist platform.

"I honestly can't remember volunteering for anything, and I sure as hell don't want to be on a list I didn't sign up for," said Iowa dealer Max Holmes, president of Holmes Oldsmobile-GMC-Honda, Des Moines. "As far as being a tough guy with the factory, that's not me. My father was always tough with the factory and I never saw that getting him very far.

"Now, on the other hand, when the factory starts talking about taking away my 5 percent model changeover allowance, as GM is planning to do, I'm ready for a fight," Holmes said.

He added that he wanted to hear more about Tonkin's plan for the group before making any decisions.

Pete Ellis, a Southgate, Calif., Dodge dealer, said he also was surprised to see his name among the Rough Rider volunteers, especially on the steering committee, although he agrees with Tonkin's initial rallying cry.

see TONKIN, page 61

Hungerland's mission: revive faltering VWoA

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

TROY, Mich. — A new president of Volkswagen of America takes the helm Wednesday, facing as daunting a list of challenges as any executive in VW's 40-year history in the United States.

Hans-Jorg Hungerland, 47, will be the new point man as the organization tries to end three years of sales bloodshed on both the Audi and Volkswagen sides of the business.

Each division is struggling to establish a stronger image. But the Volkswagen car line will likely be at the top of Hungerland's urgent list. Dealers, who are increasingly talking of their financial plight, are looking for an immediate sales aid as well as a long-term strategy for recovery.

Audi, too, has had to scrap for every sale. But VWoA's luxury division has a comeback plan in place, and dealers generally seem to be in support.

Although he officially begins this week, Hungerland has spent much of this month in the United States. The former export sales manager for Volkswagen AG in West Germany crisscrossed the country, meeting regional staffs and groups of dealers. With him was William Young, his hand-picked successor to James Fuller, the late vice president in charge of Volkswagen United States.

Their tour appears to have reassured VW dealers, who were left in a state of shock when Fuller and marketing director Lou Marengo were killed aboard Pan Am flight 103 in December.

One dealer called his session a somber yet constructive exchange, free of finger-pointing. Another veteran dealer, who confessed that the business has lost much of the fun it once had, said the meeting alone inspired him to order two dozen cars.

Hungerland and Young "realize that we're in a mess, which is an understatement," said one company official. "They know that some significant changes have to be made."

Neither executive was available for interviews last week.

Hungerland's arrival also represents the end of one era and the return to another. The VWoA organization has been carved to employee levels of the mid-1970s, before it began its decade-long era as a manufacturer of cars in the United States. The plant closed last year, and the company's employee count is now at 2,500, compared with a peak of more than 10,000 in 1980.

Hungerland's predecessor, Noel Phillips, is moving to another manufacturing operation, Autolatina, VW's joint venture with Ford Motor Co. in Brazil.

In the first four full years of Phillips' tenure, beginning in 1983, VWoA earned combined profits of $279 million. In 1987, the company lost $317 million, with more than half the loss tied to the plant closing. Results for 1988 haven't been announced.

Hungerland and Young approached their visits as a fact-finding mission. They spent most of their meetings listening, according to dealers who attended. But the pair did give some hints of what kind of action they may be taking. Hungerland promised that he is committed to restoring the company's position in the market.

In the short run, dealers are looking for Young to provide imaginative sales programs. A discount financing and dealer incentive pro-

see VWoA, page 59

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Dealers sought for nationwide phone referral net

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Imagine if every car buyer in America could phone the same, easily memorized, toll-free number to reach a nearby dealer, no matter what kind of car they wanted to buy.

That's one of the premises behind the Auto Yes network, a dealer advertising co-op that is being test-marketed by more than 275 dealers in the New York area and could be in 20 major markets by year's end.

A print ad campaign for the pilot program began Feb. 17, and television ads are expected to begin Wednesday, inviting car shoppers to call 1-800-AUTO YES.

Auto Yes founder Martin Ain, a former leasing franchiser who owns two Long Island dealerships, said last week that more than 3,000 people responded to the print ads in the first week.

Ain said Auto Yes ads direct buyers to a particular dealer, as opposed to factory co-op advertising, which he said tends to promote a brand rather than a dealer.

When you call the 800 number, a chipper recorded message says, "Congratulations! You have reached the Auto Yes Consumer Network. We plan on saving smart shoppers like you millions of dollars every year in time and money."

The message promises that if you call a dealer affiliated with the network, you'll get "the VIP treatment you deserve" and a special "Auto Yes deal," though no specific price savings are mentioned.

Next, the caller is asked to dial the first three letters of the car brand he or she is interested in — for instance, "TOY" for Toyota.

Callers must have a Touch-tone phone to use the system. Shoppers with a rotary phone are directed to call a different number for more information.

Once the desired make is dialed, the computer-synthesized voice asks for the area code where the caller will be buying the car, followed by different numbers further defining the caller's location — usually divided by county or zip code.

Once those numbers are punched in, a recorded message identifies the local Auto Yes dealer for a particular brand and provides the name and phone number of a specific salesman assigned to Auto Yes sales.

The recording reminds the caller to ask for only that individual to get the special Auto Yes deal.

Ain said participating dealers have agreed to reduce prices for the phone service's customers, but the discounts may vary, and state laws make it difficult to advertise bargain prices — especially in New York, which recently adopted stricter ad rules.

Dealers pay $2,500 to sign up for the service and then pay a monthly service charge and a fee for each car sold through the program. Ain declined to detail those charges, saying simply that the service is comparable to the cost of a quarter-page newspaper ad.

Subscribers to the service must commit to a one-year contract.

Dealers who joined in the early stages of the program were given concessions, like a three-month trial membership in some cases, Ain said.

Last week, participating dealers said it is too early to tell whether the new program will sell many cars, but they said the idea is a novel and attractive one.

"I look at it as additional advertising. Hopefully, the business it generates will pay for the service," said Tom Giuliano, a BMW dealer in Westchester County, N.Y.

"Thus far, the response has been minimal," he said.

"I think it's a great concept," said Alan Castroll, president of Maplewood Peugeot in New Jersey.

Ain said he hopes dealers in the Auto Yes network ultimately will have signs, a separate Auto Yes customer lounge, and a philosophy that stresses customer service.

"They (dealers) know this is going to take time to build," he said.

The computers used to field calls can answer many calls at once, 24 hours a day, which would be too expensive if human operators had to be hired, Ain said.The network has only eight employees.

Maserati adds Canada distributor

By Alex Law
STAFF CORRESPONDENT

TORONTO — Maserati Automobiles has given Canadian distribution rights to auto dealer Bill Brack, president of Brookland Maserati here, and Brack announced the formation of Maserati Canada.

Maserati Automobiles, based in Baltimore, is a wholly owned subsidiary of DeTomaso Industries. DeTomaso owns 51 percent of Officini Alfieri Maserati S.p.A. which builds Maseratis in Modena, Italy.

Brack said his first move will be to appoint more dealers since there are only four Maserati dealers in Canada — Brack's own outlet in Toronto, two within an hour of Toronto and one in Montreal.

The first new dealer appointed by Brack is Modena Motorsports in Vancouver, British Columbia. He also plans a point in either Edmonton or Calgary, Alberta, and one in Ottawa.

Brack said Winnipeg, Manitoba, is being considered for next year, but he added it is unlikely that he will appoint a dealer east of Montreal.

"The market will keep it to seven dealers," said Brack.

His partners in the new firm are Gregory Buy and Douglas Crosty.

Maserati currently has three models in its lineup — the 430 four-door sedan, the 228 coupe and the Spyder convertible.

Brack said he expects a new four-cam, multivalve, 300-horsepower Biturbo to help boost sales by the end of the year. He is also looking for a new four-door sedan next year and perhaps a sports car with a 3.5-liter V-6 or V-8 after that.

With that product line, Brack said, Canada should be able to handle about 200 cars a year.

Brack said he wants the Maserati stores to be exclusives if possible.

"If someone has to rely on one car line for a living, they do a better job," he said.

"We've done a better job with Maserati in Canada than they've done in the U.S., and we'll keep doing a better job."

Brack said Maserati Canada will be operated out of his dealership in downtown Toronto.

Vixen may have siblings if sale of company goes through

Offer made for Vixen

Former Masco exec would widen range

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

A former Masco Industries official has made an offer to acquire Vixen Motor Co. in Pontiac, Mich., and plans to produce several kinds of specialty vehicles.

Michael J. Vogel, who formed his own investment company called MJV Industries in Troy, Mich., described his offer for Vixen as "more than a letter of intent. It has the terms, conditions, timing and basics of an agreement."

He said he anticipated quick approval of his offer.

"It won't be long before we have an agreement," predicted Vogel, who is anxious to resume production of the Vixen motor home in time for the spring selling season.

Vixen President Allen Dryer said, "The basic framework of the plan has been accepted. I'm confident it will be accepted."

The plan must be approved by Vixen's board of directors and by the State of Michigan Pension Fund, the Detroit Police and Fire Pension Fund and the Michigan Retirement System, which together have invested $35 million in the company and own 70 percent of it.

Pension fund officials were vague but optimistic about the outcome of the negotiations.

"We never negotiate deals in public, but we are hopeful things will work out. Vogel is a very talented man," said Robert Kolt, Michigan Treasury spokesman.

Vixen was formed in 1981 by William Collins Jr. and Robert Dewey, two former GM officials.

The original Vixen 21 went on sale in February 1986.

Conceived in anticipation of high fuel prices, Vixen never achieved its profitability or sales goals. It featured a turbodiesel engine and manual transmission at a time when diesels went out of vogue and comfort took to priority.

The company came out with a new gasoline engine/automatic transmission model in 1988 but ran out of orders and operating capital in winter. It was forced to shut down Jan. 23 and look for a buyer.

Vogel declined specifics on his proposal, though he expects to pay off Vixen's supplier debt and not borrow any additional money from pension fund investors.

Vogel is a former group president of Masco Industries in Taylor, Mich., which operates companies that supply the auto and oil tool industries with products like valves, fasteners, heavy metal stampings, machine assemblies and forgings.

His plan to make Vixen profitable includes using the basic vehicle platform and shell to produce six or seven other specialty vehicles, including a mobile office. He said the combination of vehicles will generate enough volume to be profitable.

"A lot of people have expressed interest in an executive sales-type vehicle, a traveling vehicle with the amenities on board — a john, computers, faxes, phones and copiers — everything required to conduct a business," Vogel said.

Some executives from other motor home companies looked at the Vixen operation and concluded that it had a high-overhead plant. Vogel disputed that notion.

Vogel plans to be chief executive officer and retain Dryer as chief operating officer.

Hyundai Canada chief gets new job in Korea

By Alex Law
STAFF CORRESPONDENT

MARKHAM, Ontario — The first high-ranking Hyundai executive to live and work in North America is returning to South Korea.

Byung Jae Park, president and chief executive officer of Hyundai Auto Canada, has been promoted to executive director of overseas operations for Hyundai Motor Co. in Seoul.

He assumes his new responsibilities March 1 and will be succeeded by Yoo-il Lee.

In his new job, Park will direct an expanded overseas operations division, which now accounts for about half of Hyundai's sales. Along with vehicle export planning and operations, he will be responsible for overseas service planning, parts and operations.

He also will be in charge of the Canadian operations, which include the Sonata assembly plant in Bromont, Quebec, and the wheel plant in Newmarket, Ontario. The assembly plant opened in January and the wheel plant was officially launched two weeks ago.

Hyundai said the promotion of Park after two years' North American experience will help the parent company find markets for Canadian-produced Sonatas that won't be sold by Hyundai in North America or by Chrysler Motors' Jeep-Eagle network in the United States. When it reaches capacity, Bromont will be capable of producing 100,000 cars a year.

Park's successor, Lee, served seven years as managing director of export operations before his move to Canada. He was responsible for planning and implementing Hyundai's introductions in Canada and the United States. Though Hyundai's sales growth has tapered off recently, the two launches were the most successful of any import cars in North American auto history.

Mid-month car sales down 11%

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Retail deliveries of U.S.-built cars declined 11.72 percent in the middle 10 days of February.

The average daily selling rate, however, was only a fraction of a point below last year's. There was one less selling day this year.

A total of 185,672 domestic cars were sold in the Feb. 11-20 period, compared with 210,316 last year.

All Japanese transplant automakers sold more cars in this year's mid-February period.

New to the domestic list this year is Mitsubishi, which sells Eclipse models built at the Diamond-Star joint venture with Chrysler in Normal, Ill. In mid-February, 433 Eclipses were sold.

All three U.S.-based automakers sold fewer cars in this year's mid-February period.

Chrysler Motors reported the biggest 10-day loss. It sold 27.52 percent fewer cars.

General Motors sold 12.14 percent fewer cars in mid-February, although Cadillac and Oldsmobile dealers reported gains.

Ford Motor Co.'s car sales fell off 9.72 percent in the period.

Among the four U.S. light-truck makers, only Nissan reported an increase. U.S. light-truck sales dropped 7.14 percent to 108,992, down from 117,377 a year ago.

Combined sales of domestic cars and light-trucks were 295,320, down 9.88 percent from last year's 327,693.

DOMESTIC SALES

	Feb. 11-20, 1989	Feb. 11-20, 1988
Eagle	1,213	1,018
Chrysler	5,695	10,395
Plymouth	5,984	8,639
Dodge	10,788	12,621
Chrysler Motors	23,680	32,673
Ford	39,194	41,361
Mercury	11,067	13,486
Lincoln	4,401	5,698
Ford Motor Co.	54,662	60,545
Buick	13,061	18,073
Cadillac	7,047	5,781
Chevrolet	32,432	42,291
Oldsmobile	21,856	19,831
Pontiac	19,319	20,691
General Motors	93,715	106,667
Volkswagen	—	1,159
Honda	7,880	5,926
Nissan	2,339	1,599
Toyota	2,145	1,178
Mazda	818	569
Mitsubishi	433	—
U.S. Car Total	185,672	210,316

AUCTION DATES

Chrysler

Feb. 28 — Florida Auto Auction of Orlando, Ocoee, Fla.; Hatfield Auto Auction, Hatfield, Pa.; Arena Auto Auction, Chicago; American Auto Auction, Walpole, Mass.; Clanton's Auto Auction, Darlington, S.C.; Denver Auto Auction, Aurora, Colo.; South Seattle Auto Auction, Kent, Wash.; and Golden Gate Auto Auction, Fremont, Calif.

March 1 — A.D.E. of Birmingham, Birmingham, Ala.; and Butler Auto Auction, Gibsonia, Pa.

Ford Motor Co.

Feb. 28 — Greater Chicago Auto Auction, Chicago; Harrisonburg Auto Auction, Harrisonburg, Va.; and Bay Cities Auto Auction, Inc., Hayward, Calif.

March 1 — Northway Auto Auction, Clifton Park, N.Y.; Indianapolis Auto Auction, Indianapolis; and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

General Motors

Feb. 28 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and Manheim Auto Auction, Manheim, Pa.

March 1 — Baltimore-Washington Auto Exchange, Baltimore; Atlanta Auto Auction, Atlanta; Clanton's Auto Auction, Darlington, S.C.; Southern California Auto Auction, Fontana, Calif.; Omaha Auto Auction, Omaha, Neb.; and Mississippi Auto Auction, Hattiesburg, Miss.

March 2 — Mid Ark Auto Auction, North Little Rock, Ark.; Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

Used Car Sales

Auction Averages

February 89	$5,597
Month ago	$5,520
Year ago	$5,820

Model Breakdown

Auction Averages

	FEB 1989	JAN 1988	DEC 1988
1989 ...	$10,875	$12,109	—
1988 ...	$7,978	$8,612	$9,894
1987 ...	$7,059	$7,136	$7,686
1986 ...	$6,028	$5,944	$4,874
1985 ...	$4,705	$4,873	$4,747
1984 ...	$3,953	$3,760	$3,723
1983 ...	$2,727	$2,795	$2,776
1982 ...	$2,320	$2,246	$2,343
Overall Average	$5,597	$5,545	$5,824

AWARD

Minority buying by GM honored

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — General Motors has been honored by the National Minority Business Council for GM's support of minority-owned suppliers.

Donald A. Pais, GM vice president, materials management staff, said GM spent about $1.1 billion with minority-owned firms in 1988.

John W. Haines, director of minority supplier development for the materials management staff, said 1988 was the third consecutive year GM topped $1 billion in purchases of materials and services from minority-owned businesses.

American Express, IBM and the University of Medicine & Dentistry of New Jersey received similar awards.

The awards are given for "exemplary commitment and responsiveness to minority-owned firms by large corporations," the council said.

Last month, GM signed an agreement with the National Association for the Advancement of Colored People to provide equal opportunities for blacks and other minorities.

Donald Pais, left, receives award from Philip Duffy, chairman of the National Minority Business Council advisory council

And last month, a tentative settlement was announced in a six-year-old class-action lawsuit in which GM was accused of using an employee evaluation system — which has since been scrapped — that allegedly discriminated against black employees because it was vague and left substantial discretion to supervisors.

GM agreed to make financial settlements with black salaried workers and to establish a computer system to monitor the career progress of black employees. It also agreed to pay about $3 million to 3,800 past and present employees in back pay and pay adjustments.

In reaching the settlement, GM did not admit discrimination.

Chrysler calls owners about satisfaction

HIGHLAND PARK, Mich. — Some 3,500 Chrysler Motors employees have volunteered to telephone more than 180,000 owners of Chrysler products in a new customer satisfaction campaign.

Each volunteer Chrysler employee will make about 60 telephone calls by March 31.

After verifying that the caller has reached an owner or driver of a Chrysler product, several questions are asked. They include: "Is there anything, positive or negative, that comes to mind about your experience with Chrysler? Something about the product itself or your experience purchasing the product or having it serviced?"

The caller records the responses and asks what improvements could be made. The telephone poll results will be tabulated and distributed throughout Chrysler for review.

"Calling the customer is another step toward Chrysler's goal of complete customer satisfaction," said A.C."Bud" Liebler, Chrysler Motors director of marketing services. "To reach that goal, we need to talk directly to our customers, to listen to them so that we understand their specific wants and needs."

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PENNSYLVANIA

Carriage Trade, Norristown, Pa. Every Mon. & Thurs., 6 PM (400 units), except 1st & 3rd Thurs. when GMAC auction (off lease/repos) at 11 AM. All dealers. Call: 215-CAR-SALE.

PENNSYLVANIA

Todd Auto Auction, Old Route 309, P.O. Box 380, Telford, Pa. 18969. 215-721-1300 or 800-234-TODD. Next Sale — March 2nd.

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Europe's sales boom continues

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Europe's new-car market continued to surge in January, belying predictions of a downturn in 1989.

New-car sales rose 11.5 percent, according to industry estimates compiled by Automotive News.

Sales in 17 Western European countries totaled 1,163,800 in January, up from 1,044,200 in 1988.

Industry executives and analysts have almost unanimously forecast a drop of 3 to 5 percent from last year's record sales of 13 million.

However, January is not necessarily considered a good month to gauge trends because of winter weather and national legislative changes that affect car sales.

Many European car industry officials predicted that the sales slippage wouldn't occur until the second half of 1989. On the other hand, the experts have so far underestimated the staying power of the current boom.

The European downturn is already at least a year overdue. Virtually every forecaster expected a decline in 1988, but the industry continued to gather strength in such key markets as the United Kingdom, France, Italy and Spain.

The United Kingdom began 1989 as the biggest market. West Germany, by far Europe's largest market in recent years, ranked fourth.

Volkswagen AG, which by most accounts had a good enough December to edge Fiat Group for first place in 1988, fell to third behind Fiat and Peugeot S.A. in January.

First-place Fiat Group, including the Fiat, Lancia and Alfa Romeo brands, rose 7.4 percent to 184,000 in January and garnered 15.8 percent of the market.

Peugeot S.A., including the Peugeot and Citroen makes, took advantage of the robust French market in January to vault past VW Group into second place. Peugeot S.A. took 14.3 percent of European sales in January, increasing unit volume by 25.1 percent to 166,900. The total included an 8.8 percent share for Peugeot and 5.5 percent for Citroen.

Maintaining second place for all of 1989 is considered unlikely for Peugeot. However, in the last two years, the French group has surged past Ford to take firm grip on third place in Europe, and Chairman Jacques Calvet has set his sights on first place by the early 1990s.

But achieving the latter goal will require the addition of a Golf/Kadett/Escort-class car in the Citroen line. It is expected in 1991 or 1992.

Volkswagen, Europe's sales leader since 1985, held only 12.9 percent of the market in January after achieving 14.9 percent in 1988. However, group sales, which include VW, Audi and Seat, actually rose 9.6 percent to 150,100.

VW brand sales jumped 13.7 percent in January, although the new Passat mid-ranger was not in the lineup a year earlier. Audi sales rose only 1.5 percent in January to 25,800. The group's market share consisted of 8.6 percent for VW, 2.2 percent for Audi and 2.1 percent for Seat.

Ford, which fell back to 11.3 percent in 1988 from 12 percent a year earlier, hit its goal of returning to 12 percent as January sales rose 11.4 percent to 140,100.

In Ford's strongest market — the United Kingdom — market share in January returned to the 29 percent the company held in 1987. Last year, a strike in Britain helped cut Ford's first-place share to just over 27 percent.

General Motors was next in Europe with 129,100 January sales, an increase of 13.7 percent and an 11.1 percent share. Renault was sixth among Europe's six large-volume manufacturers with an 11.3 percent increase to 114,800 units and a 9.9 percent share.

Among specialists, BMW surged 37.7 percent to 34,000 units and a 2.9 percent share. However, in January 1988, the company had not yet introduced the new 5 series that has fueled its current spurt.

Mercedes-Benz sales fell 4.7 percent in January to 38,500 and a 3.3 percent market share. In Germany, Mercedes tumbled 11.3 percent to 20,800, while BMW with its newer lineup was surging 91.3 percent to 15,000.

Combined Japanese sales edged upward 3.4 percent in January to 109,900, equal to 9.4 percent of the overall market. The growth of Japanese shipments to Europe closely mirrored the overall increase in the market in 1988 and share held at about 11 percent.

Nissan continued to lead the Japanese makers in Europe with sales of 28,400 last month, an increase of 5.2 percent and a 2.4 percent share.

The largest single market in January was the United Kingdom, where sales rose 13.2 percent to 220,200. Second-place Italy grew 6.8 percent to 220,000 and third-place France climbed 25.7 percent to 202,000 units.

West Germany, Europe's only major country to lose sales in 1988, improved 22.2 percent in January to 185,800 units.

EUROPEAN SALES

Manufacturer	Jan. 1989	1989 share*	Jan. 1988	Change 89 vs 88
Fiat Group**	184,000	15.8	171,400	+ 7.4
PSA***	166,900	14.3	133,400	+25.1
VW-Audi-Seat	150,100	12.9	136,900	+ 9.6
Ford	140,100	12.0	125,800	+11.4
General Motors****	129,100	11.1	113,500	+13.7
Renault	114,800	9.9	103,100	+11.3
Austin Rover	40,500	3.5	37,900	+ 6.9
Mercedes-Benz	38,500	3.3	40,300	− 4.7
BMW	34,000	2.9	24,700	+37.7
Nissan	28,400	2.4	27,000	+ 5.2
Volvo	27,000	2.3	23,700	+13.9
Toyota	24,900	2.1	25,000	− 0.4
Mazda	17,700	1.5	18,100	− 2.2
Mitsubishi	12,800	1.1	10,300	+24.3
Lada	10,500	0.9	8,700	+20.7
Others	44,500	3.8	44,400	+ 0.2
Total	1,163,800	100.0	1,044,200	+11.5

* Total does not add up to 100 percent because of rounding
** Includes Alfa Romeo
*** Peugeot, Citroen, Talbot
**** Opel, Vauxhall, Isuzu, GM-U.S./Canada

NEW-CAR SALES BY COUNTRY IN EUROPE

Country	Jan. 1989	Pct. Change from 1988
United Kingdom	220,200	+13.2
Italy	220,000	+ 6.8
France	202,000	+25.7
West Germany	185,800	+22.2
Spain	88,000	+ 9.4
Netherlands	73,100	−18.9
Belgium-Luxembourg	45,000	+ 3.7
Switzerland	25,300	+18.8
Finland	21,600	+21.9
Austria	21,500	+31.3
Sweden	21,300	+ 0.4
Portugal	13,700	+26.0
Ireland	9,600	+30.8
Denmark	6,600	−23.0
Greece	6,300	+24.8
Norway	3,800	−58.2
Total	1,163,800	+11.5

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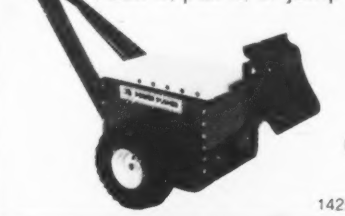

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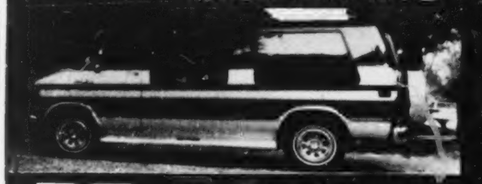

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Auto output is 148,464, down 5%

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Last week's scheduled domestic auto output dipped below the prior week's build as three General Motors plants were idle.

Automakers planned production of 148,464 units last week, 5.90 percent below the previous week's 157,768 but 14.63 percent more than the year-ago week's 129,514, when several plants were closed for inventory adjustment.

So far this year, 1,191,836 cars have been assembled, 19.61 percent more than the 996,443 completed last year at this point.

Companies split last week's estimated production as follows:

General Motors, 45.51 percent; Ford Motor Co., 25.02 percent; Chrysler Motors, 14.55 percent; Honda of America Manufacturing, 5.60 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.26 percent; New United Motor Manufacturing Inc., 2.69 percent; Nissan Motor Manufacturing Co. U.S.A., 1.58 percent; Toyota Motor Manufacturing U.S.A., 1.32 percent; and Diamond-Star Motors, 0.47 percent.

Truck assembly was slated at 91,027 last week, 5.54 percent below the previous week's 96,365 but 5.79 percent more than the year-ago week's 86,045.

Year-to-date, 723,772 trucks have been built, 8.40 percent more than the 667,667 assembled last year at this point.

GM will temporarily shut down its Willow Run, Mich., plant March 6 because of slow sales of the Pontiac Bonneville. The plant is expected to resume output March 13.

Three GM plants were closed all last week and one plant was idle Monday.

GM's Framingham, Mass., plant was closed Monday for the Presidents' Day holiday.

The company's Fairfax, Kan., and Doraville, Ga., plants will be down until March 6 for inventory adjustment and its Tarrytown, N.Y., plant remains closed for model changeover.

Overtime was slated last Saturday at GM's Lordstown, Ohio; Pontiac, Mich.; and Moraine, Ohio, plants.

Ford scheduled daily overtime this week at all its assembly plants except the facility in Edison, N.J.

Canadian cars up; trucks down

Canadian automakers targeted last week's build at 22,231 units, 8.69 percent more than the prior week's 20,454 and 12.43 percent more than the year-ago week's 19,773.

So far this year, 156,821 cars have been assembled, 10.58 percent below the 175,366 completed last year at this point.

Last week's scheduled truck production of 21,417 declined 3.86 percent from the previous week's 22,276 but increased 6.39 percent over the year-ago week's 20,131.

Chrysler Motors' Pillette Road plant in Windsor, Ontario, will be idled March 13 for inventory adjustment.

U.S. CAR	Week Ended Feb. 25, 1989	Week Ended Feb. 27, 1988	Week Ended Feb. 18, 1989	Feb. to Date	Jan. 1 to Feb. 25, 1989	Jan. 1 to Feb. 27, 1988
Horizon	0	1,708	0	0	0	13,530
Sundance	2,100	2,047	2,341	8,123	19,348	16,914
Reliant	0	0	0	0	0	11,776
Acclaim	3,400	0	2,857	9,436	15,480	0
Caravelle	0	0	0	0	0	2,881
Gran Fury	0	294	0	0	0	2,050
Total Plymouth	5,500	4,049	5,198	17,559	34,828	47,151
LeBaron K	0	0	0	0	0	1,641
LeBaron J	2,200	1,908	2,297	8,153	18,427	4,881
LeBaron GTS	300	136	384	1,283	2,423	1,175
N. Yorker C-Class	2,700	2,579	2,760	9,571	20,374	15,325
Fifth Avenue	0	1,052	0	0	0	9,804
Total Chrysler	5,200	5,675	5,441	19,007	41,224	32,826
Omni	0	1,692	0	0	0	13,195
Daytona	2,200	1,876	2,268	8,120	18,460	4,071
Shadow	2,300	2,371	2,567	8,928	19,658	17,546
Aries	0	0	0	0	0	9,253
Dodge 600	0	0	0	0	0	2,486
Dynasty	3,400	2,914	3,619	12,193	26,138	16,978
Lancer	100	266	152	517	1,431	2,018
Spirit	2,900	0	2,566	9,505	15,839	0
Diplomat	0	508	0	0	0	3,142
Total Dodge	10,900	9,627	11,172	39,263	81,526	68,689
CHRYSLER MOTORS	21,600	19,351	21,811	75,829	157,578	148,666
Escort	5,778	8,149	5,672	24,148	61,562	67,466
Mustang	4,538	4,165	4,514	15,969	33,729	35,961
Tempo	3,247	4,084	3,277	11,699	28,141	32,666
Taurus	7,843	7,904	8,073	28,657	64,154	63,521
Thunderbird	3,434	2,998	3,930	13,906	29,172	25,997
Total Ford Div.	24,840	27,300	25,466	94,379	216,758	225,611
Topaz	1,246	1,477	1,280	4,539	10,629	12,304
Cougar	3,407	2,772	3,751	11,516	23,717	20,160
Sable	2,899	2,710	2,101	8,319	20,549	19,293
Total Mercury	7,552	6,959	7,132	24,373	54,895	51,757
Continental	1,429	925	1,393	5,161	11,928	6,597
Mark VII	477	466	462	1,868	5,229	4,393
Lincoln	2,854	2,783	2,783	9,851	20,000	23,960
Total Lincoln	4,760	4,174	4,638	16,880	37,157	34,950
Total L-M Division	12,312	11,133	11,770	41,253	92,052	86,707
FORD MOTOR CO.	37,152	38,433	37,236	135,632	308,810	312,318
Skyhawk	208	0	207	779	2,767	5,020
Skylark/Somerset	1,307	331	1,311	4,703	7,503	4,234
Century	1,677	1,213	1,505	6,617	20,832	7,858
Riviera	631	237	633	2,216	4,804	1,124
Electra	1,959	1,264	1,963	7,085	14,697	10,990
LeSabre (fwd)	1,850	2,514	2,307	6,935	8,091	19,097
LeSabre (rwd)	200	128	206	736	1,599	808
Reatta	169	103	170	339	1,105	594
Total Buick	8,001	5,790	8,302	29,411	61,398	49,725
Cimmaron	0	286	0	0	0	2,295
Eldorado	744	889	766	2,648	5,681	3,771
Seville	651	629	661	2,215	4,495	2,794
Brougham (rwd)	910	0	1,050	3,696	8,161	0
Deville (fwd)	4,760	4,318	4,791	17,175	35,194	30,530
Allante	75	65	75	270	585	270
Total Cadillac	7,140	6,187	7,343	26,003	54,116	39,660
Cavalier	8,762	6,758	8,800	30,903	68,250	50,264
Camaro	2,550	1,063	2,419	8,691	19,140	7,371
Celebrity	2,740	4,874	2,968	10,969	29,607	24,516
Corsica/Beretta	9,110	8,866	9,374	33,177	70,584	53,651
Caprice	4,265	4,077	4,691	14,777	29,067	33,896
Corvette	525	451	525	1,889	3,948	3,402
Total Chevrolet	27,952	26,089	28,777	100,405	220,596	173,100
Calais	2,293	2,113	2,279	7,911	12,732	16,509
Firenza	0	0	0	0	0	2,527
Cutlass Ciera	1,236	0	1,925	6,039	13,053	0
Cutlass Supreme	0	1,847	3,533	9,273	21,568	14,416
Toronado	222	517	224	875	2,175	2,260
88 (fwd)	4,584	120	4,057	14,991	30,636	23,262
88 (rwd)	100	186	129	435	1,343	2,212
Olds 98	2,184	1,886	2,182	7,877	16,172	13,833
Total Oldsmobile	10,619	6,669	14,329	47,401	97,679	74,285
Sunbird	3,286	2,086	3,394	11,125	21,303	17,923
Grand Am	5,095	4,816	4,986	18,147	38,432	38,491
Firebird	1,625	717	1,631	5,483	12,017	6,515
Grand Prix	0	1,823	4,000	8,000	20,001	16,402
Pontiac 6000	1,400	1,723	1,351	5,455	14,658	4,189
Bonneville	2,315	0	2,312	8,135	16,278	13,659
Safari/Parisienne	120	114	110	405	858	952
Fiero	0	600	0	0	0	1,833
Total Pontiac	13,841	11,879	17,784	56,751	123,547	90,854
GENERAL MOTORS	67,553	56,614	76,535	259,972	557,336	427,624
DIAMOND-STAR	701	0	683	2,340	4,626	0
HONDA	8,320	7,453	8,455	29,968	62,447	56,259
Civic	2,820	1,800	2,830	10,063	21,006	13,126
Accord	5,500	5,653	5,625	19,885	41,441	43,133
MAZDA†	4,833	1,013	4,806	17,850	38,431	8,221
NISSAN	2,340	1,326	2,341	8,392	18,385	10,708
NUMMI	4,000	3,334	3,878	14,543	29,255	24,865
Corolla	1,600	1,251	1,646	6,073	12,707	8,577
Geo Prizm/Nova	2,400	2,083	2,232	8,470	16,548	16,288
TOYOTA	1,965	0	2,023	7,060	14,968	0
VOLKSWAGEN	0	1,990	0	0	0	7,782
Golf/GTI	0	1,290	0	0	0	5,182
Jetta	0	700	0	0	0	2,600
Total Cars, U.S.	148,464	129,514	157,768	551,587	1,191,836	996,443
Total Cars, Canada	22,231	19,773	20,454	76,359	156,821	175,366
U.S., Canada Cars	170,695	149,287	178,222	627,946	1,348,657	1,171,809
U.S., Canada Cars and Trucks	283,139	255,463	296,863	1,045,509	2,237,261	1,989,388

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended Feb. 25, 1989	Week Ended Feb. 27, 1988	Week Ended Feb. 18, 1989	Feb. to Date	Jan. 1 to Feb. 25, 1989	Jan. 1 to Feb. 27, 1988
Premier	1,275	1,524	1,312	4,647	9,033	12,831
CHRYSLER MOTORS	1,275	1,524	1,312	4,647	9,033	12,831
Tempo	3,204	3,843	3,211	11,760	29,353	32,651
Topaz	1,692	1,851	1,697	6,154	11,393	12,107
Crown Victoria	2,554	2,841	2,264	8,980	20,975	22,527
Grand Marquis	3,206	2,858	2,835	10,797	22,605	21,884
FORD MOTOR CO.	10,656	11,393	10,007	37,692	84,326	89,169
Celebrity	196	0	210	727	1,586	3,020
Cutlass Ciera	3,720	1,946	4,083	13,784	30,185	30,571
Lumina	1,191	0	607	2,626	3,245	0
Pontiac 6000	0	874	0	0	0	8,180
Regal	3,399	3,235	2,315	10,085	14,467	25,952
GENERAL MOTORS	8,506	6,055	7,215	27,222	49,483	67,723
Civic	1,650	666	1,740	6,187	12,630	4,817
Accord	0	0	0	0	0	0
HONDA	1,650	666	1,740	6,187	12,630	4,817
VOLVO	144	135	180	612	1,349	826
Total Cars, Canada	22,231	19,773	20,454	76,359	156,821	175,366

U.S. TRUCK☆	Week Ended Feb. 25, 1989	Week Ended Feb. 27, 1988	Week Ended Feb. 18, 1989	Feb. to Date	Jan. 1 to Feb. 25, 1989	Jan. 1 to Feb. 27, 1988
Caravan	2,300	1,822	2,563	8,415	18,235	15,832
Dakota	2,200	2,788	2,242	8,061	17,135	17,105
Mini-Ram Van	200	310	218	732	1,626	2,514
Pickups	2,200	1,342	2,247	8,056	17,115	8,394
Total Dodge	6,900	6,262	7,270	25,265	54,111	43,845
Cherokee	4,200	3,807	5,243	17,136	34,891	29,129
Commanche	700	1,055	852	2,866	5,890	8,067
Grand Wagoneer	300	0	350	1,210	2,665	2,094
Wagoneer	100	280	205	648	1,503	2,198
Total Jeep	5,300	5,142	6,650	21,860	44,949	41,488
Voyager	2,200	1,828	2,403	8,030	17,839	14,544
Total Plymouth	2,200	1,828	2,403	8,030	17,839	14,544
CHRYSLER MOTORS	14,400	13,232	16,323	55,155	116,899	99,877
Aerostar	4,956	4,470	4,838	17,785	37,996	37,089
Bronco	1,841	1,276	2,118	6,954	15,362	10,052
Bronco II	2,901	2,987	3,274	10,931	22,620	24,652
Econoline	5,252	5,139	5,216	18,813	40,345	40,742
Heavy trucks	1,451	1,335	1,483	5,116	10,617	10,584
Light trucks	11,360	10,275	11,615	41,384	89,567	79,277
Ranger	7,671	7,172	8,448	28,962	59,606	58,516
Total Ford Div.	35,432	32,654	36,992	129,945	276,113	260,912
FORD MOTOR CO.	35,432	32,654	36,992	129,945	276,113	260,912
Astro	3,255	3,778	4,190	12,966	27,462	26,394
Blazer	511	453	583	2,011	4,475	4,431
Mediums/Heavies	0	299	0	0	0	4,632
P-Model	642	929	715	2,421	4,044	7,591
Pickups	8,985	7,006	8,949	34,371	74,104	47,961
S-10	5,756	6,550	5,870	22,237	47,842	41,617
S-10 Blazer	3,678	3,511	3,864	13,465	29,913	22,027
Sportsvan/Van	2,360	1,374	2,112	7,777	14,241	10,670
Suburban	1,437	1,250	1,738	5,810	12,575	11,435
Total Chevrolet	26,624	25,150	28,021	101,059	214,656	178,758
Jimmy	147	188	243	675	1,411	1,371
Mediums/Heavies	0	972	0	0	0	7,273
P-Model	135	88	143	498	711	607
Pickups	2,691	1,836	2,703	9,404	22,245	17,290
S-15	1,502	713	1,435	5,136	10,970	12,356
S-15 Jimmy	1,001	848	839	4,038	8,369	5,989
Safari	671	949	1,036	3,222	6,852	7,309
Suburban	488	674	729	2,176	4,998	6,009
Vandura/Rally Vans	553	999	555	1,950	3,944	7,657
Total GMC	7,188	7,267	7,683	27,100	59,500	65,861
GENERAL MOTORS	33,812	32,417	35,704	128,159	274,156	244,619
NAVISTAR	1,863	1,728	1,828	6,598	13,428	14,304
NISSAN	2,770	3,264	2,768	9,917	21,726	25,955
AM GENERAL	450	450	450	1,620	3,510	3,600
MISCELLANEOUS	2,300	2,300	2,300	8,280	17,940	18,400
Total Trucks, U.S.	91,027	86,045	96,365	339,674	723,772	667,667

CANADIAN TRUCK	Week Ended Feb. 25, 1989	Week Ended Feb. 27, 1988	Week Ended Feb. 18, 1989	Feb. to Date	Jan. 1 to Feb. 25, 1989	Jan. 1 to Feb. 27, 1988
Caravan	3,084	3,086	3,208	11,407	25,329	24,292
Mini-Ram Van	210	271	206	748	1,618	1,796
Ram Wagon	690	576	687	2,473	5,345	3,297
Ram Van	1,660	1,358	1,718	6,188	13,558	8,154
Total Dodge	5,644	5,291	5,819	20,817	45,850	37,539
Voyager	2,850	3,013	2,868	10,262	21,745	22,859
Total Plymouth	2,850	3,013	2,868	10,262	21,745	22,859
Wrangler	1,700	1,087	1,836	6,297	11,425	7,902
Total Jeep	1,700	1,087	1,836	6,297	11,425	7,902
CHRYSLER MOTORS	10,194	9,391	10,523	37,376	79,020	68,300
FORD MTR. (lt. trks.)	3,648	3,654	3,553	12,665	27,278	28,498
Light trucks	3,547	3,045	3,858	12,759	27,219	25,280
Vans	1,540	1,411	1,453	5,379	11,543	10,136
Total Chevrolet	5,087	4,456	5,311	18,137	38,762	35,416
Light trucks	1,613	1,915	1,933	6,525	12,848	11,323
Vans	605	488	683	2,478	5,076	4,622
Total GMC	2,218	2,403	2,616	9,004	17,924	15,945
GENERAL MOTORS	7,305	6,859	7,927	27,141	56,686	51,361
NAVISTAR	270	227	273	706	1,848	1,753
Total Trks., Canada	21,417	20,131	22,276	77,888	164,832	14[illegible],912
U.S., Canada Trks.	112,444	106,176	118,641	417,563	888,604	817,579

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Ad firms await new GM slash

Spiffs may ease commission cut

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Advertising agencies that create and handle General Motors' $1 billion account will face a reckoning in 1989 as their client lowers the boom on commissions and forces them to find new ways to boost efficiency.

In the 1990 model year, GM will begin what is thought to be its final series of reductions of the commissions it pays to advertising agencies. Smaller GM accounts will live with commissions ranging from 10 to 12 percent, while commissions on large GM accounts — such as the $375 million Chevrolet account — will drop from about 10 percent to 9 percent.

GM shook up its agencies in 1985 when it said it would reduce commissions to cut costs. Reductions were phased over five years.

The new rates are a long way from the once-standard 15 percent commissions at GM agencies, but they fall within the ad industry's range of 8 to 15 percent.

As the agencies prepare for a lean 1990, GM and top agency executives have been discussing a new reward system that would pay incentives for effective, top-quality work. GM's Saturn unit is experimenting with a "risk-reward system" tying agency compensation to the success of the franchise.

Philip Guarascio — whose mission since joining GM in 1985 as executive director of advertising and strategic merchandising has been to get the most from GM's ad budget — is now focusing on ways to financially reward GM agencies that do good work. Guarascio has discussed such incentives with several top GM agency executives and other advertisers, but no plans have been made to institute them.

Guarascio

"I'm convinced that in the course of three to five years, we will continue to see major changes in the client/agency relationship and remuneration," said Guarascio.

"One aspect of that is to create reward systems and compensation programs."

He said the bonus would likely be based on the most important role an agency fills for GM — the creation of advertising. Car sales

see AGENCIES, page 51

One of SAE's stars

AUTOMOTIVE NEWS/JOE WILSSENS

One of the highlights of the SAE International Congress and Exposition was this Mercury Sable convertible, a concept car prepared by C&C (Cars & Concepts), Brighton, Mich. Plastics and electronics took center stage at the week-long event in Detroit, which attracted exhibitors from China, Australia, Italy and other nations. More than 39,100 engineers, designers and suppliers from throughout the world attended. **Story on Page 53.**

Production plans trimmed

But Greenwald, analysts expect incentives to stay

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Although U.S. automakers trimmed their second-quarter production schedules slightly from 1988 levels, some analysts believe the schedules are still too hefty and that the makers will therefore maintain incentives for months to come.

Automakers plan to build 2.02 million cars in the second quarter, down a hair from the 2.03 million assembled in the same three-month span of 1988.

Meanwhile, the domestic makers trimmed their first-quarter schedules slightly, compared to initial plans. The industry now plans to build 1.93 million cars this quarter, compared to 1.94 million initially scheduled (Automotive News, Nov. 21).

The revised first-quarter schedule calls for 13.47 percent more cars to be built than the 1.70 million assembled in the first quarter of 1988.

Michael Luckey of Luckey Consulting Group, Cresskill, N.J., predicted that extended and sweetened incentives will be needed in the second quarter to keep inventories in line with sales. Moderate production cuts may also help trim the schedules, especially at General Motors, "but I don't expect the cuts will be that big," he added.

Gerald Greenwald, Chrysler Corp. vice-chairman, predicted last week that incentives will continue through April.

see FORECAST, page 54

Chrysler redirects LH project

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

Chrysler Motors has redirected development of its car platform for the 1990s to permit adaptation to front-wheel-drive or rear-wheel-drive vehicles.

The LH platform, under development since 1987, is Chrysler's first car platform to be developed since the K-car platform debuted in 1980. The new platform will be used on Chrysler's mid-size and full-size cars throughout the 1990s. Sedan, coupe and luxury versions are planned.

Under consideration is configuring the LH platform to permit a longitudinal engine mounting adaptable to fwd, rwd and all-wheel-drive models, sources said. Chrysler previously was considering using a transverse-engine configuration that would preclude a rwd version.

A longitudinal mounting would permit Chrysler to re-enter the rwd car market from which it withdrew at the end of 1988.

The Eagle Premier, which has a longitudinal placement, is being used as "a guiding light" as Chrysler investigates the new platform configuration, according to a company source.

One study proposes use of the Premier front suspension but calls for an altered rear suspension due to noise, vibration and harshness factors, the source said.

Extensive use of Renault componentry has been ruled out by company executives, however. The Premier was developed by American Motors — which Chrysler acquired in 1987 — and uses Renault componentry and powerplants, which are costly at current exchange rates.

Chrysler is redirecting LH platform development because the company's management determined it was "too big, too heavy, too long, too costly and lacked personality," according to a company source. "It was not a big enough change from what we have today."

Said the source familiar with the program: "The biggest problem was it had no personality and was noth-

see CHRYSLER, page 54

DEALERS UP

Total rises 167 during 1988; census counts 25,105 outlets

By Edward Lapham and John K. Teahen Jr.
AUTOMOTIVE NEWS STAFF REPORTERS

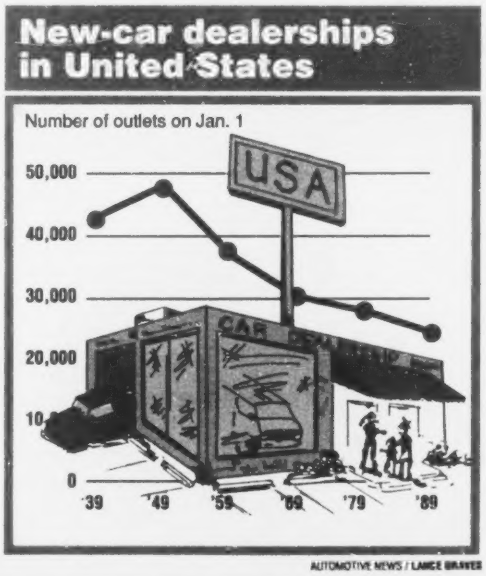
The number of dealerships selling new cars in the United States rose during 1988, although the number of dealerships selling imported cars declined.

The annual Automotive News dealership census found that on Jan. 1, there were 25,105 dealerships selling new cars, a gain of 167 outlets, or 0.67 percent, over the 24,938 dealerships selling new cars on Jan. 1, 1988.

On Jan. 1, there were 22,060 dealerships selling imported cars, compared with 23,436 one year earlier.

The decline in the number of dealerships selling imported vehicles was the result of a reduced number of Chevrolet dealers with captive imports — not all of them opted for the Geo franchise — plus elimination of the Renault-built Medallion as a captive import for the Eagle franchise. Medallion is no longer imported.

see CENSUS, page 57



AUTOMOTIVE NEWS / LANCE GRAVES

FTC requires Detroit dealers to stay open

By Helen Kahn
SENIOR CORRESPONDENT

WASHINGTON — The Detroit Auto Dealers Association will appeal a Federal Trade Commission order requiring 53 dealerships to expand showroom hours. The order reverses an administrative law judge's ruling that Saturday closings did not violate antitrust laws.

The commission said dealers must stay open a minimum of 64 hours per week for at least a year.

They have 60 days to appeal the order, otherwise it goes into effect.

For the last 14 years, most Detroit-area dealerships have been closed on Saturdays, as well as Tuesday, Wednesday and Friday evenings. It is the only U.S. metropolitan area where most dealers

see FTC, page 57

NEWSPAPER

INSIDE:

Banks skirt loan woes that hurt captive firms Page 2

GM to merge 5 parts units into 2 Page 3

Incentives extended; more due this week Page 6

Profits rise for Europeans that don't rely on U.S.

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Profits of Europe's once high-flying luxury-car makers dipped in 1988 while volume manufacturers soared to new heights.

And the figures made it clear that the less European carmakers had to do with the United States in 1988, the better off their bottom lines looked.

A soft U.S. luxury-car market undercut the profits of most of the competitors in that segment. Group profits at Daimler-Benz, Porsche, Jaguar and Saab fell in 1988. Last week, Saab-Scania reported its first pre-tax profit decline in 10 years.

Even thriving truck operations at Daimler, Volvo and Saab-Scania couldn't compensate entirely for car division setbacks at those companies. Only BMW saw profits rise.

However, profits at Europe's full-range producers are booming. Together, General Motors and Ford earned $3.37 billion in Europe last year. Peugeot S.A. said it exceeded the 7.5 billion franc ($1.21 billion) profit analysts had forecast. Fiat said group profits rose 23 percent last year.

Volkswagen AG said earnings improved in 1988, but results have been held down by overseas operations.

"We expect 1989 to be another good year for the volume manufacturers because the market is so strong and they sell most of their cars in Europe," said Sanjay Dabysing of DRI-Europe. "But the specialists are affected by the situation in the U.S."

New-car sales in Europe are expected to fall slightly in 1989, perhaps 3 to 4 percent, though the market has shown surprising strength.

But even if demand remains strong, there is concern about rising costs in Europe. Inflation and interest rates have edged upward, and there are signs of more aggressive discounting in some markets.

"What is important is the reaction of manufacturers to the slowdown," said Dabysing. "The volume manufacturers should continue to increase profits so long as there is no price war."

But there have been some ominous rumblings about the future. An internal European Commission study late last year said volume makers are threatened by an inability to match Japanese productivity and quality, have high levels of debt compared to Japanese and U.S. competitors and lack a non-European sales bases.

While volume manufacturers grapple with those problems, the specialists exporting to the United States still have an uphill battle to stabilize earnings in the weak dollar era.

"It increasingly appears that Jaguar, Mercedes-Benz, BMW and Porsche are competing in a market sector that is no longer swollen annually by converts from existing U.S.-built luxury cars," according to a report issued last week by the Economist Intelligence Unit in Britain.

A roundup of earnings by major European manufacturers follows:

BMW: Earnings rose in 1988 on the strength of an announced 26 percent increase in revenue to a record 24.5 billion marks ($13.2 billion). That was the company's fastest rate of growth since the mid-1970s.

However, analysts believe lower volume in the United States and the cost of bringing out the new 5 series may have stunted last year's earnings growth, though many analysts expect a surge in 1989.

Evaluating BMW's worldwide performance is tricky since the company announces only parent company results.

DAIMLER-BENZ: The company has confirmed that group net profits fell slightly in 1988 despite a sharp rise in truck sales. Last year was the second straight year of stagnant results at Daimler, where 1987 earnings of 1.8 billion marks ($989 million) were up only 0.8

see PROFITS, page 56

Banks skirt car-loan woe

Tighter checks helped avoid captive firms' ills

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

In contrast to the financial subsidiaries of Ford Motor Co. and General Motors, the banks that finance auto loans are not having a problem with bad debt.

Preliminary results of a survey conducted by the Consumer Bankers Association also reveals that banks experienced significant growth in leasing last year.

The average bank is doing six times more retail loans through dealerships than directly to customers, according to Timothy Hinkin, assistant professor of management at the University of Virginia, who conducted the survey for the association.

"But a lot of business is going somewhere else," to the automakers' captive finance companies or to competing banks that are not financing the dealer's floorplan, Hinkin said.

About 200 banks responded to the survey, but their responses have not all been tabulated, Hinkin said. Final results of the survey will be out in April.

The Consumer Bankers Association is meeting in Tampa, Fla., this week for its annual Automobile Finance Conference.

Both Ford Credit and General Motors Acceptance Corp. reported lower earnings last year because of high loan losses.

But for retail banks, savings and loans and credit unions, "it appears as if past-due accounts as a percent of total accounts have been reduced slightly from the previous year," said Hinkin.

Hinkin believes the banks had a different experience from the captive finance arms because the finance companies "were very aggressive in lending to first-time buyers with very little money down, so they had more customers who may not be as creditworthy. That strategy may be backfiring."

Hinkin said he learned through contact with dealers that low interest rates stimulated so much business that the captive finance companies were swamped with applications. To process them expediently, "in evaluating them they erred on the side of leniency," Hinkin said.

The average maximum maturity of a new-car loan from a consumer bank was 64 months in 1988, up from 56 months in 1987. Banks are offering financing for up to 10 years on new car loans, with longer terms for foreign models, Hinkin said.

Direct loans to customers averaged about $8,000; loans through dealerships averaged $11,000. Hinkin said he didn't want to speculate on the reasons for the spread since the figures are preliminary.

Because the leasing business is so different from the lending business, "it seems two markets are developing," with leasing directed at the more affluent consumer, he said.

A greater percentage of lease applications were approved than loan applications last year. About 70 percent of the reporting banks involved in leasing activity said they experienced an increase in leasing last year, Hinkin said.

One reason is that tax reform has done away with the writeoff of interest expense, Hinkin said. Leasing is also attractive because it can result in a lower monthly payment, and the customer doesn't have to be concerned with disposing of the automobile, he said.

But banks are not taking advantage of opportunities to strengthen their relationships with dealers, according to Hinkin.

"The banks that are going to do well in the future are going to have to look more closely at relationships with dealerships," Hinkin said.

For instance, "a very small percentage of the banks are moving to automate their relationship with dealers" and most are therefore not taking advantage of an important marketing tool, said Hinkin.

Computers that connect dealers to the

See BANKS, page 54

BANKERS' 1988 PROFILE

Average Car Loan	
Downpayment	
New	$ 1,450
Used	$ 1,690
Loan term	
New	54 months
Used	40 months
Loan amount	
Direct to customer	$ 7,811
To customer through dealer	$10,901
Average Car Lease	
Contract average	$13,573
Residual value	$ 5,592
Capital cost	$16,919
Average Floorplanning	
Days	79
Unit average	$10,532

Preliminary results of Consumer Bankers Association survey conducted by Center for Financial Services Studies, McIntire School of Commerce, University of Virginia.

2nd Honda plant prepares to build new car in 1991

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

MARYSVILLE, Ohio — When Honda America Manufacturing opens its second car plant in nearby East Liberty later this year, it will mean more than additional volume. It may signal the beginning of a broader range of Honda products built in the United States.

However, a decision on which model to add is still months away.

Honda's new East Liberty plant will start production in August and will spend an entire year building four-door Civics, similar to models produced at the present Marysville plant.

But company officials say a changeover will occur after a year, and the new facility is capable of producing any vehicle in the Honda lineup. Among the possible candidates for U.S. production are Prelude and one of the two Acura models, the Integra or the Legend.

U.S. sales of the Prelude fell from 79,841 in 1986 to 52,541 last year. Integra sales rose about 5 percent last year to 57,468, while Legend sales climbed about 29 percent to 70,770.

Both the Accord and the Acura Integra are slated to be revamped this fall.

With a production capacity of 150,000 units a year, the new Ohio plant will offer the company considerable flexibility.

Al Seitter, senior staff engineer for the $380 million new facility, said the East Liberty operation is more concerned now with successfully launching Civic production this year than with what will follow. But he added that a new model will replace the Civic after about 12 months.

He indicated Honda will make the decision on a new U.S. vehicle within a few months of this summer's production start-up.

It will take the plant about nine months to tool up for any model Honda makes, except the Acura Legend. That vehicle would take another three months to tool up, he said.

Seitter said the Legend requires a unique procedure in body painting that would mean either adding a paint booth to the East Liberty line or running the cars through twice.

Should company decision-makers in Japan decide to produce the Legend here, either paint shop option would be feasible, since Legend volume is still low enough to allow a double run-through, he noted.

Seitter said some East Liberty engineers are lobbying for Ohio production of the newly revealed Acura sports car, code-named NS-X, although he said such a decision was remote. The car is expected to sell in the $50,000-$60,000 range and go into production in mid-1990. Plans call for a run of 5,000 units a year, of which 3,000 will be marketed in the United States.

Honda leads its chief Japanese competitors, Nissan and Toyota, in the number of models it builds in North America, as well as in total U.S. production volume.

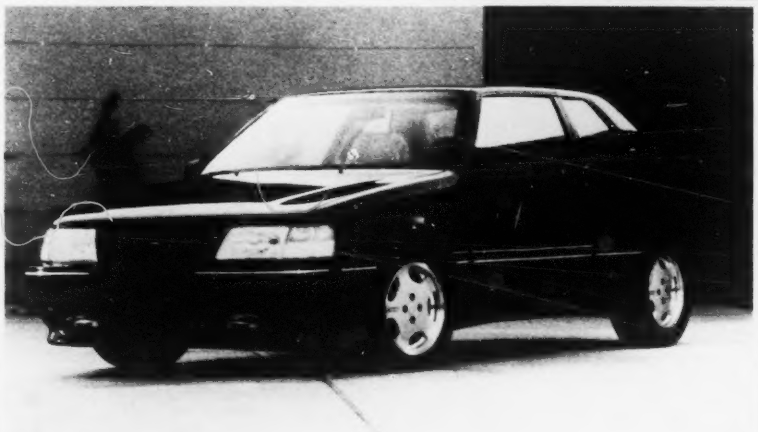
The seven-year-old Marysville plant produces 360,000 cars a year divided among Civic four-door sedans, Accord four-door sedans and Accord coupes. The company is also building 50,000 Civic hatchbacks a year in Alliston, Ontario, for the U.S. and Canadian markets.

Automotive News promotes Flax

Arthur Flax has been promoted to Washington bureau chief for Automotive News. He most recently was engineering and service editor and, before that, assistant truck editor. Flax joined Automotive News in 1984 from Transport Topics, a trucking industry publication based in the nation's capital.

Flax

He is a Washington native and a graduate of the University of Maryland, where he studied journalism and mechanical engineering.



Saab 9000 two-door

A two-door version of the Saab 9000-CD four-door notchback was scheduled to be unveiled at the Geneva auto show by ASC Inc. of Southgate, Mich. The conversion includes a front air dam with driving lamps and a rear deck spoiler. The car's suspension has been modified.

10-day results erratic

How accurate is sales data?

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

The last three months of 10-day sales reports on domestic cars have been so irregular that some analysts have been questioning their usefulness in tracking the auto market.

"I'm chagrined at the erratic pattern over the last months. There have been substantial reporting aberrations. It's mind-boggling when there are 80,000 more cars sold in the final 10 days of a month," said Michael Luckey of Luckey Consulting Group, Cresskill, N.J.

"The phones rang off the hook here a month ago," said a U.S. Department of Commerce representative who tracks retail-car unit and dollar sales. "There's some reason for a discrepancy, and we wondered if it were unique."

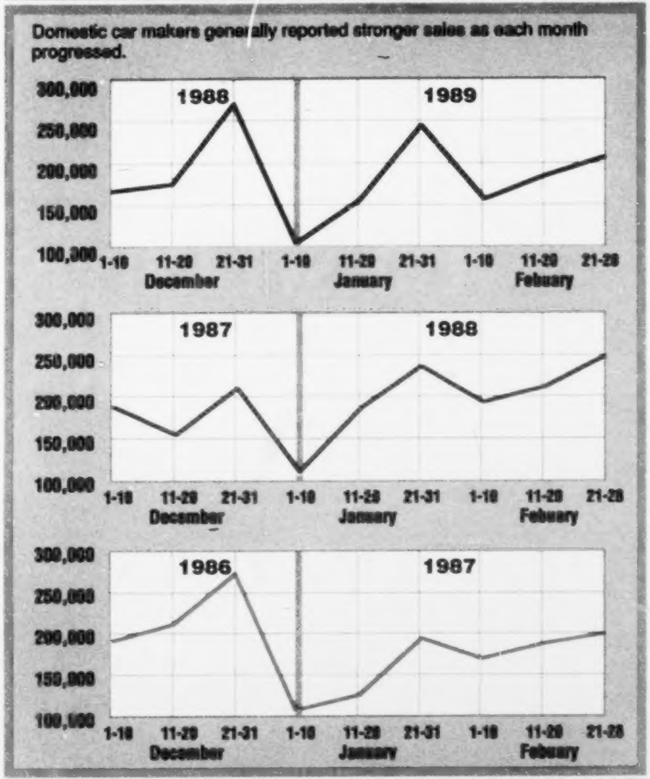
Ten-day reports give analysts, economists and marketers a chance to quickly analyze data, although many question its reliability. Originally, the 10-day numbers were supposed to be an informational tool. But over the years, "the informational tool by accident got a slight marketing push to it," said L. Ray Windecker, research and analysis manager for Ford Motor Co.

He pointed out there's something called "10-day tempo," in which low sales in the first period of a month encourage those in the industry to increase their efforts as the month progresses. That's why it's "virtually unheard of for a final period to have a lower sales figure than the first one or two periods," Windecker said.

Although there is a great retail sales push at the end of every calendar year, the final 10-day period of December 1988 particularly concerned analysts.

Early-December car sales declined 39,008 units from the final period of November. Both periods had eight selling days. Mid-month domestic-car deliveries rose by 8,208 units.

10-day sales fluctuate wildly



Domestic car makers generally reported stronger sales as each month progressed.

AUTOMOTIVE NEWS / K.B. GHOLSTON

Domestic sales dive 15% for February

Sales of new cars built in the United States slipped 15.49 percent in the final 10 days of February and were down 14.95 percent for the full month.

Retail deliveries for Feb. 21-28 were 208,521 units compared with 246,742 units a year earlier.

February sales this year totaled 552,042 units compared with 649,059 a year earlier.

The February sales decline followed a 4.04 dip in January.

For the month, Chrysler sales fell 29.72 percent, to 69,452 from 98,819 last year. General Motors was down 20.44 percent, to 264,089 from 331,917; and Ford Motor Co. was off 6.17 percent, to 165,962 from 176,878.

Toyota had a sales gain of 243.59 percent on sales of 11,390 units against 3,315 last year. Nissan dealers delivered 90.66 percent more units as sales rose to 9,005 from 4,723. Honda reported a gain of 1.17 percent, 27,926 vs. 27,604. Mazda, with 2,978, was up 63.09 percent over 1,826 in 1988.

Newcomer Mitsubishi sold 1,240 U.S.-built cars in February.

The final December period — Dec. 21-31 — surged ahead of the mid-month period by 96,400 units. There was one extra selling day in the final period. December's final 10-day sales were 30 percent above the same period in 1987. Both of those periods had nine selling days.

"The December (1988) bulge happened because there were some new sales incentives during the month, and a lot of dealers took advantage of the final period. It was really window dressing by the companies," said David Healy, analyst for Drexel, Burnham Lambert, New York.

Ronald Glantz, analyst with Montgomery Securities, San Francisco, suggested a number of reasons for recent 10-day results.

"There was a major push into

see SALES, page 56

GM ready to merge 5 parts units into 2

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors will announce this week that it will consolidate more of its components divisions.

The Inland and Fisher Guide divisions will be merged into one division. The Delco Moraine, New Departure Hyatt and Saginaw divisions will be grouped in a single division.

GM officials won't confirm that the announcement will be made this week. However, they said a study of the operations of Inland and Fisher Guide divisions has been under way since September 1988. A study of the Delco Moraine, New Departure Hyatt and Saginaw divisions began late last year.

Inland Division makes seating parts, interior trim, brake components, MacPherson strut mounting components and engine and transmission mounts. Fisher Guide makes lighting products, bumper and door systems and exterior trim.

Delco Moraine produces automatic transmission parts and brake components, including anti-lock brake systems. New Departure Hyatt builds wheel bearing systems, bearings, forgings and clutches. Saginaw Division produces components for steering systems, anti-theft devices, axles and brake parts.

The restructuring is not expected to result in plant closings or employee layoffs. Instead, the mergers are designed to group similar operations so that two divisions don't work on the same type of product in competition with each other.

The latest mergers are patterned after last September's consolidation of the AC Spark Plug and Rochester Products divisions into the AC Rochester Division.

Jan E. Tannehill, general manager of the AC Rochester Division, said at last week's SAE International Congress and Exposition that the merger of those two divisions did not result in plant closings or layoffs.

"We're still in the process of sorting out what our resources really are, what we need to do the job and what resources need to be re-allocated," Tannehill said, adding the process will take two to three years.

Tannehill said AC Rochester salaried workers are likely to be affected more than hourly workers because there are more redundancies between divisions in engineering.

"In some cases, we're realigning," Tannehill said. "In some cases, we're eliminating."

For example, both divisions before the merger were working on a drive-by-wire system — an electronic rather than a mechanical steering system. When the system was ready for production, both divisions would have competed in selling it. Now, drive-by-wire development has been consolidated into one area.

GM's strategy for its automotive components group, the umbrella organization for the parts divisions, is to group similar operations into strategic business units within the divisions so that they can work together on entire systems of vehicles, Tannehill said. In the past, groups within the components divisions worked on individual components that eventually went into a subsystem.

Under the new strategy, a number of divisions may work on a system. One division becomes the lead division, responsible for the total system. Its responsibilities include working with suppliers, engineering the product, pricing it and delivering it.

"It's a single point of contact with the customer so he's not dealing with several GM divisions," Tannehill said.

GM has been grappling with what to do with its components operations for several years.

In 1986, it launched what has come to be known as the "red light, green light, yellow light" study.

That study looked at every product made by GM's components operations. Money-making operations with world-class quality received a green-light designation. Yellow-light operations were borderline and were given an opportunity to become profitable. Unprofitable operations got the red light. GM said at the time the red-light operations, which represented 10 percent of its components operations based on sales, were unlikely

see GM, page 6

Auto industry skittish as interest rates climb

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

The highest interest rates in more than four years have sparked new worries about how the auto industry will fare in 1989.

Last month's back-to-back hikes in the prime rate — which increased from 10.5 to 11.5 percent in two weeks — have prompted economists to take a second look at their projections. There is fresh concern over whether the Federal Reserve Board will have to pursue an even tighter control of the money supply to reign in inflation.

The higher rates fueled predictions that automakers will have to rely increasingly on incentives, including discount financing programs, to keep sales moving. They gave every indication of that last week. On Thursday, Ford Motor Co. extended its incentive program for two more months, as did Chevrolet and Oldsmobile. Other GM divisions are expected to follow suit this week.

The programs could crunch the bottom lines at the automakers' financing arms, as they did last year. Both Ford Motor Credit Co. and General Motor Acceptance Corp. saw earnings decline in the 17-18 percent range last year. The falloff was attributed to narrower interest margins — the spread between what a credit arm pays for money and what it charges for loans — and high loan losses.

The prime rate climbed from 8.5 percent in February 1988 to 10.5 percent at year-end 1988.

Even before the current round of interest rate increases, analysts had predicted that automakers would rely heavily on incentive programs this year.

Second-quarter production schedules also reflected a sober outlook. After increasing first-quarter output by a projected 13 percent above year-ago levels, U.S. car builders, including transplants, are now holding flat with second-quarter plans. General Motors is scheduled to trim its output by 3.5 percent, and Chrysler by 13.7 percent (related story on Page 1).

At the retail level, meanwhile, dealers are viewing rising rates as another ominous sign in a year that is already shaping up as a challenge. At the very least, higher costs of borrowing are expected to put a chill into consumer confidence.

"I know there are some people who are quite alarmed," said Donald Hilty, Chrysler Corp. economist. "And I don't think there are any who say, 'Don't worry.' "

The consensus among analysts and economists surveyed by Automotive News before the start of the year was that interest rates would rise slightly during the first half of the year. It was believed that that would be enough to slow down the economy and cut the threat of inflation. The Fed would then ease up on the money supply and interest rates would fall again.

But when consumer price increases were tallied at a higher-than-expected annual rate of 7.2 percent in January, the Fed responded by raising the rate it charges to banks. Banks then hiked the prime.

Rates have "had to go a little higher than we thought," said George Eads, GM economist.

see RATES, page 56

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For snowmobilers
Waldoch Crafts, Forest Lake, Minn., created this Trailer Seeker van conversion for Arctic Cat enthusiasts who like snowmobiling. Waldoch worked with Arco, Arctic Cat's parent, to develop the theme. Its other theme conversions include the Elway Edition developed with Denver Broncos quarterback John Elway. Its packages are available on General Motors and Ford chassis.

V-8 free on big GM van chassis

Converter incentive seeks to boost sales of 3-speed automatics

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

General Motors introduced van-conversion incentives on full-sized van chassis equipped with three-speed automatic transmissions.

It also made new vans eligible for its upfitter package and for equipment discounts pertaining to that package.

Both programs took effect Feb. 16 and run through the the 1989 model year.

To promote sales of its three-speed automatics, Chevrolet and GMC are offering converters at no extra charge the normally optional 5-liter (305-cid) V-8 in full-sized chassis ordered with the three-speed automatics. The option usually retails for $555.

The offer applies to Chevy G-10 and G-20 vans and GMC G-1500 and G-2500 Vanduras.

Those vans have a standard 4.3-liter (262-cid) V-8 and a choice of a manual or three-speed automatic transmission.

GM has been promoting the three-speed automatic because of a shortage of four-speed automatic overdrive transmissions. Earlier this winter, Chevrolet and GMC required converters to order a percentage of their vans with the 5-liter/three-speed automatic combination if they wanted to get others with the 5.7-liter (350-cid) V-8/four-speed automatic package.

The new incentive makes it much more attractive for converters to do so.

GM doesn't offer the 5.7-liter V-8 with the three-speed automatic on vehicles below 8,500 pounds GVW because of corporate average fuel economy requirements. The Chevrolet G-10 and G-20 and GMC G-1500 and G-2500 models all fall into that low-weight category.

Chevrolet and GMC also released the converter package for their short-wheelbase three-quarter-ton G-20 and G-2500, respectively. The package still is not available in the short-wheelbase G-10 and G-1500 series, according to Jim Greene, Chevrolet manager of special vehicles. It is available on all other G-10/20 and G-1500/ 2500 van chassis.

Part of GM's rationale in extending the discount conversion package to the short-wheelbase model is to move more buyers into the full-sized G van. The new discount package makes the short-wheelbase models very price competitive with compact Chevrolet Astro/ GMC Safari conversions, which do not offer conversion incentives.

GM's compact vans have been in relatively tight supply.

Officials feel that a competitively priced full-sized conversion, with exterior dimensions close to those of the minivan, will swing marginal minivan prospects to the full-sized models.

The short-wheelbase G-van is a natural for the 5-liter V-8/three-speed automatic transmission combination, according to converters in the Elkhart, Ind., area.

GM's converter discount package, which has been in effect since the beginning of the model year, provides converters with $904 in discounts on a retail package of $2,600 worth of the most popular van-conversion options.

Some converters feel that the new programs will have a bigger impact on GMC than Chevrolet dealers because of the generally tighter supply of GMC conversion units.

The converter incentives are likely to be passed on to consumers since GM, unlike competitors, puts window price stickers and special package discounts on all its trucks. Ford and Dodge do so only in the handful of states that require the window stickers.

Except in states where it's illegal, GM dealers still have the option of removing the price labels. However, GM officials have been encouraging dealers to keep them to help consumers in price comparisons and shopping decisions.

Prime rate a threat to converter boom

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Wholesale shipments of van conversions reached a record high in calendar 1988, but recent increases in the prime lending rate are creating some concern in the industry.

With van converters shipping 17,000 units to dealers in December, the industry ended up with a 12-month total of 204,200 conversion shipments last year, according to the Recreation Vehicle Industry Association. That was up 12.26 percent from the previous record of 181,900 in 1987.

RV manufacturers wholesaled 427,300 units last year, 6.77 percent more than the 400,200 wholesaled in 1987. It was the best yearly total since 1978 when the industry shipped 526,300 units.

According to some converters, like Larry Laguardia, vice president and general manager of Aviator Conversions in Elkhart, Ind., "the seasonal upswing is now starting, and the spring market looks real strong."

However, the van conversion market is very fickle, and there is clearly some concern emerging about the impact of the rising interest rates. In the van conversion industry as in the auto industry, the higher the price, the more important the prime rate.

Aside from the prime rate, converters will have to contend with dealer inventory problems.

A number of dealers, particularly General Motors dealers, currently have high inventories of all products — not just van conversions. That makes them more selective about where they put their inventory dollars.

It will create a much more competitive situation for converters, who will find it more difficult to buy space on dealers' already overcrowded "shelves."

However, if the auto industry launches a particularly heavy blitz of new incentives — as it reportedly may do — the whole inventory issue could become moot.

Meanwhile, shipments of van chassis with the seat-delete option by Detroit manufacturers to converters — presaging future conversion activity — dropped off in December from the year-earlier period.

Detroit firms shipped 7,200 raw chassis to converters in December, down sharply from 12,000 a year earlier.

Compact chassis shipments made up 2,400 of December's total, down from 3,300 a year earlier, and full-sized chassis comprised 4,800 of the total, down from 8,700 a year earlier.

For 12 months of 1988, van manufacturers shipped a record 224,600 van chassis to converters, up from the previous high of 212,500 in 1987.

Recreational Vehicle Wholesale Deliveries

	December 1988	December 1987	% change	12 mos. 1988	12 mos. 1987	% change
Travel trailers	3,000	3,000	− 0.0	58,300	59,100	− 1.4
Park Trailers	700	500	+40.0	7,300	6,600	+10.6
Travel trailers—fifth wheel	2,100	2,000	+ 5.0	31,300	27,100	+15.5
Folding camping trailers	3,700	3,800	− 2.6	42,300	41,600	+ 1.7
Truck campers	600	500	+20.0	11,000	10,100	+ 8.9
Towable RV total	10,100	9,800	+ 3.1	150,200	144,500	+ 3.9
Conventional (type A)	2,600	2,700	− 3.7	41,500	40,800	+ 1.7
Van Campers (type B)	400	300	+33.3	5,200	6,600	−21.2
Chopped vans (all)	1,700	1,400	+21.4	26,200	26,400	− 0.8
Motor home total	4,700	4,400	+ 6.8	72,900	73,800	− 1.2
Van conversions	17,000	12,800	+32.8	204,200	181,900	+12.3
TOTAL ALL RVs	31,800	27,000	+17.8	427,300	400,200	+ 6.8

Source: Recreation Vehicle Industry Association.

Conversion leaders expect strong market throughout '89

RV TRENDS

JOSEPH BOHN

Leaders in the van conversion market got off to a strong start this year, and they see a good market for the balance of 1989.

Among those firms are Mark III Industries of Ocala, Fla.; Starcraft Corp., Goshen, Ind.; and Glaval, Elkhart, Ind.

Mark III still has its sights set on volume of 800 to 1,000 units a week. It is currently churning out 600 conversions a week, according to Thad Boyd III, chief executive officer.

Boyd said the company is adding 200 people to its payroll and is expanding plant capacity during the next 90 days to accommodate up to 1,000 conversion units a week.

"Hopefully, we'll go to 800 to 1,000 units a week over the next six months," Boyd said.

Mark III has been a fast tracker, going from [illegible],000 sales in 1986 to 16,600 in 1987 and 22,500 last year. It now has more than 75,000 vans in the field, Boyd said.

Its growth is more remarkable since it doesn't have a Ford pool account. It is the No. 1 account with both Chevrolet and Dodge, doing about 70-80 percent of its business in Chevrolet chassis and the balance in Dodge and Ford, according to Boyd.

He rebutted the notion that his company uses dealer incentives, such as free floorplanning, to increase its market share. He said the firm relies on its low price — $2,995 for a full-sized conversion, including delivery — and quality to spark its growth.

Mark III is a closely held family business.

Starcraft, which has countered Mark III with its own $3,000 conversion package, has seen its deliveries increase 44 percent for the first five months of the 1989 model year, according to Ronald Chevalier, vice president of sales and marketing.

Starcraft closed February with a 58 percent increase in wholesale sales more than a year ago and is currently producing 410 units a week.

Chevalier characterized the year as a "big up for us," though he expressed some concern over the need for "good strong retail sales" to sustain the market's current pace.

"If we don't see strong retail, it could begin to back up units and affect our production schedules," Chevalier said.

At present, though, the company has no unsold chassis.

"Everything (Starcraft chassis) has a dealer's name on it," and the company's order backlog is still OK, Chevalier said.

Chevalier and William Becker, Glaval's vice president of marketing and advertising, admit using selective dealer incentives to help increase their market share.

As one of its incentives, Glaval reduced the price of its Princeton model to "break-even," Becker said.

It is also using its 1990-model Lexington, introduced as an early mid-year entry, to test the direction its styling and packaging will take for next fall.

"We expect to do more mid-year introductions," Becker said.

Conversion guide

Free copies of the new USA Today "Family Guide to Van Conversions" — a marketing tool for converters, dealers, their agencies and others involved in van conversions — are available through the Recreation Vehicle Industry Association.

Created by RVIA and its public relations agency, Burson-Marsteller, the four-page, full-color newspaper supplement is a reprint of a van ad section that ran in USA Today Jan. 30.

Dates and advertising have been removed from the guide to make it useful for all and to give it a long shelf life.

It combines articles and generic photos explaining the benefits of owning a van conversion. It also offers the latest news in van conversion technology, plus tips for consumers on how to select a model for their needs, including the importance of RVIA's seal in making a purchase.

AUCTION DATES

Ford Motor Co.

March 7 — South Seattle Auto Auction, Kent, Wash.

March 8 — Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Mississippi Auto Auction, Hattiesburg, Miss.; Lakeland Auto Auction, Lakeland, Fla.; Southern California Auto Auction, Fontana, Calif.; Newburgh Auto Auction, Newburgh, N.Y.; Omaha Auto Auction, Omaha, Neb.; Salt Lake Auto Auction, Salt Lake City; Manheim Auto Auction, Manheim, Pa.; and St. Louis Auto Auction, Bridgeton, Mo.

March 9 — Manheim Auto Auction, Manheim, Pa.; and St. Louis Auto Auction, Bridgeton, Mo.

March 14 — Greater Chicago Auto Auction, Chicago; Harrisonburg Auto Auction, Harrisonburg, Va.; and Bay Cities Auto Auction, Hayward, Calif.

Used Car Sales
Auction Averages

February 89	$5,587
Month ago	$5,520
Year ago	$6,027

General Motors

March 6 — Florida Auto Auction of Orlando, Ocoee, Fla.

March 7 — A.D.E. of Birmingham, Moody, Ala.; National Auto Dealer Exchange, Bordentown, N.J.; Florida Auto Auction of Orlando, Ocoee, Fla.; and Harrisonburg Auto Auction, Harrisonburg, Va.

March 8 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

March 9 — Southwest Auto Auction, Phoenix, Ariz.; Aptco Auto Auction, Taylor, Mich.; Butler Auto Auction, Gibsonia, Pa.; Big H Auto Auction, Houston; and Nashville Auto Auction, Nashville, Tenn.

Chrysler

March 7 — Dallas Auto Auction, Grand Prairie, Texas; Clanton's Auto Auction, Darlington, S.C.; Denver Auto Auction, Aurora, Colo.; Southern Auto Auction, Warehouse Point, Conn.; South Seattle Auto Auction, Kent, Wash.; Hatfield Auto Auction, Hatfield, Pa.; and Golden Gate Auto Auction, Fremont, Calif.

March 8 — Columbus Fair Auto Auction, Obetz, Ohio; and Minneapolis Auto Auction, Plymouth, Minn.

March 9 — Big Sky Auto Auction, Billings, Mont.; Fredericksburg Auto Auction, Fredericksburg, Va.; Salt Lake Auto Auction, Salt Lake City; and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

March 10 — St. Louis Auto Auction, Bridgeton, Mo.

Model Breakdown
Auction Averages

	FEB 1989	JAN 1988	DEC 1988
1989 ...	$11,114	$12,109	—
1988 ...	$8,053	$8,612	$9,894
1987 ...	$7,070	$7,136	$7,686
1986 ...	$5,923	$5,944	$4,874
1985 ...	$4,775	$4,873	$4,747
1984 ...	$3,900	$3,760	$3,723
1983 ...	$2,732	$2,795	$2,776
1982 ...	$2,200	$2,246	$2,343
Overall Average	$5,587	$5,545	$5,824

Muffler shops fined by EPA

WASHINGTON — EPA has sent 109 notices of violation to muffler shops and other repair shops for installing improper aftermarket catalytic converters. The fines amount to more than $1 million.

This is EPA's second wave of notices for this type of violation. Last July, EPA issued 34 notices for about 400 violations and assessed liability for $475,000.

EPA said most violations involve installation of less effective two-way catalysts when three-way units, which control nitrogen oxides along with hydrocarbons and carbon monoxide, are needed.

Several companies failed to follow EPA guidelines; some installed converters on vehicles that were still covered by the five-year/50,000-mile emission warranties that call for original-equipment catalytic converters to be installed free.

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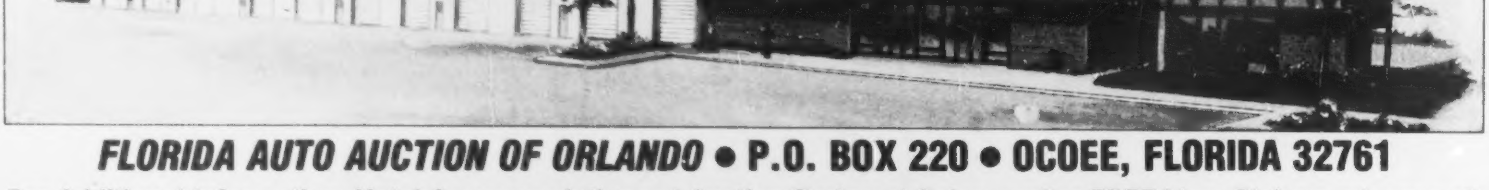

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COX ENTERPRISES, INC

'Modern' labor pacts work well, Chrysler says

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

Top Chrysler Motors executives left St. Petersburg, Fla., last week elated over the progress being made at six plants with modern operating agreements.

Anthony St. John, Chrysler's vice president of human resources, said two years ago that achieving the change required by the new pacts would require changing attitudes that had built up over 40 years.

St. John said the Florida conference demonstrated all parties were up to that task.

At the meeting with UAW international leaders and over 300 union representatives from the plants, "all the right things were said," said Ray Rogers of Kepner-Tregoe, the consultant that has overseen team-concept training at the plants.

The new agreements include team production, "capability pay progression," or pay-for-knowledge, and a reduction in job classifications. The conference that kicked off the modern operating agreements was held in Mesa, Ariz., in January 1987.

"There is no bad news, in my opinion," Rogers said. "In Mesa two years ago, there were words and enthusiasm. Now there are words, action and determination."

Key Chrysler officials at the conference last week were Robert Lutz, president of Chrysler Motors; Richard Dauch, executive vice president — manufacturing; Forest Farmer, president of Chrysler's Acustar Division; and St. John.

UAW Vice President Marc Stepp, who will retire this year as head of the union's Chrysler department, also took part in the conference. Retiring UAW Vice President Donald Ephlin, a champion of participative management and modern labor agreements at General Motors plants, was on hand for a tribute to Stepp.

In the past, local officials have been leery of the modern agreements, and Stepp has said that outsourcing by Chrysler could undermine employee involvement.

Repeated attempts failed to reach UAW international officials for comment. The president of one local with a modern agreement deferred comment to the international.

Pat Sowell, committeeperson at the Huntsville, Ala., plant and a national bargaining representative, said the conference was "mostly positive." She said people were "working at getting the bugs out" of and adjusting to the modern agreement at Huntsville.

But it appears serious doubts about the pacts remain among the rank-and-file, according to Pam McGinnis, a dissident committeeperson at Chrysler's Newark, Del., plant, who did not attend the Florida conference.

She said some managers "are worse under the new contract," that "people feel the company is just running rampant, walking all over them," and that seniority rights are being curtailed.

But St. John said that at the conference, "participants were high and excited, and it was a universal observation that it was the best they had ever been to."

Farmer said fewer job classifications result in a more flexible workforce, and capability pay progression is an incentive for workers to learn more jobs in their teams.

Plants with the new agreements have been showing improved productivity and "improved uptime" in the past three to four months, said Farmer.

St. John said the A-car launch at the Newark plant last October was the best in Chrysler history, resulting in the fewest defects and best quality.

The new agreements, in various stages of implementation, cover more than 15,000 workers at six Chrysler plants: Newark; Huntsville; Trenton, Mich.; New Castle, Ind.; Indianapolis; and Jefferson Avenue in Detroit.

"Ultimately, Chrysler would like to proceed beyond those plants," St. John said. "We believe it is a way to become more competitive and to ensure job security and success in the marketplace."

But he said Chrysler and the UAW are focusing on the six agreements as a basis on which others can be built, St. John said.

At the conference, union and management personnel from the plants with modern agreements made their own plans, shared information with each other and heard from representatives from two other plants operating with team production: New United Motor Manufacturing Inc., Fremont, Calif., and General Motors' plant in Shreveport, La.

"There was not much emphasis on the problem side" of the new agreements, St. John said. Farmer said difficulties were put in terms of being different phases of the process.

Ford Motor Co. and GM have implemented their team-concept agreements plant-by-plant. By contrast, top Chrysler and UAW officials, joined by local union officials and managers from five plants, launched the team concept at the Mesa conference in 1987.

Each new agreement may take at least a total of three years to implement, said Acustar Chairman Thomas Stallkamp.

"The full advantages of modern operating agreements are still down the road," he said.

U.S. CAR PRODUCTION FORECAST

	FIRST QUARTER			SECOND QUARTER		
	Scheduled 1989	Actual 1988	% change	Scheduled 1989	Actual 1988	% change
GM	914,000	771,829	+18.42	940,000	974,416	− 3.53
Ford	490,000	479,268	+ 2.24	533,000	519,989	+ 2.50
Chrysler	256,000	261,433	− 2.08	277,000	321,092	−13.73
Diamond-Star	9,250	0	—	15,000	0	—
Honda	99,400	92,156	+ 7.86	97,900	97,233	+ 0.69
Mazda	60,000	16,362	—	54,500	31,497	+73.03
Nissan	29,500	20,334	+45.08	27,000	33,156	−18.57
Nummi	47,800	41,738	+14.52	52,000	40,188	+29.39
Toyota	23,550	0	—	25,000	0	—
VW	0	17,284	—	0	15,201	—
Industry	1,929,500	1,700,404	+13.47	2,021,400	2,032,772	− 0.56

FORECAST

FROM PAGE 1

"I believe we'll see strong incentives and an increase in retail sales rather than a dramatic decrease in production," Greenwald said.

"Currently, we're seeing reduced showroom traffic. The present scenario looks like this: March, the beginning of spring, is traditionally a strong month. There will be strong incentives by everyone. The industry will be put to the test in March and April. I expect to see incentives continue."

Unlike the bullish schedules that GM frequently releases and then trims two or three times before the quarter's end, analysts predicted GM's second-quarter forecast will turn out to be reasonably close to its actual build schedule. The company forecast that it will build 940,000 cars during the second quarter, 3.53 percent below 1988's actual output of 974,416.

GM cannot afford to cut too much from its second-quarter schedule if it wants to gain market share, Luckey said.

"I think GM will have to offer more attractive incentives, particularly on certain models," said Thomas O'Grady of Integrated Automotive Resources, Wayne, Pa.

Both Luckey and O'Grady agreed that Ford Motor Co. is in the best shape of the domestics with its second-quarter schedule of 533,000 cars, 2.50 percent more than the 519,989 it built in the same period of 1988.

Chrysler Motors' inventory, sales and production are in fairly good balance, they said, but Luckey said the company may come under pressure by this quarter's end to improve its incentives because of inventory levels.

The company expects to build 277,000 cars during the second quarter, 13.73 percent below the 321,092 built in 1988.

Chrysler's second-quarter forecast includes the Spirit and Acclaim — models that weren't in production in the second quarter last year. But Dodge 600, Diplomat and Lancer; Plymouth Gran Fury; and Chrysler New Yorker and the four-door hatchback version of Chrysler LeBaron — all of which were in production during the second quarter of 1988 — have been discontinued.

BANKS

FROM PAGE 2

automakers' financial subsidiaries allow dealers to do a credit check on a potential customer in 10 minutes, Hinkin said.

"So far, only 5 percent of respondents have automated their relationship with dealers," said Hinkin. This could be due to the banks' resistance to change or because implementing a computerized system is expensive, he said.

Another reason is the industry has no standard for application forms and for the technology of a computerized processing system, Hinkin said.

Banks are missing another opportunity by not taking advantage of the link formed with dealerships when they lend money for floorplanning, Hinkin said.

"Only about 35 percent of floorplanned loans became retail loans" in 1988, versus 31 percent in 1987, Hinkin said.

"Some banks are lending a lot of money for floorplanning. It could be a 'You scratch my back, I'll scratch yours' situation. Some banks are doing it more effectively than others, but not many are using inventory turnover as a pricing tactic, and it's an unexploited opportunity," Hinkin said.

Banks could keep track of dealership inventory turnover and the amount of retail paper the dealership sends the bank and price loans to the dealerships accordingly, Hinkin said.

"It necessitates paying close attention to your business, and it's work," Hinkin said.

"If you sell 5,000 cars a year, I might be able to give you a break, vs. 300 cars," Hinkin said.

CHRYSLER

FROM PAGE 1

ing to nobody. The changes are being done to make the car unique."

It is not clear how the redirected LH development will affect Chrysler's car lineup in the 1990s. Last summer, company sources said Chrysler was trying to accelerate the program by one year. Until the platform goes into production, Chrysler must rely on hybrid variations of its 1980 K-car platform.

Chrysler plans to introduce the LH sedan for Chrysler-Plymouth and Jeep-Eagle in the fall of 1992 as a 1993 model, according to a company source. A Dodge version would debut as a 1993½ model. A coupe is also scheduled.

The sedan has been described by Francois J. Castaing, Chrysler Motors' vice president for vehicle engineering, as a "mid-sized American car most competitive with the Ford Taurus."

In addition, a planned LX luxury coupe will compete in the higher price market, Castaing said. In January, he said a size had not yet been determined.

An LY version, a large sedan, will replace the forthcoming Chrysler Imperial and Chrysler Fifth Avenue Y-bodies. The Y-bodies debut this fall.

Chrysler Motors President Robert Lutz said the recent reorganization of Chrysler's 6,000-person engineering department had not caused product delays.

Said a source close to the company, "The senior management will say no way are there program delays, which means they are scrambling to catch up. LH has been a jungle for two years."

The development of the platform apparently is related to the engineering department reorganization.

Chrysler said in February that engineering would be restructured so that engineers are assigned to specific vehicle lines. The company said the move represented "a major shift in direction" for Chrysler, which previously was divided into individual development sectors such as chassis or powertrains.

With the reorganization, Chrysler hopes its platform decisions will drive the development of powertrains, for example, rather than the other way around.

Chrysler studied Honda's engineering structure — similarly built around vehicle lines — before determining what changes to make in its engineering department.

"What we essentially went to is an American adaptive version of the approach used by Mazda and Honda where you have a so-called large project team," Lutz said last month.

"It is almost an entire mini-engineering organization led by a very powerful individual that has responsibility for the complete car line. They have electrical engineers, body engineers, aerodynamicists, engine people, transmission people and so forth. They live with the car from beginning to end. They are completely responsible for it," he said.

"It breeds esprit de corps," Lutz said. "It also means that that self-contained group generally doesn't have to ask other people for resources and be told, 'Yes, I will get to your door handle when I have time but meanwhile I have six other door handles to do.' It takes all that away. It ensures a focus on the total vehicle.

"If you pursue a straight component-oriented approach to vehicles, and you have one group doing great engines and another group doing great transmissions, it is not a foregone conclusion that when you put all these great components together that you have a great car. In fact, very frequently you don't," he said.

"It's a recognition of the fact that the component approach can get you good, reliable components but it can't get you great vehicles," he said.

Chrysler has created four main platform groups. One is focused entirely on LH. Another is the Jeep/truck engineering group. The third handles existing platforms and carryover models. The fourth is the Liberty program advance vehicle research and development group.

As part of the reorganization, G. Glenn Gardner was named general manager of new platform engineering responsible for LH. Gardner served as general program manager when Chrysler pioneered the minivan earlier in the decade. More recently, he headed the successful launch of Diamond-Star Motors as chairman of the Chrysler-Mitsubishi joint venture.

Lutz said the LH team will develop an unspecified engine for the platform.

Castaing has said Chrysler was contemplating development of a V-8 engine for passenger cars in the 4- to 4.5-liter range.

"If the fuel economy and fuel supply in this country do not become a real issue in the next five years — which we don't know yet — and if we see this is the trend of the industry, we need a small V-8 for our passenger cars," Castaing said.

Lutz said the engine would not be used solely by LH.

When asked how the Premier platform might be adapted, Castaing said, "Let's define what you call a platform. If you look at the platform as a set of an engine, a transmission and suspension, we are going to probably move away from that as fast as we can because of cost reasons.

"If we discuss a philosophy of north/south versus east/west engine, it becomes a much broader issue than the Premier platform. We have a study going on all of that, as well as rear-wheel-drive and things like that."

NEW-CAR FRANCHISES IN THE UNITED STATES

	Jan. 1, 1989	Jan. 1, 1988
UNITED STATES	40,303	35,806
Chrysler Motors	11,009	10,499
Chrysler	3,118	3,106
Dodge	3,038	3,011
Eagle	1,445	1,303
Plymouth	3,095	3,079
TC Maserati	313	0
Ford Motor Co.	9,678	9,722
Ford	4,561	4,580
Lincoln	1,648	1,637
Mercury	2,765	2,758
Merkur	704	747
General Motors	19,616	15,585
Buick	2,945	2,935
Cadillac	1,605	1,610
Chevrolet	4,885	4,910
Geo	4,056	0
Oldsmobile	3,150	3,155
Pontiac	2,975	2,975
JAPAN	6,293	5,759
Daihatsu	201	132
Honda Motor	1,223	1,134
Acura	285	218
Honda	938	916
Isuzu	572	547
Mazda	843	794
Mitsubishi	250	148
Nissan	1,110	1,108
Subaru	795	806
Suzuki	186	0
Toyota	1,113	1,090
WEST GERMANY	2,352	2,440
BMW	413	419
Mercedes-Benz	422	423
Porsche	300	317
Volkswagen AG	1,217	1,281
Audi	386	409
Volkswagen	831	872
SWEDEN	784	782
Saab	372	367
Volvo	412	415
UNITED KINGDOM	457	464
Aston Martin	15	15
Jaguar	142	146
Lotus	71	67
Rolls-Royce/Bentley	56	57
Sterling	173	179
ITALY	414	417
Alfa Romeo	146	141
Bertone	150	150
Ferrari	40	42
Lamborghini	13	19
Maserati	65	65
KOREA	278	224
Hyundai	278	224
YUGOSLAVIA	263	327
Yugo	263	327
FRANCE	241	272
Peugeot	241	272
MISCELLANEOUS	15	15
TOTAL	51,400	46,506

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CENSUS

FROM PAGE 1

The number of dealerships selling domestic cars rose to 19,593 on Jan. 1, an increase of 0.32 percent over 19,530 on Jan. 1, 1988.

That increase was a rare occurrence indeed. It was the third time in the last 33 years that the domestic total has risen.

Because of dualing, the overall dealership total was 25,105 on Jan. 1, 1989.

The 1989 total consists of the 19,593 domestic outlets (most of them twinned with imports) and 5,512 that stock only imports. A year earlier, the breakout was 19,530 domestic and 5,408 import-only.

All figures in this article and in the accompanying tables refer to the net change in the dealership population.

The 25,105-new car dealerships on Jan. 1 represented 51,400 franchises. One year earlier, the franchise total was 46,506.

Factored out of import franchise totals for Jan. 1, 1989, and Jan. 1, 1988, were some captive imports including Conquest, sold by all Chrysler-brand franchisees; Colt and Vista, sold by all Plymouth and Dodge franchisees; Festiva, sold by all Ford franchisees; Tracer, sold by all Mercury franchisees; and LeMans, sold by all Pontiac franchisees.

Factored out for 1988 was Medallion, which was sold by all Eagle franchisees.

Included among domestics but counted as separate franchises are captive imports Merkur, sold by some Mercury franchisees; Chrysler TC by Maserati, sold by some Chrysler dealers; and Geo, sold by some Chevrolet dealers. Geo and TC Maserati are included for the first time.

The inclusion of Geo's 4,056 franchises accounted for much of the increase in the number of franchises for the industry. Conversely, the fact that all Chevrolet dealers do not handle Geo was a major reason for the dip in the number of dealerships at which imported cars are sold.

In 1988, Merkur franchises declined by 43.

Among the imports, a number of makes expanded their dealer organizations, and one new line entered the car market — Suzuki Swift.

Non-captive Japanese franchises increased 9.27 percent to 6,293 from 5,759. The biggest growth was in the number of exclusive dealerships. Non-captive Japanese makes reported a total of 3,337 exclusive franchises on Jan. 1, an increase of 15.71 percent from 2,884 one year earlier.

The number of franchises and exclusives will increase again this year when the Toyota Lexus and Nissan Infiniti dealer networks become operational.

Toyota's exclusive total remained constant at 674, but Nissan's rose to 602 from 584. Newcomer Suzuki reported 286 exclusives, while Daihatsu, which reported no exclusives on Jan. 1, 1988, added 25 last year. Honda, Acura, Mazda and Mitsubishi all increased their exclusive-franchise totals. Only Subaru among the Japanese makes reported a decline.

CAR DEALERSHIPS IN U.S.

(Adjusted for duals)

	Jan. 1, 1989	Jan. 1, 1988
Chrysler Motors	5,296	5,194
Ford Motor Co.	5,427	5,436
General Motors	9,450	9,535
Total Big 3*	**19,593**	**19,530**
Import exclusives	4,451	3,964
Import-only duals	1,061	1,444
Total new-car dealers in U.S.	**25,105**	**24,938**

* — Adjusted for intercorporate duals

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Among the various nations included in the non-captive import franchise list, Japan, Sweden and Korea were the only ones to increase their franchise totals last year. West Germany, the United Kingdom, France, Italy and Yugoslavia all declined.

The annual Automotive News census found 19,593 outlets stocking Big 3 cars on Jan. 1, compared with 19,530 at the beginning of 1988.

Chrysler Motors added 102 car dealerships; Ford Motor Co. held steady with a slip of nine; and General Motors was off 85. A change in the number of intercorporate duals brought the net increase among the Big 3 to 63. Intercorporate duals are stores that handle under one roof cars produced by two or all of the Big 3.

An analysis of the Chrysler Motors increase shows that a truck line was the chief factor in its dealership gain — and in the industry's gain as well.

During 1988, the number of dealerships under the control of Chrysler-Plymouth Division rose by eight. The number under the control of Dodge Division also rose by eight. But the number under the control of Jeep-Eagle Division rose by 86.

Jeep is the hot hand in that division. The newly appointed Jeep dealer also takes Eagle in almost every instance, thus boosting the car-outlet count.

Last year was the sixth year in a row that Chrysler's corporate dealership total increased. Chrysler acquired American Motors in August 1987, adding the AMC dealer network to its own Chrysler, Plymouth and Dodge stores, but the Chrysler Motors total would have climbed in 1987 and 1988 even without AMC.

Ford Motor's minimal drop of nine outlets in 1988 compared with a loss of 24 in 1987 and was Ford's best performance since 1984. GM also posted its smallest decline in four years. GM's drop of 85 compared with a tumble of 145 in 1987. All of GM's 1988 decline occurred in the first half.

As noted, last year was only the third time since the mid-1950s that the domestic dealership total rose. After a gain in 1955, the count went down 27 consecutive years before turning upward slightly in 1983 and 1984. Then came three more drops before the 1988 upturn.

Franchise totals climbed for seven of the 12 domestic makes last year. Eagle led the pack with a gain of 142 franchises. Elsewhere under the Chrysler Motors umbrella, there were hikes of 27 for Dodge, 12 for Chrysler and 16 for Plymouth.

There were gains of 11 for Lincoln, 10 for Buick and seven for Mercury.

Showing declines were Cadillac and Oldsmobile, which each lost five; Ford, 19; and Chevrolet, 25. Pontiac's franchise total was unchanged for the year.

U.S. new-car outlets

Domestic and Import

	No. of Retail Outlets	Pct. Gain or Loss from Previous Year
Jan. 1, 1958	39,108	−0.1
Jan. 1, 1959	37,558	−4.0
Jan. 1, 1960	36,336	−3.3
Jan. 1, 1961	34,803	−4.2
Jan. 1, 1962	33,461	−3.9
Jan. 1, 1963	33,308	−0.4
Jan. 1, 1964	33,291	−0.1
Jan. 1, 1965	33,360	+0.2
Jan. 1, 1966	33,114	−0.7
Jan. 1, 1967	31,584	−4.6
Jan. 1, 1968	31,101	−1.5
Jan. 1, 1969	31,076	−0.1
Jan. 1, 1970	30,842	−0.8
Jan. 1, 1971	30,314	−1.8
Jan. 1, 1972	30,150	−0.5
Jan. 1, 1973	30,094	−0.2
Jan. 1, 1974	29,998	−0.3
Jan. 1, 1975	29,701	−1.0
Jan. 1, 1976	29,309	−1.3
Jan. 1, 1977	28,744	−1.9
Jan. 1, 1978	28,656	−0.3
Jan. 1, 1979	28,512	−0.5
Jan. 1, 1980	27,891	−2.2
Jan. 1, 1981	26,333	−5.6
Jan. 1, 1982	25,703	−2.4
Jan. 1, 1983	24,729	−3.8
Jan. 1, 1984	24,721	−0.0
Jan. 1, 1985	24,724	+0.0
Jan. 1, 1986	24,823	+0.4
Jan. 1, 1987	25,156	+1.3
Jan. 1, 1988	24,938	−0.9
Jan. 1, 1989	25,105	+0.7

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Chevrolet, with 4,885, has the most outlets of any make on the U.S. market — domestic or import. Ford Division is next with 4,561.

In addition to their car dealerships, Dodge has three that handle only trucks, Jeep-Eagle has 25 Jeep exclusives and Ford Division has 108 dealerships that stock only heavy-duty trucks. In this article and the accompanying tables, those stores are omitted from the corporate car-dealership totals and car-franchise totals.

Also, GM has 475 locations that sell GMC trucks but do not carry any GM makes of cars. The GM car-dealership figure is 9,450; its overall vehicle dealership count is 9,925.

Among the truck importers, Range Rover had 63 dealers on Jan. 1. Isuzu said it had 148 truck-only dealers, and Saab reported that it had 19 Scania truck dealers without Saab car franchises.

FTC

FROM PAGE 1

In the unanimous four-vote decision, the commission also ordered the association to run four advertisements per week for at least four weeks in Detroit's newspapers. The ads must inform the public of the new minimum hours of operation and the reasons behind the FTC requirement. Dealer advertisements also must disclose new showroom hours unless the advertisement is for a specific car.

Daniel Hayes, executive vice president of the dealer association, said the order is not effective until all appeals are exhausted, a process he said will take several years. The association is expected to appeal the decision to the U.S. Appeals Court in Cincinnati.

"We will be appealing the FTC decision, a decision which conflicts with a long line of important Supreme Court decisions that permit employers to act jointly to resolve labor disputes," Hayes said. The dealers maintain that the shorter hours are dictated by expressed contract demands of salespersons rather than anti-competitive collusion on the part of the dealers.

While naming only 53 dealers, the decision affects about 240 dealers employing 6,000 salespersons in the Detroit area.

The FTC decision, written by Chairman Daniel Oliver, reverses an initial decision made in July 1987 by Administrative Law Judge James Timony, who dismissed the 1984 FTC antitrust charges.

Timony ruled the restriction on dealership hours — which has been going on for almost 30 years — was immune from the antitrust laws because of the nonstatutory labor exemption to such laws. But the commission found the limited hours adversely affect competition and therefore overruled Timony's decision.

The FTC said the record shows that dealers agreed to reduce showroom hours because salesmen wanted a uniform, shorter work week. But the labor exemption from antitrust law — the major defense used by lawyers for the dealers, the Detroit dealer association and 16 other auto-related associations — exists to protect the free and lawful negotiation of collective bargaining agreements.

However, the FTC said in the Detroit case, the agreement to restrict showroom hours was struck among the dealers themselves and was not part of any negotiating sessions for a collective bargaining agreement covering salespersons.

In fact, the FTC notes, dealers and their associations admit "that, to the extent the agreement was motivated by labor concerns, it was designed to prevent collective bargaining."

Hayes disagreed, saying that although the dealers don't have a written contract, Judge Timony "said there was an expressed contract with employees." As a result, Hayes said the dealers are entitled to the labor exemption.

The commission countered that the mere fact that the salespersons benefited from the short hours is insufficient to warrant an exemption from antitrust laws.

The FTC order against 53 Detroit area dealers, if their appeal is unsuccessful, would require:

- **Dealers to remain open a minimum of 64 hours per week for one year.**
- **The Detroit Auto Dealers Association to run four ads per week in the Detroit News and Detroit Free Press, including Thursday and Saturday editions, explaining the new hours of operation required by the order.**
- **Individual dealer ads, including radio and television spots, to spell out new hours.**
- **Dealer association meetings to keep notarized transcripts of all business meetings, including board of director and committee meetings, for five years.**

"Taken to its logical conclusion, such an exemption would permit employers to fix prices in order to satisfy employee demands for higher wages — a proposition the Supreme Court has soundly rejected," the commission said.

In finding the agreement to limit showroom hours anti-competitive, the FTC said the shorter hours force some consumers to shift their shopping to times they otherwise might not have chosen. This means consumers have less time to do comparison shopping thus reducing "pressures on dealers to provide the prices, features and services consumers desire."

The commission said there is "no economic difference" between an agreement to limit shopping hours and one to raise prices.

During the lengthy trial, lawyers for the dealers said car prices did not rise in the Detroit area because of the limit placed on showroom hours. But the FTC said consumers lost convenience, service and leisure time.

The commission added: "Holding all other factors constant, we would expect car prices to have gone down in response to dealers' lower overhead costs." Keeping the price the same is "no different from increasing the price of a stick of chewing gum by keeping the package price the same but putting fewer sticks in the package."

In overruling Timony, the commission accepted almost all the orders proposed by its staff in December 1984. Those orders ban dealers from agreeing to a similar restrictive practice in the future and limits exchanges of information about hours of operation. After two years, dealers could exchange the latter data for use in lawful joint ads.

Hayes called the 64-hour requirement "a political decision by the FTC to support its staff" even though it rejected a specific proposal requiring dealerships to open on Saturdays.

During the trial, the FTC staff surveyed the hours of operation of dealers in four Midwest cities. Hours ranged from 60 to 68 hours per week.

Automotive News Staff Reporter Charles M. Thomas contributed to this report.

Output tale: Cars rise, trucks dip

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

U.S. automakers scheduled production of 149,660 cars last week, 2.02 percent more than the previous week's 146,691 and 19.18 percent more than the year-ago week's 125,578.

The 1988 week's output was affected by downtime at several plants due to slow sales.

So far this year, 1,339,723 cars have been assembled, 18.91 percent more than the 1,126,700 completed last year at this point.

Last week's scheduled build was split this way: General Motors, 45.10 percent; Ford Motor Co., 26.38 percent; Chrysler Motors, 13.23 percent, Honda of America Manufacturing, 5.33 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.83 percent; New United Motor Manufacturing Inc., 2.67 percent; Nissan Motor Manufacturing Co. U.S.A., 1.56 percent; Toyota Motor Manufacturing U.S.A., 1.34 percent; and Diamond-Star Motors, 0.56 percent.

Truck output was estimated at 91,991 last week, 2.99 percent below the prior week's 94,827 but 6.72 percent more than the year-ago week's 86,196.

Year-to-date, 819,563 trucks have been built, 8.79 percent more than the 753,349 assembled last year at this time.

Chrysler discontinued output of its Chrysler LeBaron and Dodge Lancer four-door hatchback models built at the Sterling Heights, Mich., plant last Friday. Sterling Heights will continue to produce the P-model Plymouth Sundance and Dodge Shadow.

GM's Willow Run, Mich.; Doraville, Ga.; and Tarrytown, N.Y., plants remain idle. Willow Run and Doraville are closed for inventory adjustment, and Tarrytown is down for model changeover.

GM's Fairfax, Kan., plant resumed operations today after a two-week shutdown for inventory adjustment.

Overtime was slated last Saturday at Ford's Lorain, Ohio; Wixom, Mich.; Wayne, Mich.; and St. Louis plants.

Car build jumps 8% in Canada

Last week's scheduled Canadian car production of 22,858 increased 8.83 percent over the previous week's 21,003 but dipped 2.08 percent from last year's 23,344.

So far this year, 178,451 cars have been produced, 9.90 percent below the 198,051 completed last year at this time.

Truckmakers targeted last week's production at 21,417, slightly below (0.45 percent) the prior week's 21,513 but 6.63 percent more than the year-ago week's 20,085.

Year-to-date, 186,345 trucks have been assembled, 9.25 percent more than the 170,563 built last year at this time.

Chrysler Motors' Pillette Road plant in Windsor, Ontario, remains idle until March 13 for inventory adjustment.

U.S. CAR	Week Ended Mar. 4, 1989	Week Ended Mar. 5, 1988	Week Ended Feb. 25, 1989	Feb. Est.	Jan. 1 to Mar. 4, 1989	Jan. 1 to Mar. 5, 1988
Horizon	0	1,710	0	0	0	15,238
Sundance	2,100	2,129	2,076	8,939	21,424	19,011
Reliant	0	1,281	0	0	0	13,126
Acclaim	2,900	0	3,075	10,271	18,055	0
Caravelle	0	0	0	0	0	2,881
Gran Fury	0	130	0	0	0	2,144
Total Plymouth	5,000	5,250	5,151	19,210	39,479	52,400
LeBaron K	0	569	0	0	0	2,141
LeBaron J	2,200	1,907	2,285	9,118	20,712	6,839
LeBaron GTS	300	193	387	1,490	2,810	1,411
N. Yorker C-Class	2,300	2,177	2,916	10,707	22,890	17,654
Fifth Avenue	0	415	0	0	0	10,206
Total Chrysler	4,800	5,261	5,588	21,315	46,412	38,251
Omni	0	1,690	0	0	0	14,887
Daytona	2,200	1,912	2,280	9,080	20,740	5,947
Shadow	2,400	2,241	2,342	9,928	22,100	19,917
Aries	0	664	0	0	0	9,953
Dodge 600	0	0	0	0	0	2,486
Dynasty	2,900	2,362	3,549	13,502	29,187	19,242
Lancer	100	230	143	602	1,574	2,184
Spirit	2,400	0	2,719	10,284	18,058	0
Diplomat	0	237	0	0	0	3,350
Total Dodge	10,000	9,336	11,033	43,396	91,659	77,966
CHRYSLER MOTORS	19,800	19,847	21,772	83,921	177,550	168,617
Escort	6,292	2,352	5,492	26,379	67,568	70,109
Mustang	4,555	4,553	4,470	17,723	38,216	40,237
Tempo	3,111	3,769	3,258	12,955	31,263	36,496
Taurus	7,652	7,961	7,498	31,373	71,461	71,464
Thunderbird	3,969	2,897	3,381	15,441	33,088	28,878
Total Ford Div.	25,579	21,532	24,099	103,870	241,596	247,184
Topaz	1,399	1,760	1,243	5,095	12,025	14,023
Cougar	3,986	2,873	3,362	13,065	27,658	23,049
Sable	2,959	2,654	2,795	9,398	23,404	21,951
Total Mercury	8,344	7,287	7,400	27,559	63,087	59,023
Continental	1,666	1,073	1,429	5,827	13,594	7,669
Mark VII	556	547	476	2,090	5,784	4,933
Lincoln	3,330	3,240	2,855	11,184	23,331	27,186
Total Lincoln	5,552	4,860	4,760	19,101	42,709	39,788
Total L-M Division	13,896	12,147	12,160	46,659	105,796	98,811
FORD MOTOR CO.	39,475	33,679	36,259	150,529	347,392	345,995
Skyhawk	278	0	193	875	3,030	5,020
Skylark/Somerset	1,308	372	1,314	5,234	8,818	4,611
Century	2,050	812	1,656	7,416	22,861	8,466
Riviera	673	179	637	2,492	5,483	1,263
Electra	1,959	1,258	1,861	7,771	16,558	12,254
LeSabre (fwd)	2,480	2,409	1,756	7,833	10,477	21,651
LeSabre (rwd)	180	187	199	807	1,778	999
Reatta	184	94	159	403	1,279	576
Total Buick	9,112	5,311	7,775	32,830	70,284	54,840
Cimmaron	0	230	0	0	0	2,530
Eldorado	744	1,155	724	2,925	6,405	5,067
Seville	651	709	648	2,472	5,143	3,555
Brougham (rwd)	848	0	900	4,025	8,999	0
Deville (fwd)	4,760	3,984	4,655	18,974	39,849	34,848
Allante	75	66	75	300	660	335
Total Cadillac	7,078	6,144	7,002	28,697	61,056	46,335
Cavalier	7,834	7,048	8,053	33,328	75,375	57,411
Camaro	2,625	981	2,565	9,756	21,780	8,322
Celebrity	2,360	0	2,754	11,927	31,981	24,580
Corsica/Beretta	9,205	8,993	9,299	37,048	79,978	66,552
Caprice	4,100	3,486	4,228	16,380	33,130	38,666
Corvette	525	451	525	2,099	4,473	3,853
Total Chevrolet	26,649	20,959	27,424	110,537	246,717	199,384
Calais	2,292	2,106	2,303	8,837	15,034	18,576
Firenza	0	0	0	0	0	2,527
Cutlass Ciera	1,480	0	1,540	6,935	14,837	0
Cutlass Supreme	0	1,847	0	9,273	21,568	16,263
Toronado	180	509	225	950	2,358	2,770
88 (fwd)	3,954	3,223	4,517	16,506	34,523	26,463
88 (rwd)	125	217	95	480	1,463	2,438
Olds 98	2,184	1,817	2,083	8,650	18,255	15,719
Total Oldsmobile	10,215	9,719	10,763	51,631	108,038	84,022
Sunbird	3,086	2,086	2,734	11,807	23,837	19,671
Grand Am	5,876	4,772	5,211	20,614	44,424	43,307
Firebird	1,538	852	1,616	6,089	13,546	7,327
Grand Prix	0	1,823	0	8,000	20,001	18,225
Pontiac 6000	1,535	2,086	1,404	6,073	16,197	5,632
Bonneville	2,315	1,972	2,323	9,069	18,601	15,638
Safari/Parisienne	95	158	110	433	943	1,061
Fiero	0	572	0	0	0	2,433
Total Pontiac	14,445	14,321	13,398	62,086	137,549	104,184
GENERAL MOTORS	67,499	56,454	66,362	285,780	623,644	488,765
DIAMOND-STAR	835	0	718	2,691	5,478	0
HONDA	7,970	7,393	8,475	33,311	70,572	63,777
Civic	2,590	1,785	2,982	11,281	23,758	15,046
Accord	5,380	5,608	5,493	22,030	46,814	48,731
MAZDA†	5,736	1,504	4,909	20,221	44,243	9,541
NISSAN	2,340	1,344	2,346	9,334	20,731	12,034
NUMMI	4,000	3,330	3,893	16,036	33,148	28,199
Corolla	1,600	1,236	1,572	6,685	14,279	9,828
Geo Prizm/Nova	2,400	2,094	2,321	9,351	18,869	18,371
TOYOTA	2,005	0	1,957	7,854	16,965	0
VOLKSWAGEN	0	2,027	0	0	0	9,772
Golf/GTI	0	1,327	0	0	0	6,572
Jetta	0	700	0	0	0	3,200
Total Cars, U.S.	149,660	125,578	146,691	609,678	1,339,723	1,126,700
Total Cars, Canada	22,858	23,344	21,003	84,275	178,451	198,051
U.S., Canada Cars	172,518	148,922	167,694	693,953	1,518,174	1,324,751
U.S., Canada Cars and Trucks	285,926	255,203	284,034	1,160,775	2,524,082	2,248,663

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended Mar. 4, 1989	Week Ended Mar. 5, 1988	Week Ended Feb. 25, 1989	Feb. Est.	Jan. 1 to Mar. 4, 1989	Jan. 1 to Mar. 5, 1988
Premier	1,275	1,735	1,252	5,134	10,285	14,025
CHRYSLER MOTORS	1,275	1,735	1,252	5,134	10,285	14,025
Tempo	3,204	4,330	3,213	13,051	32,566	36,494
Topaz	1,692	1,348	1,613	6,752	13,006	13,958
Crown Victoria	2,554	2,909	2,487	9,935	23,462	25,406
Grand Marquis	3,206	2,858	3,107	11,981	25,712	24,704
FORD MOTOR CO.	10,656	11,445	10,420	41,718	94,746	100,562
Celebrity	195	320	193	802	1,778	3,358
Cutlass Ciera	3,721	5,234	3,749	15,301	33,935	35,793
Lumina	1,623	0	770	2,854	4,447	0
Pontiac 6000	0	632	0	0	0	8,800
Regal	3,424	3,153	2,379	10,435	16,871	28,979
GENERAL MOTORS	8,963	9,339	7,091	29,392	57,031	76,930
Civic	1,650	0	1,926	7,123	14,556	0
Accord	0	0	0	0	0	0
HONDA	1,650	701	1,926	7,123	14,556	5,538
TOYOTA	170	0	170	238	340	0
VOLVO	144	124	144	670	1,493	996
Total Cars, Canada	22,858	23,344	21,003	84,275	178,451	198,051

U.S. TRUCK☆	Week Ended Mar. 4, 1989	Week Ended Mar. 5, 1988	Week Ended Feb. 25, 1989	Feb. Est.	Jan. 1 to Mar. 4, 1989	Jan. 1 to Mar. 5, 1988
Caravan	2,000	2,016	2,567	9,482	20,502	17,554
Dakota	2,200	2,774	2,273	9,014	19,408	19,893
Mini-Ram Van	100	364	230	802	1,756	2,874
Pickups	2,200	1,356	2,274	9,010	19,389	9,736
Total Dodge	6,500	6,510	7,344	28,309	61,055	50,057
Cherokee	5,100	3,180	4,408	19,384	40,199	32,386
Commanche	900	869	734	3,260	6,824	8,872
Grand Wagoneer	300	350	350	1,380	3,015	2,394
Wagoneer	200	259	208	836	1,811	2,478
Total Jeep	6,500	4,658	5,700	24,860	51,849	46,130
Voyager	1,900	2,027	2,387	8,977	19,926	16,672
Total Plymouth	1,900	2,027	2,387	8,977	19,926	16,672
CHRYSLER MOTORS	14,900	13,195	15,431	62,146	132,830	112,859
Aerostar	5,800	4,435	4,967	20,116	43,807	41,629
Bronco	2,125	1,243	1,805	7,768	17,451	11,347
Bronco II	2,896	2,982	2,903	12,092	25,518	27,621
Econoline	5,239	5,230	5,219	20,876	45,551	45,956
Heavy trucks	1,473	1,376	1,460	5,714	12,099	11,923
Light trucks	11,591	10,362	10,526	45,187	100,324	89,702
Ranger	7,681	7,422	7,623	31,986	67,239	65,968
Total Ford Div.	36,805	33,050	34,503	143,738	311,989	294,146
FORD MOTOR CO.	36,805	33,050	34,503	143,738	311,989	294,146
Astro	3,250	3,290	3,509	14,520	30,966	31,616
Blazer	608	634	539	2,282	5,111	4,993
Mediums/Heavies	0	294	0	0	0	4,906
P-Model	716	882	790	2,855	4,908	8,520
Pickups	8,394	6,979	9,538	38,282	83,051	54,967
S-10	5,598	5,519	6,648	25,368	54,332	48,125
S-10 Blazer	4,040	4,064	4,144	15,547	34,419	25,538
Sportsvan/Van	2,081	1,503	2,452	8,701	16,414	12,044
Suburban	1,674	1,752	1,533	6,576	14,345	12,885
Total Chevrolet	26,361	24,917	29,153	114,133	243,546	203,594
Jimmy	169	198	162	758	1,595	1,598
Mediums/Heavies	0	961	0	0	0	8,292
P-Model	38	149	173	551	787	695
Pickups	2,321	1,863	3,088	10,730	24,963	19,126
S-15	1,228	1,724	1,680	5,806	12,376	12,609
S-15 Jimmy	1,116	289	1,237	4,720	9,721	6,837
Safari	688	784	884	3,710	7,753	8,120
Suburban	579	740	583	2,502	5,672	6,816
Vandura/Rally Vans	396	792	536	2,092	4,323	8,656
Total GMC	6,535	7,500	8,343	30,869	67,190	72,749
GENERAL MOTORS	32,896	32,417	37,496	145,001	310,736	276,343
NAVISTAR	1,870	1,592	1,851	7,334	15,286	16,032
NISSAN	2,770	3,192	2,796	11,051	24,522	29,219
AM GENERAL	450	450	450	1,800	3,960	4,050
MISCELLANEOUS	2,300	2,300	2,300	9,200	20,240	20,700
Total Trucks, U.S.	91,991	86,196	94,827	380,271	819,563	753,349

CANADIAN TRUCK	Week Ended Mar. 4, 1989	Week Ended Mar. 5, 1988	Week Ended Feb. 25, 1989	Feb. Est.	Jan. 1 to Mar. 4, 1989	Jan. 1 to Mar. 5, 1988
Caravan	3,084	3,136	3,160	12,717	28,489	27,367
Mini-Ram Van	210	335	205	827	1,823	2,148
Ram Wagon	690	528	686	2,745	6,031	3,827
Ram Van	1,660	1,378	1,770	6,962	15,328	9,568
Total Dodge	5,644	5,377	5,821	23,251	51,671	42,910
Voyager	2,850	2,799	2,884	11,436	24,629	25,802
Total Plymouth	2,850	2,799	2,884	11,436	24,629	25,802
Wrangler	1,700	1,044	1,866	7,143	13,291	8,989
Total Jeep	1,700	1,044	1,866	7,143	13,291	8,989
CHRYSLER MOTORS	10,194	9,220	10,571	41,830	89,591	77,701
FORD MTR. (lt. trks.)	3,648	3,658	3,429	13,906	30,707	32,152
Light trucks	3,625	3,102	3,687	14,349	30,984	28,666
Vans	1,518	1,316	1,391	5,837	12,912	11,624
Total Chevrolet	5,143	4,418	5,078	20,186	43,896	40,290
Light trucks	1,535	1,962	1,466	6,992	14,236	13,407
Vans	627	600	703	2,827	5,801	5,033
Total GMC	2,162	2,562	2,169	9,820	20,037	18,440
GENERAL MOTORS	7,305	6,980	7,247	30,005	63,933	58,730
NAVISTAR	270	227	266	810	2,114	1,980
Total Trks., Canada	21,417	20,085	21,513	86,551	186,345	170,563
U.S., Canada Trks.	113,408	106,281	116,340	466,822	1,005,906	923,912

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Europe braces for shocks, but not at Geneva

Product takes spotlight; sporty models featured

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

GENEVA — The European auto executives who gathered here last week were bracing for two shocks: a long-expected sales downturn and new Japanese marketing and manufacturing thrusts as the 1992 unified market draws nearer.

But neither threat was much in evidence last week as word of robust February sales circulated the show and Japanese makers adopted a lower-than-usual profile.

Geneva was instead a showcase for some bold steps by several automakers. Much of the attention was on image-building initiatives such as General Motors' low-volume Lotus Omega and Alfa Romeo's limited-edition ES-30.

There was also lots of attention given to new coupes and convertibles — some of which were discussed here but not shown.

Mercedes-Benz rolled out its new SL Roadster, the one event most likely to be remembered about Geneva 1989.

GM Europe announced plans for a new coupe; two West German converters showed Volkswagen Corrado convertibles in advance of VW's own; and America's ASC Design surprised Saab a little with a two-door 9000-CD.

Industry executives here expressed hopes that their consensus prediction of a 1989 downturn will not come true. Forecasters have been predicting for more than a year that a downturn is at hand. But unofficial industry sales figures from one manufacturer last week indicated a 10 percent increase in European sales in February, following an 11.5 percent jump in January.

The Japanese are holding market share steady at a politically sensitive time when the European Commission is on the verge of outlining a strategy for the local car industry. They were

see GENEVA, page 55

Limited U.S. sales are planned for VW's supercharged, 160-hp, 4wd Rallye Golf

One of the highlights of Franco Sbarro's 12-cylinder, mid-engine, sports car concept, left, is a hubless wheel, below

PETER KAMP PHOTOS

Ford's Ghia studio offers a glimpse of motoring in the year 2000 via Ghia Via. The concept vehicle includes fiber optic headlights that can be programmed as spot or fog lamps, a removable photo-sensitive glass roof that filters ultravoilet radiation and a transverse-mounted V-8.

Toyota suit has boon for consumer

By Helen Kahn
SENIOR CORRESPONDENT

WASHINGTON — Toyota Motor Sales U.S.A. has agreed to settle a class-action lawsuit involving Camry brakes by extending a recall that could cost the company more than $100 million and by setting up a consumer education fund that is unprecedented in the auto industry.

The agreement, involving 1983-86 and some 1987 Camry models, was approved last week by California Superior Court Judge Bernard Cooperman in Los Angeles. It ends the April 1988 suit brought against Toyota Motor Sales U.S.A in California by Kathleen Fjermedal on behalf of all similarly situated Camry owners.

The suit involved "excessive brake pulsation," which Toyota says does not affect brake effectiveness. While Toyota denied all liability and said the agreement is to avoid further controversy and litigation, the agreement may mean repairs to as many as 100,000 Camrys at a cost that could reach $100 million, according to an attorney for the plaintiffs.

Brake pulsation — a rough, uneven operation of the brakes — generally occurs while braking at moderate speeds. Neither the Center for Auto Safety nor NHTSA regard it as a safety-related defect.

The center said it had no reports of accidents when in January 1988

see TOYOTA, page 53

TWO FORDS

William Clay retires; son gets U.S. truck job

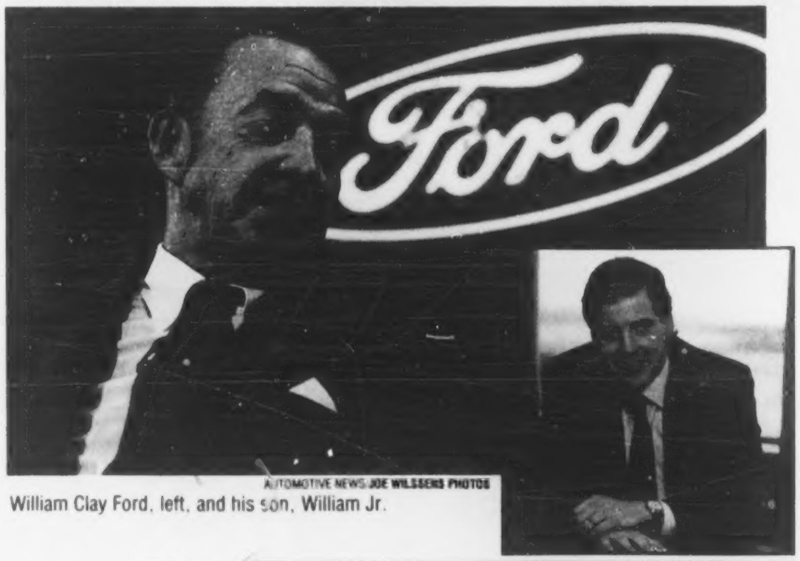
By David Versical and Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTERS

As Ford Motor Co. Vice Chairman William Clay Ford announced his retirement last week, his son prepared to leave Ford of Europe for a new job in the United States.

William Clay Ford Jr., the 31-year-old managing director of Ford of Switzerland, will take charge of manufacturing and engineering at Ford truck operations July 1. He will join the group in Dearborn, Mich., at the beginning of May for what essentially will be a two-month orientation.

The job is a new position within the organization and will include responsibility for Ford's huge heavy-truck plant in Louisville,

see FORD, page 53



AUTOMOTIVE NEWS/JOE WILSSENS PHOTOS

William Clay Ford, left, and his son, William Jr.

5% payout dead, but Stempel pledges to help GM dealers

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — In a letter to dealers, General Motors President Robert Stempel said the automaker will help dealers clean out their stocks of 1989 models when the 1990 units arrive, but GM will not pay the traditional 5 percent carryover allowance.

Stempel said GM did not eliminate, but modified, its close-out allowance. He did not specify how GM will help dealers clear out past-model inventory nor how much GM will pay them.

In late February, GM divisions told dealers the payout will be determined later in the year.

Since the 1950s, GM has paid a dealer 5 percent of the retail price of the base car and factory installed options on each vehicle left

see GM, page 56

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Questions remain on runaway cars
Page 3

Nissan to double U.S. capacity
Page 4

DOMESTIC DAYS' SUPPLIES

	Mar. 1, 1989	Feb. 1, 1989	Mar. 1, 1988
Alliance	—	—	71
Eagle	—	—	61
Premier	159	185	193
Total Eagle	159	185	143
Horizon	119	114	79
Laser	61	100	—
Sundance	78	91	76
Turismo	—	—	112
Reliant	89	72	43
Acclaim	72	63	—
Caravelle	139	108	60
Gran Fury	43	46	53
Total Plymouth	83	86	57
LeBaron K	114	80	119
LeBaron J	99	96	58
LeBaron GTS	249	169	191
Fifth Avenue	217	156	68
New Yorker C	60	52	77
New Yorker E	437	193	26
Total Chrysler	91	81	66
Omni	121	123	97
Shadow	69	86	63
Charger	—	—	115
Daytona	135	128	67
Aries	86	68	55
Lancer	326	215	190
Spirit	72	69	—
Diplomat	62	56	118
Dynasty	48	62	59
Dodge 600	162	136	60
Total Dodge	79	87	69
CHRYSLER MTRS.	87	89	67
Escort	86	90	85
Mustang	60	87	65
Tempo	80	68	46
Taurus	71	78	58
Thunderbird	93	81	90
Probe	84	85	—
Crown Victoria	96	83	61
Total Ford Div.	79	81	66
Lynx/Tracer	147	152	89
Topaz	81	73	62
Sable	87	100	51
Cougar	90	72	96
Grand Marquis	73	57	49
Total Mercury	90	84	67
Continental	54	42	23
Lincoln	71	61	66
Mark VII	136	145	70
Total Lincoln	74	65	58
Total L-M Division	85	78	65
FORD MCTOR CO.	81	80	65
Skyhawk	161	205	78
Somerset/Skylark	93	125	67
Century	67	87	46
Regal	105	141	70
LeSabre	59	85	46
Reatta	168	261	99
Electra	99	127	51
Riviera	120	111	56
Total Buick	86	112	56
Cimarron	21	34	159
Allante	122	146	194
Seville	87	66	55
DeVille	59	61	86
Brougham	93	111	86
Eldorado	97	104	80
Total Cadillac	70	74	86
Chevette	—	—	117
Geo Prizm/Nova	180	129	58
Cavalier	67	74	63
Camaro	98	106	111
Celebrity	64	78	64
Corsica/Beretta	103	115	57
Monte Carlo	42	78	151
Caprice	94	112	88
Corvette	133	156	100
Total Chevrolet	87	97	69
Firenza	75	50	45
Calais	108	116	70
Cutlass Ciera	74	65	37
Cutlass Supreme	81	95	71
Olds 88	83	115	61
Olds 98	87	90	65
Toronado	144	143	62
Total Oldsmobile	85	91	56
Fiero	145	109	79
Pontiac 1000	—	—	28
Sunbird	70	84	57
Firebird	153	164	72
Grand Am	56	68	49
Pontiac 6000	90	112	48
Grand Prix	59	76	51
Bonneville H	97	126	37
Paris./Safari	149	137	54
Total Pontiac	75	92	51
GENERAL MTRS.	83	95	62
HONDA	30	30	11
MAZDA	90	87	51
MITSUBISHI	28	—	—
NISSAN	53	64	96
TOYOTA	28	18	39
VOLKSWAGEN	—	—	127
DOM. TOTAL	78	85	62
Subcompact	55	62	54
Compact	70	75	53
Intermediate	81	89	64
Standard	82	90	63
Speciality	141	167	92

Car inventories: fatter, fattest

Domestics second highest on record; new high for imports

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

March always is a month of mad hares, lions and lambs and spring training, but this year it may become famous for sales incentives and bulging supplies of unsold automobiles.

Inventories of new imported cars reached record-high levels March 1. Inventories of domestic cars were the second highest on record.

Import stocks on March 1 totaled 720,056 units, representing an 87-day supply at current selling rates, compared with 682,152 units, an 82-day supply, a month earlier. The old record, reached March 1, 1988, was 702,748 cars and a 75-day supply. March 1 supplies averaged 46 days over the last five years.

Domestic-car stocks on March 1 this year amounted to 1,791,970 units, a 78-day stockpile. On Feb. 1, they totaled 1,724,158 units, an 85-day supply, and on March 1 last year, the domestic inventory was 1,608,461 cars, a 62-day inventory. The five-year average for March 1 month was 67 days. The record for inventories of cars made in this country was reached July 1, 1987: 1,900,096 units, a 77-day supply.

Combined foreign and domestic car inventories on March 1 totaled 2,512,026 units, an 80-day supply. That compares with 2,406,310 units, an 84-day stockpile, a month earlier and 2,311,209 units, a 65-day stock, as of March 1, 1988.

A great deal of attention has been focused of late on General Motors' inventories. Some analysts have been saying the size of the company's stockpile would force GM to launch vigorous sales incentives campaigns. GM started this month with 988,847 domestic and imported cars in stock. That was the equivalent of an 86-day supply at current sales rates. A month earlier, GM had 967,069 cars, a 98-day supply, and last year at this time, it had 980,637 unsold cars, a 66-day stockpile.

GM did indeed sweeten its incentives last week, as did Chrysler Motors. Importers kicked off a strong wave of sales stimulators.

L.R. Windecker, sales research and analysis manager at Ford Motor Co., said there is no optimum number of days for an automotive company's inventory. For years, 60 to 65 days was generally accepted as a desirable number.

"There is no 'optimum level of 60 to 65 days' because dealers establish their stock levels based on their requirements, and the seasonal levels vary," Windecker said.

As of March 1, Ford Motor's unsold-car inventory totaled 594,400 units, an 83-day supply, compared with 567,200, or 82 days, a month before and 488,601, or a 67-day stock, as of March 1 last year.

Windecker contends factors such as product complexity, model proliferation and the country's population growth make occasional sales records, inventory records and days-supply peaks inevitable. Inventories and sales over the long term run in waves with opposite motions, he said. As sales rise, inventories decline and as sales dip, inventories rise.

By market classification, the industry's stocks of new cars were divided this way on March 1: intermediate, 44.68 percent; compact, 22.95 percent; standard, 17.86 percent; subcompact, 13.69; and specialty, 0.82 percent.

By nation of origin, the inventory of imports shaped up like this: Japan, 62.19 percent; Germany, 15.14 percent and other nations, 22.67 percent.

Inventory figures include factory stocks, cars at dealerships and those in transit in the United States. Import numbers include port inventories.

IMPORT DAYS' SUPPLIES

	Mar. 1, 1989	Feb. 1, 1989	Mar. 1, 1988
Chevrolet	188	173	140
Chrysler/Mitsubishi	208	202	115
Acura	77	71	24
Daihatsu	89	85	75
Honda	36	29	11
Isuzu	229	176	174
Mazda	62	58	53
Mitsubishi	98	104	111
Nissan	114	91	150
Subaru	24	96	98
Suzuki	119	237	-
Toyota	35	30	23
JAPAN	79	75	71
Audi	146	123	191
BMW	85	79	85
Mercedes-Benz	61	63	45
Merkur	166	90	171
Porsche	180	166	112
VW	156	158	85
GERMANY	115	112	88
Alfa Romeo	124	137	46
Festiva	125	117	108
Hyundai	71	62	50
Jaguar	42	38	49
Peugeot	99	96	167
Pontiac	133	144	170
Eagle/Renault	219	182	51
Saab	63	81	80
Sterling	92	80	67
Volvo	70	53	82
Yugo	428	265	146
Other Countries	99	88	78
Total Import Cars	87	82	75
Geo Tracker	198	130	-
Isuzu	125	134	110
Mazda	79	74	64
Mitsubishi	69	103	64
Nissan*	41	49	159
Range Rover	22	8	29
Suzuki	88	178	106
Toyota	52	49	43
Chrysler	201	173	111
Total Imp. Trucks	74	79	91
Total Imp. Vehicles	84	81	78

*Includes domestic vehicles.

Stodgy market receives incentive injection

By Laura Clark, Francis J. Gawronski and Jim Henry
AUTOMOTIVE NEWS STAFF REPORTERS

Trying to pep up a sluggish market, domestic and import carmakers unleashed a flurry of buyer and dealer incentives last week — just in time for the traditional spring selling season.

Chevrolet, Pontiac, Oldsmobile and Buick last week fine-tuned their incentive programs and added low-interest loan offers for many models. Chrysler Motors responded with a choice of loans as low as 4.9 percent or rebates on selected cars and trucks.

Imports also entered the fray last week: Toyota, Mitsubishi, Hyundai, Suzuki, Mazda, Isuzu and Peugeot announced consumer and dealer cash incentives on 1989 models. Volvo and Lotus also have incentives.

Domestic automakers went into March — traditionally a high sales month — with a 78-day supply but the second-highest number of units ever in inventory. Imports had a record number of units and an 87-day supply, compared to the 46 days usual for them on March 1.

The incentive panorama includes:

BUICK: Buick expanded the number of cars in its low-rate finance program from one to six until April 3. Buick is also offering consumers cash rebates as alternatives.

Buyers of 1988 and 1989 Skyhawk, Skylark, Century, Regal and Electra and 1989 LeSabre models, can receive loans between 4.9 percent for 24 months and 9.9 percent for 60 months.

As an alternative, customers can select rebates of $300 on Skyhawks, $400 on Centurys, $500 on Skylarks, $750 on 1989 Regals with the 3.1-liter engine and $1,000 on 1989 Regals with the 2.8-liter engine, $750 on all 1988 Regals and $1,000 on 1988 Electras.

Rebates on 1989 LeSabres and Electras vary by option package selected. They range from $400 to $1,000 on LeSabre and $500 to $1,500 on Electra.

On LeSabres and Electras in dealer stock or invoiced to dealers on or before March 7, Buick is offering additional discounts of $100 to $500 on option packages.

CHEVROLET: Chevrolet's new incentives include rebates or loans between 4.9 and 8.9 percent until May 2. There is no dealer financial participation required.

Rebates are $300 on Cavalier and $600 on Corsica and Beretta. Chevrolet is offering $750 on Celebrity models with four-cylinder engines and $600 on Celebrity models with six-cylinder engines. The low-financing option is not available on Celebrity.

The division is also offering dealer cash on selected models.

CHRYSLER: Chrysler Motors buyers can choose cash rebates or cut-rate loans on selected 1988 and 1989 cars and trucks. The loan rates are 4.9 percent for 24 months, 7.9 percent for 36 months, 9.9 percent for 48 months and 10.9 percent for 60 months.

As an alternative, the following rebates are offered: $300 on Dodge Aries and Spirit; Plymouth Reliant and Acclaim; Chrysler LeBaron convertible; and Dodge Ram 50, Ram Wagon and Dakota S.

Also, $500 on Dodge Omni, Shadow and Dynasty; Plymouth Horizon and Sundance; Dodge and Plymouth Colt and Colt Vista; Eagle Summit; Dodge Ram Van; Jeep Cherokee two-door and Comanche two-wheel-drive short-bed pickup.

Also, $750 on Dodge Daytona (except Shelby Z), Diplomat and Lancer; Plymouth Gran Fury; Chrysler LeBaron coupe and LeBaron GTS; Eagle Premier; Dodge Raider; and Jeep Comanche (except 2wd short bed).

Peugeot dealers are getting rebates as high as $2,000 on sales of 405 models

Chrysler is also offering $1,000 on Chrysler New Yorker, New Yorker Landau and Fifth Avenue; Dodge Dakota (except S model) and 2wd and 4wd 100 and 150 pickup trucks; and Jeep Grand Wagoneer.

In addition, the rebate is $1,500 on Dodge Ramcharger and $2,000 on Dodge Daytona Shelby, Chrysler Conquest, Eagle Medallion and Dodge 2wd and 4wd 250 and 350 pickup trucks (except diesels).

The Chrysler program began March 11 and has no cutoff date.

ISUZU: Isuzu is paying $500 to dealers for every car, except the Twin-Cam I-Mark, sold through April 14.

LOTUS: When a dealer sells a 1988 Esprit and buys a 1988 model, he receives $1,000 cash for the car he sold and another $1,000 for marketing funds for the car he purchased.

When the dealer sells a 1988 Esprit and buys a 1989 model from Lotus, he receives $500 cash for each. When the dealer buys a 1988 model without a qualifying sale, he receives $500 in cash and $500 in marketing funds. The program ends March 31.

MAZDA: Mazda is paying customers rebates of $400 on 323 models and $750 on 2200 pickups purchased through April 2, and $750 on MX-6 models purchased through April 30.

Mazda also is offering dealers a $299-a-month lease package on 929 models through Mazda American Credit.

MITSUBISHI: Mitsubishi is offering dealer rebates on 1989 Galants and 1988 and 1989 Sigmas and Monteros sold or leased. Dealers will receive nothing for the first three units sold or leased, $500 each for the fourth through 11th and $1,000 per unit for the 12th and above.

A second program involves the sale or lease of 1989 Precis, 2wd or four-wheel-drive 1988 and 1989 truck, Mirage and cargo van. Payments are $350 for units 4-11 and $700 for 12 and above.

Under Mitsubishi's consumer rebate program, the retail purchaser or lessee will receive $500 on a 1988 Precis and $2,000 on a 1988-89 Starion.

Salespersons who sell an eligible 1989 Galant, Mirage or Montero will receive a chance to win that same model in a drawing. They also receive $100. Mitsubishi's rebate programs run through March 31.

OLDSMOBILE: Until March 31, Oldsmobile is offering buyers a choice of cut-rate financing, a year's worth of gasoline or a cash incentive.

Loan rates range from 4.9 percent for 24 months to 9.9 percent for 60 months.

The free gas offer is worth $509 to $750, depending on model, Olds said. It is not available in Vermont.

Rebates are $300 on Cutlass Calais models not equipped with the Quad 4 engine; $500 on Cutlass Calais models with the Quad 4; $400 on Cutlass Ciera; $500 on Cutlass Supremes with the 3.1-liter V-6; $1,000 on Cutlass Supremes with the 2.8-liter V-6; $1,000 on 88 Royale and Customer Cruiser; and $1,500 on 98 Regency and Toronado.

There is no dealer financial participation required. The new program replaces all regional incentives.

PEUGEOT: Peugeot dealers are receiving rebates as high as $2,000 on sales of 405 models

see INCENTIVES, page 56

Ford to cut supplier list by 400-600

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — Ford Motor Co. expects to trim 400 to 600 suppliers from its North American supply base in the next few years as it heads closer to launching products under its global development program.

Some suppliers will be shed because they won't reach Ford's standards for quality, said Louis R. Ross, executive vice president, North American automotive operations. Other factors, such as the ability to serve Ford around the world, are growing in importance.

In North America, Ford gets its parts from 2,100 supplier locations. Nearly half of them have achieved the company's "Q1" award, which recognizes suppliers that meet a list of performance standards.

Ford has told its vendors that they must have a Q1 award by Jan. 1, 1990, to be eligible for new business. If a supplier doesn't reach Q1 status by 1992, it won't do any business with Ford.

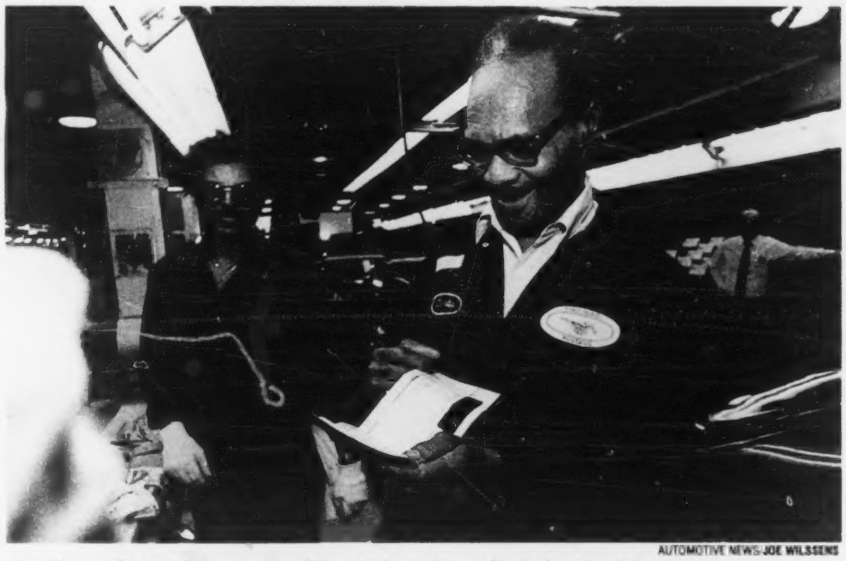
But Ross said that a Q1 award in itself is no guarantee of future business. "It allows you to play poker," he said. "It doesn't mean you're going to win."

Ford and other automakers are relying more and more on "full-service suppliers" — those that can help design and develop groups of parts into automotive systems. In the process, many direct suppliers will become "second-tier" suppliers and provide parts to other, "first-tier" suppliers.

Under Ford's evolving product development strategy, vehicles will be developed in one country for sale around the globe.

The replacement for the U.S. Tempo/Topaz and European Sierra, for example, is being developed in Europe. But it will be assembled in that market as well as in the United States.

"As we pursue these global programs, we will require suppliers who have parallel global strategies," Ross said. "We will initially use the most capable regional suppliers, and later on we will move to those who are the best suppliers on an international scale."


AUTOMOTIVE NEWS/JOE WILSSENS

Joe Hines, a Ford worker, was one of thousands getting profit-sharing checks last week

FORD GAINS: *23% car-market share can be held — Poling*

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — Ford Motor Co. Vice Chairman Harold Poling said he believes the automaker can hold on to the market-share gains it has posted so far this year and finish the year with more than 23 percent of U.S. car sales.

Ford's sales for the first two months of 1989 were up nearly one percent over last year's, but the overall car market has fallen 10 percent, so Ford has boosted its market share more than two percentage points from year-ago levels, to 23.58 percent. It is the only domestic maker to improve its market share this year: General Motors has lost more than two percentage points and Chrysler Motors has lost more than one point.

While a two-month trend is not a significant pattern, Poling said he believes the company can hang on to much of its gain. Finishing the year at 23 percent would represent another strong increase in an intensely competitive market. In 1988, Ford boosted its car market share from 1987's 20.15 percent to 21.62 percent.

Poling also said he was still bullish about the industry's prospects for 1989 — despite back-to-back increases in the prime rate during February. At 11.5 percent, the benchmark lending rate now stands at its highest point in more than four years.

Ford began the year with the Big 3's most bullish sales projection: 15.4 million vehicle sales. Poling said he's not ready to back away from that forecast yet. But he believes the second quarter will be a strong test.

Many economists — including Ford's chief economist — had predicted that short-term interest rates would peak at mid-year and then decline. It was believed that the hike would slow the economy enough to keep inflation in check.

Poling suggested that any further hikes in interest rates could put an unexpected squeeze on the economy.

"Two increases in the prime in a relatively short period of time have probably caused some concern," he said. "But I think that the underlying strength of the economy still exists. Barring further action on interest rates, I still think we have the opportunity for a better-than-15 million year."

Speaking at the distribution of profit-sharing checks to workers at the Dearborn assembly plant, where the Mustang has been built since its introduction 25 years ago, Poling said Mustang will survive beyond the "early 1990s" if sales hold up at current levels.

So far, the Mazda-built Probe — originally slated as a successor to Mustang — has had no apparent effect on Mustang sales.

Last year, Mustang sales dipped by less than 2 percent to 170,000. This year, they're up 7 percent.

The average Ford payout for hourly and salaried workers was more than $2,800, the company said. In all, 152,407 employees shared $463 million.

Last year, the average payout was $3,700. Although the corporation earned more in 1988 than it did in 1987, the profit-sharing payment was lower. The payout is based on profits as a percentage of sales from U.S. automotive operations, which declined.

NHTSA blames pedal position for runaways

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — A long-awaited NHTSA study concluded unintended acceleration is caused by drivers stepping on the gas rather than the brake pedal, but left numerous unanswered questions about individual cars that the government will continue to investigate.

The report by the Transportation Research Systems Center, the Cambridge, Mass., research arm of the Department of Transportation, said that shift locks appear to partially remedy the sudden acceleration problem.

The report's recommendation that shift locks be considered as a solution does not mean the government will require the devices, NHTSA said. With automakers voluntarily installing shift locks on cars that were reported to suffer from unintended acceleration problems, there may be no need to mandate their installation, said George Parker, NHTSA associate administrator for enforcement.

"It is too early to say whether we will have to require shift locks. Manufacturers need to look at this report and be sensitive to the problem" of unintended acceleration, Parker said.

NHTSA has launched a more detailed study to determine whether there is a correlation between sudden acceleration and the position of pedals that results in drivers hitting the accelerator rather than the brake, Parker said.

"The report did not go far enough to suggest what would be an optimum pedal placement," he said.

"Cars that have a high complaint rate have pedals that are very close together, but there are also cars with the same pedal placement that don't have a high complaint rate," Parker said.

While the year-long study concluded sudden acceleration is a driver — rather than mechanical — problem and looked at 10 models reportedly plagued by the problem, it did not automatically exonerate individual automakers from further scrutiny.

The report ruled out several theories on the cause of sudden acceleration. including cruise control, electromagnetic/radio frequency interference, electronic idle speed control, computer-controlled fuel injection systems, transmissions and brakes.

The initial study was launched because of the repeated reports, injuries and deaths attributed to problems with the Audi 5000, although many other makes have been investigated.

"We only asked the contractor to investigate the possible causes of sudden acceleration. We still need to determine how widespread the problem is," Parker said.

The report does not specifically address complaints of unintended acceleration which plagued the 1976-1988 Audi 5000 and four other types of cars — 1986-88 Mercedes-Benz 300; the 1986-1988

see ACCELERATE, page 56

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Mazda faction battles UAW establishment

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

An election campaign mounted by the New Directions Coalition at Mazda's new plant in Flat Rock, Mich., is pitting a group of disillusioned workers against local union officers appointed by a UAW regional director.

The incumbents admit to problems juggling Japanese flexibility with the union's rights, but they contend the union is making headway.

The struggle provides a glimpse into the evolution of a local union at a Japanese transplant where workers expected more teamwork and consideration. The dissidents say the American managers at the plant do not treat workers with the "dignity and respect" touted in orientation.

The dissidents — who claim 500 signed endorsements of their platform — will try to win offices in the plant's first elections April 18. The Mazda plant employs about 2,770 workers.

Last week, the conflict led to a complaint of unfair labor practices filed against Mazda by the National Labor Relations Board in Detroit. The complaint was based on charges by New Directions leader Phil Keeling.

The eight-count complaint names 26 top supervisors including James F. Korowin, vice president — manufacturing, and Penny Morey, director of labor relations.

In the complaint, the labor board alleges Mazda issued several unfair rules. Those rules require workers to gain company approval before distributing literature, and off-duty workers are prohibited from distributing literature at the plant. The board also alleges rules prohibit workers from wearing buttons and insignia on uniforms and posting anything but company-approved literature on bulletin boards.

A Mazda supervisor is alleged to have told an employee that a New Directions button showed dissent toward the company. Another supervisor is alleged to have confiscated New Directions literature. A hearing is set May 30 in Detroit. New Directions members said they believe that through the rules and prohibitions, Mazda is trying to suppress their movement.

A Mazda spokeswoman said Friday that the National Labor Relations Board had not contacted the company and Mazda "had no comment on any NLRB action."

But she said, "We respect the rights of our employees to express their opinion and we have not interfered with that right. We have policies that insure cleanliness and safety and that prohibit wearing jewelry or buttons on the production line that interfere with safety or with the quality of the vehicle. But (workers) can wear personal items at any other time, such as during breaks in the cafeteria."

The size of the New Directions group at Mazda is significant because caucuses at traditional plants "tend to be the property of a few politicians," said Jane Slaughter, a staff writer for Labor Notes, a newsletter sympathetic to dissident unionists.

"At older plants, people are pretty cynical. They've seen caucuses come and go," she said.

Members of New Directions at Mazda say they are not dissidents, because most plant workers are dissatisfied. UAW observers say the coalition's victory is by no means assured.

At Mazda, raised expectations have met hard realities. During employee orientation, teamwork in a Japanese plant was depicted as radically different from traditional factory work.

"Maybe some trainers projected it as sort of a country club," said Bob Ramp, a union representative at Mazda's UAW Local 3000.

Others say that the discontent among Mazda

see Mazda, page 20

Trucks dip for month and year

U.S. lines, imports share sales decline

Dealers sold 5.31 percent fewer domestic and imported light trucks in the first two months of 1989 than they did a year ago as February deliveries tumbled 10.75 percent.

Two-month deliveries totaled 701,203 units compared with 740,548 last year. February sales this year dipped to 356,766 units from 399,741 a year earlier.

Domestic light truck sales — pickups, vans, minivans and sport-utilities — fell 12.00 percent in February to 307,169 units from 349,039 a year ago. In the first two months of this year, they were off 4.42 percent and totaled 603,473 units against 631,362 in 1988.

Sales of imported trucks in February eased by 2.18 percent to total 49,597 units compared with 50,702 last year. For two months, sales totaled 97,730 units compared with 109,186 in 1988, a dip of 10.49 percent.

Nissan dealers were among the few retailers bucking the trend to any significant degree. They delivered 15,230 light trucks in February compared with 11,688 a year ago. Through February, Nissan's sales totaled 29,177 units compared with 26,761 in 1988.

Overall, only a few other increases in sales were reported.

Isuzu dealers, for example, moved up to 6,873 sales in February from 5,808 and for the two months totaled 13,499 units against 12,818 a year ago.

Range Rover sales in February climbed to 341 units from 278 and for the two-month period were 836 compared with 525 last year.

LIGHT-DUTY TRUCK SALES

	Feb. 1989	Feb. 1988	2 Mos., 1989	2 Mos., 1988
Vans	13,417	15,548	24,931	27,747
Aerostar	14,569	15,241	28,602	27,548
Club Wagon	1,707	2,385	3,432	4,210
Ranger	21,647	24,091	43,842	45,438
Bronco	4,852	4,231	10,001	8,453
Bronco II	8,775	9,803	18,479	19,355
Pickups	45,187	48,211	88,547	89,382
Ford	**110,154**	**119,510**	**217,834**	**222,133**
Vans	7,855	11,480	14,344	20,624
Sportsvan	763	1,206	1,504	2,210
Geo Tracker	635	0	1,385	0
Astro	9,880	14,593	19,110	24,951
S-10	17,035	22,482	33,184	41,208
S-10 Blazer	13,316	12,515	27,545	23,896
El Camino	0	115	0	290
Blazer	1,821	3,029	3,595	5,401
Suburban	4,784	5,544	9,282	9,582
Pickups	38,666	45,956	74,178	80,248
Chevrolet	**94,755**	**116,920**	**184,127**	**208,410**
Vans	5,201	5,220	9,822	8,725
Ram Wagon	1,827	2,235	3,631	4,082
Voyager	14,022	14,835	27,750	26,593
Caravan	16,950	17,334	31,285	30,024
Mini Ram Van	1,570	1,380	2,576	2,488
Ram 50	2,345	5,833	4,912	9,581
Raider	373	677	1,027	1,595
Ramcharger	1,837	2,274	4,166	3,916
Dakota	7,738	7,269	15,330	14,627
Pickups	7,260	6,376	14,251	13,352
Chrysler	**59,123**	**63,433**	**114,750**	**114,983**
Vans	3,131	3,696	5,829	6,014
Safari	2,299	2,573	4,568	4,495
S-15	3,772	4,684	7,447	7,744
S-15 Jimmy	3,155	3,015	6,740	5,486
Jimmy	537	641	1,117	1,205
Caballero	0	15	0	48
Suburban	1,675	1,838	3,420	3,124
Pickups	10,939	12,748	20,728	20,763
P Model	266	321	645	668
W-4	77	97	185	186
GMC	**25,851**	**29,628**	**50,679**	**49,733**
Wrangler	3,380	2,861	6,451	5,163
Wagoneer	573	752	1,277	1,495
Cherokee	10,610	11,928	22,478	21,408
Grand Wagoneer	765	1,001	1,819	2,355
Comanche	1,958	2,971	4,058	5,606
J-10/J-20	0	35	0	76
Jeep	**17,286**	**19,548**	**36,083**	**36,103**
Toyota	15,280	15,616	30,480	34,200
Nissan	15,230	11,688	29,177	26,761
Mazda	6,183	8,105	13,093	16,424
Isuzu	6,873	5,808	13,499	12,818
Mitsubishi	3,366	4,120	6,263	8,077
Suzuki	2,324	5,085	4,382	10,377
Subaru	0	2	0	4
Range Rover	341	278	836	525
Imports	**49,597**	**50,702**	**97,730**	**109,186**
Industry Total	**356,766**	**399,741**	**701,203**	**740,548**

Compiled by Karen [illegible]

Class 8 orders rise to beat price hikes

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Heavy-truck orders reached a record level in January as many buyers rushed to beat price increases.

The industry faces major increases next month.

The new hikes, expected to average as much as $2,200 a truck for some manufacturers, stem largely from boosts by engine and component suppliers.

Cummins raised engine prices an average of slightly more than 4 percent. Caterpillar and Detroit Diesel followed quickly, the latter with a hike of nearly 6 percent.

Those increases do not take effect until summer. However, because of the industry's strong order backlog and stretched-out delivery time, they will begin affecting vehicle orders next month.

As David Healy, analyst with Drexel Burnham Lambert of New York, pointed out, backlogs of unfilled Class 8 orders were up 32 percent in the December-January period "and now stretch out to five months' production."

January's order intake translated into an annualized U.S. Class 8 sales rate of more than 250,000 vehicles, according to Frank Prezelski, financial analyst with Deutsche Bank Capital of New York. The industry sold only 173,000 Class 8s in 1979, its best year ever.

Truck manufacturers have been raising prices since last fall, causing some degree of pre-buying.

Navistar announced a 4 percent price hike last fall; Mack, a 1.5 percent hike in December; Freightliner, a 2.5 to 3 percent hike in January; and Kenworth, a 4 percent hike in February. Those increases preceded the recently announced increases by Cummins, Caterpillar, Detroit Diesel and other Class 8 component suppliers.

Terry Young, marketing director for Volvo GM Heavy Truck, estimated prices in the industry could rise another $600 to $1,200.

Edward Raniszewski, director of marketing communications for Mack Trucks, said that if prices go up 4 percent, as some people in the industry believe, it would translate into a $2,200 increase, based on the average $57,000 to $60,000 price of a Class 8 truck.

There is no uniformity in the industry's increases.

Some manufacturers, such as Kenworth and Peterbilt, are heavier users of expensive aluminum for their cab production, for example, making them prone to seek bigger increases.

Raniszewski sees the current actions as "an attempt on the part of the industry to raise prices because they've been held so low for so long. Materials prices have really been escalating."

Most industry officials see the first half of 1989 as very strong and the second half as weaker. The real debate is over how much weaker. That won't be known until March-April order boards are tallied.

Meanwhile, as Prezelski pointed out, the strong demand is enabling manufacturers and suppliers like Cummins to take some real profit — not simply recover part of their costs, as they did when they raised prices last fall.

Cummins officials told a meeting of security analysts recently that after a heavy loss in 1988, they expect earnings per common share to exceed $1 in the quarter ending April 2 as a result of price increases, favorable acceptance of their B- and C-series engines and consolidations in operations.

Cummins plans to sell some operating units in its business information and services group, including Cummins Financial, and receive about $60 million in net cash proceeds.

Navistar adds Class 8 tractor to 9000 premium series

By Robert Deierlein
STAFF CORRESPONDENT

FORT WAYNE, Ind. — Navistar International has introduced a new aerodynamic conventional Class 8 tractor, the International 9400, as an addition to its 9000 premium-line series.

The 9400 model is being built at Navistar's Chatham, Ontario, plant, with full production scheduled to begin in April.

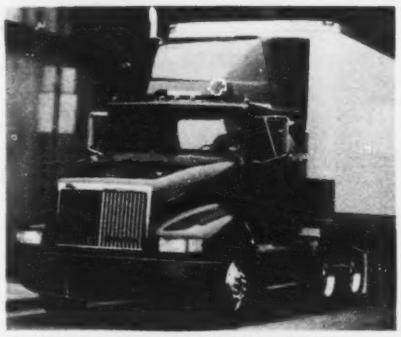
Randy Dennis, Navistar general manager, heavy-duty products, said the design of the new aerodynamic conventional set-back front-axle model will result in significant improvements in fuel economy, maneuverability, ride and performance.

It also is lighter and easier to service for the truckload private carriers and owner-operator buyers at whom the vehicle is targeted, Dennis added.

The new vehicle features front bumper air fairings and a three-piece, rounded front bumper that cuts headwind and reduces the under-truck turbulence associated with conventional-style tractors.

That also helps control the air flow along each side of the vehicle, eliminating any billowing effect from the front wheels, according to Dennis.

The vehicle's hood is 10 inches lower than on other 9000 series models. The truck has rounded fenders; flush-mounted turn signals and headlights; cab roof fairings and side extenders, which are standard on all Navistar's 9400 models with 42-inch and 60-inch flat-roof sleeper boxes as well as on non-sleeper versions.



Navistar's newest — the 9400 tractor

It also features side skirts running from wheel to wheel that manage air flow along each side of the tractor and an optional exterior sun shade located above the windshield that further reduces the drag associated with sun visors.

Company officials said those features will improve the fuel efficiency of the 9400 model 4 percent to 7 percent over a comparable International 9300.

To enhance maneuverability and reduce turning radius, the vehicle's front axle is set back 50 inches from the front bumper.

To improve ride, the truck uses 58-inch taper leaf front springs, premium shock absorbers and one-piece, high-strength drop center frame rails. Weight has been reduced through the use of an all-aluminum cab.

The new model offers a choice of powertrains, including Cummins or Caterpillar diesel engines up to 444 horsepower, and a new crossflow, center-mounted radiator designed to increase the cooling capacity of the higher-horsepower engines.

The vehicle also has a high degree of parts commonality with other 9000 models.

To improve serviceability, access to the rear cab has been incorporated into the wheel-to-wheel side skirting, and the battery boxes are accessible without removing the skirting.

The new tractor has a one-year/100,000-mile warranty on the chassis, which covers 100 percent of parts and labor costs.

It has a five-year/300,000-mile warranty on the Dana transmission and axle and a three-year/300,000-mile warranty on other transmissions and axles, which also covers 100 percent of parts and labor costs. Additional extended warranty coverage is available at extra cost.

CAD system cuts Navistar 9400 development time

FORT WAYNE, Ind. — Navistar's Technical Center provided most of the engineering and design testing for the company's new 9400 model. The center used its advanced computer-aided design capabilities and physical test equipment.

Tech Center officials said they were able to reduce product-development time, investigate increased numbers of design options and generate a common database for remote engineering support, plant engineering and vendor information exchange.

They cited design and development of the 9400's hood, inner reinforcements, side skirts, fender extension, grille, underhood packaging and chassis-related component packaging as examples.

They said that from concept to design completion, creating designs manually for such componentry would have required 49 weeks. Creating a die model of the vehicle would have required an additional 26 weeks. However, with the Unigraphics system, it required only 14 weeks and five weeks, respectively.

Similarly, from concept to production, manual procedures on the same vehicle would have required 30 months, but with Unigraphics it took only 12.

DOMESTIC CAR SALES

	Feb. 21, to Feb. 28, 1989	Same Period, 1988	Feb. 1989	Same Month, 1988	Jan. 1, to Feb. 28, 1989	Same Period, 1988
Alliance	0	332	0	944	0	1,708
Eagle	0	81	0	281	0	702
Premier	1,333	799	3,390	1,812	6,218	3,355
Total Eagle	1,333	1,212	3,390	3,037	[illegible]	5,765
Horizon	809	1,493	2,266	3,500	[illegible]	6,577
Laser	395	0	907	0	1,362	0
Sundance	2,685	2,410	7,054	6,162	13,369	10,850
Turismo	0	69	0	175	0	342
Reliant	1,014	5,240	2,721	14,395	6,529	23,219
Acclaim	1,732	0	3,934	0	6,252	0
Caravelle	28	655	88	2,001	224	4,012
Gran Fury	39	343	336	1,135	841	1,891
Total Plymouth	6,702	10,210	17,306	27,368	33,790	46,891
LeBaron K	37	972	107	2,436	277	4,498
LeBaron J	2,158	4,614	6,523	11,177	13,067	17,285
LeBaron GTS	195	494	468	1,303	1,022	2,861
Fifth Avenue	340	2,462	980	6,454	2,543	11,546
New Yorker C	2,816	1,639	8,346	4,373	17,509	7,413
New Yorker E	4	2,153	11	6,255	36	8,539
Total Chrysler	5,550	12,334	16,435	31,998	34,454	52,142
Omni	902	1,339	2,312	3,050	5,153	5,738
Shadow	2,695	2,547	7,144	7,833	13,154	13,742
Charger	0	52	0	159	0	295
Daytona	1,792	2,226	4,623	5,134	9,222	10,454
Aries	896	4,202	2,657	11,181	6,423	19,289
Lancer	116	366	262	979	637	1,959
Spirit	1,558	0	4,050	0	6,508	0
Diplomat	110	663	494	1,408	1,274	2,468
Dynasty	4,286	1,628	10,691	4,832	18,752	7,411
Dodge 600	28	702	88	1,840	212	3,744
Total Dodge	12,383	13,725	32,321	36,416	61,335	65,100
CHRYSLER MOTORS	25,968	37,481	69,452	98,819	135,797	169,898
Escort	11,390	9,594	29,242	29,026	59,269	57,322
Mustang	5,458	5,825	16,718	15,233	29,095	27,192
Tempo	6,795	8,882	18,814	24,665	40,332	47,086
Taurus	10,307	10,364	27,407	32,521	52,962	62,456
Thunderbird	3,270	3,482	8,712	10,396	17,331	20,964
Probe	3,325	0	9,836	0	19,051	0
Crown Victoria	2,433	3,304	7,254	9,317	15,463	18,188
Total Ford Div.	42,978	41,451	117,983	121,158	233,503	233,208
Lynx/Tracer	1,500	1,888	3,859	5,278	7,967	10,481
Topaz	3,009	2,219	7,313	6,590	15,097	12,793
Sable	3,102	3,827	8,397	10,778	16,005	19,713
Cougar	2,921	3,692	6,645	8,892	13,425	16,832
Grand Marquis	2,943	3,278	7,856	8,963	16,872	16,730
Total Mercury	13,475	14,904	34,070	40,501	69,366	76,549
Continental	1,600	1,054	4,267	3,190	9,323	5,558
Lincoln	2,490	3,022	7,752	10,252	15,884	18,225
Mark VII	743	618	1,890	1,777	3,721	3,370
Total Lincoln	4,833	4,694	13,909	15,219	28,92[illegible]	27,153
Total L-M Division	18,308	19,598	47,979	55,720	98,29[illegible]	103,702
FORD MOTOR CO.	61,286	61,049	165,962	176,878	331,797	336,910
Skyhawk	762	1,401	1,535	3,302	2,917	6,060
Somerset/Skylark	1,970	2,341	4,406	5,981	7,848	10,545
Century	5,214	4,341	11,791	10,946	22,777	20,293
Regal	2,871	3,610	7,194	10,172	12,392	16,886
LeSabre	4,164	6,309	8,932	15,554	16,010	27,497
Reatta	216	48	577	141	980	275
Electra	2,874	2,935	6,613	7,801	11,867	16,500
Riviera	555	528	1,349	1,064	2,653	2,097
Total Buick	18,626	21,513	42,479	54,961	77,444	102,153
Cimarron	19	221	69	578	164	1,112
Allante	98	96	266	243	492	476
Seville	560	821	1,596	1,816	3,483	3,091
DeVille	5,229	4,195	14,044	12,022	26,440	23,534
Brougham	1,165	878	2,899	2,549	5,223	5,187
Eldorado	929	691	2,340	1,673	4,514	3,220
Total Cadillac	8,000	6,904	21,214	18,881	40,316	36,620
Chevette	0	27	0	52	0	102
Geo Prizm/Nova	1,215	5,553	3,394	15,434	7,188	20,529
Cavalier	8,688	8,633	24,654	23,588	46,600	43,671
Camaro	2,857	3,061	7,950	7,127	15,288	12,357
Celebrity	5,992	9,778	17,587	27,212	35,150	46,974
Corsica/Beretta	10,083	14,709	26,690	30,598	50,906	63,088
Monte Carlo	78	1,307	416	3,771	726	7,248
Caprice	4,040	4,967	10,879	13,170	19,838	24,143
Corvette	484	788	1,397	2,046	2,561	3,546
Total Chevrolet	33,437	48,823	92,967	131,998	176,257	221,658
Firenza	0	951	2	2,028	6	3,391
Calais	2,312	3,530	7,254	9,162	14,058	16,674
Cutlass Ciera	4,813	8,204	15,670	20,904	32,705	39,616
Cutlass Supreme	2,319	3,958	10,888	8,863	21,043	15,591
Olds 88	4,859	6,243	12,932	14,858	22,126	30,034
Olds 98	2,055	2,845	5,627	6,631	10,573	13,626
Toronado	273	596	720	1,395	1,444	2,454
Total Oldsmobile	16,631	26,327	53,093	63,841	101,955	121,386
Fiero	80	1,414	226	3,111	591	5,339
Pontiac 1000	0	30	0	49	0	100
Sunbird	2,484	2,708	6,663	7,097	11,672	12,005
Firebird	1,350	2,156	3,643	5,036	6,892	8,622
Grand Am	5,297	6,956	17,540	20,543	31,898	38,182
Pontiac 6000	1,884	3,234	5,774	7,804	10,902	16,610
Grand Prix	4,318	2,367	12,606	5,969	24,339	7,757
Bonneville H	2,985	4,830	7,597	12,011	13,670	22,760
Paris./Safari	91	287	287	692	593	1,386
Total Pontiac	18,489	23,982	54,336	62,236	100,557	113,740
GENERAL MOTORS	95,183	127,549	264,089	331,917	496,529	595,557
HONDA	11,599	14,470	27,926	27,604	50,024	49,975
Civic	5,341	3,380	12,912	6,565	23,178	12,105
Accord	6,258	11,090	15,014	21,039	26,846	37,870
MAZDA	1,504	906	2,978	1,626	5,535	3,196
MITSUBISHI	449	0	1,240	0	2,047	0
NISSAN	5,177	1,955	9,005	4,723	16,715	9,837
TOYOTA	7,355	1,456	11,390	3,315	22,166	7,776
VOLKSWAGEN	0	1,874	0	3,977	0	7,163
DOMESTIC TOTAL	208,521	246,742	552,042	649,059	1,062,609	1,180,284
IMPORT TOTAL			198,825	235,216	405,124	464,673
INDUSTRY TOTAL			750,867	884,275	1,467,733	1,644,957

*—[illegible]

Short month brings short market

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

Some U.S. retailers of automobiles must be relieved that February is a short month.

Sales in the 24 selling days were dismal with bright spots a distinct rarity.

Combined sales of domestic and imported cars fell to 750,867 units, down 15.09 percent from the 884,275 delivered by dealers in February last year.

Sales of domestic cars totaled 552,042 units, off 14.95 percent from 649,059 a year earlier.

MARKET SHARES, Feb. 1989

	Total Sales	Pct. of Total
SUBCOMPACT	76,527	10.19
COMPACT	140,554	18.72
INTERMEDIATE	238,013	31.70
STANDARD	94,482	12.58
SPECIALITY	2,466	0.33
IMPORT	198,825	26.48
TOTAL	750,867	100.00

Retail deliveries of imports eased 15.47 percent in the month to total 198,825 cars vs. 235,216 in the year-earlier month.

There was one more selling day in February 1988.

Imports captured 26.48 percent of the market in February and 27.60 percent for the first two months of this year.

The daily selling rate in February this year averaged 22,985 units, off 11.47 percent from 25,962 per day a year earlier.

Japanese makers and Ford Motor Co. enjoyed market share increases for the month. This is how the market was divided in February, with February 1988 shares in parentheses:

General Motors, 35.52 percent (37.92 percent); Ford Motor, 23.58 percent (21.25 percent); Japanese, 23.48 percent (20.74 percent); Chrysler Motors, 10.43 percent (11.75 percent); European, 5.00 percent (5.61 percent); and Korean, 1.99 percent (2.73 percent).

For the year through Feb. 28, combined domestic and import sales totaled 1,467,733, off 10.77 percent from sales of 1,644,957 a year before. Domestics, with a total of 1,062,609, were off 9.97 percent from 1,180,284 units sold in the first two months of 1988. Import sales totaled 405,124, down 12.82 percent from 464,673 a year ago.

Mitsubishi Motor Sales of America reported record high any-month sales of 6,517 cars in February, up 25.25 percent from sales of 5,203 last year.

Among the higher-priced cars, where much interest is focused these days, gains were reported in year-to-date sales for BMW, Jaguar, Lincoln, Peugeot and Volvo.

Sales of Yugo in the first two months of 1989 fell to 1,631 units from 5,358 in the similar 1988 period. Sales of Sterling cars through February slipped to 1,400 units from 2,117 last year.

IMPORTED CAR SALES

	Feb. 1989	Feb. 1988	2 Mos., 1989	2 Mos., 1988
Acura	9,465	8,988	18,978	18,025
Alfa Romeo	237	522	455	763
Audi	1,458	1,992	3,267	3,431
BMW	5,736	5,763	11,419	10,359
Chevrolet	7,508	11,300	15,319	21,007
Chrysler	381	893	854	1,442
Daihatsu	1,019	760	2,123	1,783
Dodge	3,081	5,409	6,106	8,902
Ford	6,226	6,080	12,679	11,168
Eagle	2,054	2,244	4,749	4,899
Honda	16,541	18,812	32,099	41,273
Hyundai	14,056	22,536	29,230	44,860
Isuzu	1,251	1,448	2,800	3,009
Jaguar	1,361	1,400	2,853	2,568
Maserati	21	95	43	145
Mazda	15,612	18,413	32,049	36,408
Mercedes-Benz	5,542	5,890	10,578	11,699
Mercury	606	774	1,687	1,503
Mitsubishi	5,277	5,203	10,316	10,483
Nissan	30,361	24,826	59,469	52,627
Peugeot	413	331	861	684
Plymouth	2,737	4,854	5,533	8,111
Pontiac	3,604	3,574	7,341	7,153
Porsche	536	1,417	1,141	2,554
Saab	2,845	3,076	5,280	5,795
Sterling	612	1,166	1,400	2,117
Subaru	13,209	12,590	23,458	22,547
Suzuki	559	0	1,106	0
Toyota	29,421	42,187	65,797	84,316
Volkswagen	8,825	12,768	17,854	23,854
Volvo	7,510	7,161	16,649	15,830
Yugo	761	2,744	1,631	5,358
TOTAL	198,825	235,216	405,124	464,673

*—Volkswagen totals include U.S.-built models sold after June 30,1988. Sales charts compiled by Karen [illegible]

U.S. CAR SALES BY MARKETING UNITS

	Feb. 1989	Percent Share	Feb. 1988	Percent Share	2 Mos., 1989	Percent Share	2 Mos., 1988	Percent Share
Alfa Romeo	237	0.03	522	0.06	455	0.03	763	0.05
American Honda	53,932	7.18	55,404	6.27	101,101	6.89	109,273	6.64
BMW	5,736	0.76	5,763	0.65	11,419	0.78	10,359	0.63
Buick	42,479	5.66	54,961	6.22	77,444	5.28	102,153	6.21
Cadillac	21,214	2.83	18,881	2.14	40,316	2.75	36,620	2.23
Chevrolet	100,475	13.38	143,298	16.21	193,576	13.19	242,665	14.75
Chrysler	16,816	2.24	32,891	3.72	35,308	2.41	53,584	3.26
Daihatsu	1,019	0.14	760	0.09	2,123	0.14	1,783	0.11
Dodge	35,402	4.71	41,825	4.73	67,441	4.59	74,002	4.50
Eagle	5,444	0.73	5,281	0.60	10,967	0.75	10,664	0.65
Ford	124,209	16.54	127,238	14.39	246,182	16.77	244,376	14.86
Hyundai	14,056	1.87	22,536	2.55	29,230	1.99	44,860	2.73
Isuzu	1,251	0.17	1,448	0.16	2,800	0.19	3,009	0.18
Jaguar	1,361	0.18	1,400	0.16	2,853	0.19	2,568	0.16
Lincoln	13,909	1.85	15,219	1.72	28,928	1.97	27,153	1.65
Maserati	21	0.00	95	0.01	43	0.00	145	0.01
Mazda	18,590	2.48	20,239	2.29	37,584	2.56	39,576	2.41
Mercedes	5,542	0.74	5,890	0.67	10,578	0.72	11,699	0.71
Mercury	34,676	4.62	41,275	4.67	71,053	4.84	78,052	4.74
Mitsubishi	6,517	0.87	5,203	0.59	12,363	0.84	10,483	0.64
Nissan	39,366	5.24	29,549	3.34	76,184	5.19	62,464	3.80
Oldsmobile	53,093	7.07	63,841	7.22	101,955	6.95	121,386	7.38
Peugeot	413	0.06	331	0.04	861	0.06	684	0.04
Plymouth	20,043	2.67	32,222	3.64	39,323	2.68	55,002	3.34
Pontiac	57,940	7.72	65,810	7.44	107,898	7.35	120,893	7.35
Porsche	536	0.07	1,417	0.16	1,141	0.08	2,554	0.16
Saab	2,845	0.38	3,076	0.35	5,280	0.36	5,795	0.35
Sterling	612	0.08	1,166	0.13	1,400	0.10	2,117	0.13
Subaru	13,209	1.76	12,590	1.42	23,458	1.60	22,547	1.37
Suzuki	559	0.07	0	0.00	1,106	0.08	0	0.00
Toyota	40,811	5.44	45,502	5.15	87,962	5.99	92,092	5.60
Volvo	7,510	1.00	7,161	0.81	16,649	1.13	15,830	0.96
VWoA	10,283	1.37	18,737	2.12	21,121	1.44	34,448	2.09
Yugo	761	0.10	2,744	0.31	1,631	0.11	5,358	0.33
TOTAL	750,867	100.00	884,275	100.00	1,467,733	100.00	1,644,957	100.00
TOTAL GM	275,201	36.65	346,791	39.22	521,189	35.52	623,717	37.92
TOTAL FORD	172,784	23.01	183,732	20.78	346,163	23.58	349,581	21.25
TOTAL CHRYSLER	77,705	10.35	112,219	12.69	153,039	10.43	193,252	11.75
TOTAL JAPANESE	175,254	23.34	170,696	19.30	344,681	23.48	341,227	20.74
TOTAL EUROPEAN	35,857	4.78	48,302	5.46	73,431	5.00	92,320	5.61
TOTAL KOREAN	14,056	1.87	22,536	2.55	29,230	1.99	44,860	2.73

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Chevrolet	4,935	220	Nissan	1,187	90
Chrysler/Plymouth	3,001	160	Oldsmobile	3,190	165
Dodge	2,617	150	Pontiac	2,995	160
Ford	4,706	215	Subaru	836	85
Honda	1,007	85	Toyota	1,157	90
Isuzu	585	85	Volkswagen	869	85
Jeep/Eagle	1,362	100			

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January car sales dip in Canada

Domestic-import total falls 8%, but trucks post slight increase

By Bill Vance
SPECIAL CORRESPONDENT

TORONTO — The long predicted downturn in Canadian car sales finally arrived — not surprisingly — in the dead of winter.

January's combined sales of domestic and imported cars slipped 8.57 percent to 53,986 units, down from 59,045 a year earlier. Sales of domestic and imported trucks, however, managed to register a slim 1.89 percent gain, totaling 29,032 units.

The industry sold 83,018 domestic and imported cars and trucks during January, a 5.15 percent dip from the year-earlier period.

The Big 3's sales of domestically produced cars dropped 11.46 percent from the year-earlier period. Chrysler slipped 20.94 percent, from 7,934 cars to 6,273. Ford was off 9.81 percent, while General Motors lost 8.50 percent.

Jack Clissold, Ford of Canada's vice president — sales and marketing, said the sales drop should not be interpreted as a trend.

"We don't read this as any indication of a sustained slowdown in the marketplace," he said. "Consumer confidence remains high and we're looking forward to brisk early springtime sales."

January 1988 had been a particularly strong month for the company, as Ford Tempo and Mercury Topaz sales surged following a three-month plant changeover.

Optimism also was echoed by Bill Atkinson, GM of Canada's vice president — sales, service and marketing.

"This somewhat slower vehicle sales volume in January is understandable as we are coming off a tremendously strong sales month in December. We are optimistic sales will return to greater levels in the months ahead," he said.

Imported-car sales fell 13.84 percent, compared with January 1988. Volkswagen dropped 27.82 percent; Subaru, 16.46 percent; Nissan, 16.41 percent; Hyundai, 11.30 percent; and Toyota, 7.08 percent.

Chrysler's and GM's import sales gained 25.71 percent and 7.78 percent, respectively. Among upscale imports, Saab posted a 24.73 percent gain, from 93 to 116 units, while Mercedes-Benz's sales increased 20.78 percent. Jaguar slipped 21.25 percent.

On the truck side, imports rose 38.10 percent. Mazda's new MPV helped the company post a 95.06 percent gain over January 1988. The company sold 829 trucks, compared with 425 for the year-ago period.

Suzuki sales were up 49.05 percent on the strength of its new Sidekick model. Nissan's sales, however, were off 5.84 percent.

Domestic truck sales were all down marginally: Ford, 3.31 percent; Chrysler, 2.93 percent; and GM, less than one-tenth of a percent. Overall domestic truck sales decreased 2.25 percent.

CANADIAN CAR AND TRUCK SALES

Domestic cars	Jan. 1989	Jan. 1988	1 mo., 1989	1 mo., 1988
General Motors	17,303	18,911	17,303	18,911
Ford	10,509	11,652	10,509	11,652
Chrysler	6,273	7,934	6,273	7,934
Honda	2,379	390	2,379	390
Volvo	256	119	256	119
Domestic car total	**36,720**	**39,006**	**36,720**	**39,006**
Import cars				
Toyota	3,924	4,223	3,924	4,223
Honda	2,321	3,634	2,321	3,634
Hyundai	1,947	2,195	1,947	2,195
Volkswagen	1,681	2,329	1,681	2,329
General Motors	1,468	1,362	1,468	1,362
Mazda	1,374	1,479	1,374	1,479
Nissan	1,238	1,481	1,238	1,481
Chrysler	1,022	813	1,022	813
Suzuki	431	349	431	349
Subaru	401	480	401	480
BMW	364	362	364	362
Ford	293	420	293	420
Mercedes-Benz	279	231	279	231
Volvo	211	299	211	299
Jaguar	126	160	126	160
Saab	116	93	116	93
Lada	51	81	51	81
Skoda	19	48	19	48
Import car total	**17,266**	**20,039**	**17,266**	**20,039**
TOTAL — ALL CARS	**53,986**	**59,045**	**53,986**	**59,045**
Domestic trucks (including vans)				
GM	9,845	9,929	9,845	9,929
Ford	8,909	9,214	8,909	9,214
Chrysler	6,197	6,384	6,197	6,384
Domestic truck total	**24,951**	**25,527**	**24,951**	**25,527**
Import trucks (including vans)				
Toyota	1,037	935	1,037	935
Mazda	829	425	829	425
Nissan	822	873	822	873
GM	624	61	624	61
Suzuki	471	316	471	316
Chrysler	246	305	246	305
Volkswagen	31	32	31	32
Lada	21	8	21	8
Import truck total	**4,081**	**2,955**	**4,081**	**2,955**
TOTAL — ALL TRUCKS	**29,032**	**28,482**	**29,032**	**28,482**
TOTAL — CARS, TRUCKS	**83,018**	**87,527**	**83,018**	**87,527**

Clean-air onslaught begins in Congress

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The auto industry is beginning to feel the sparks of what promises to become a heated debate over clean-air legislation.

At a hearing before the House Energy and Commerce Committee's Health and Environmental Subcommittee, several medical experts cited car emissions as a major source of ozone pollution. Several doctors said ozone poses a significant health risk to children and even unborn fetuses.

Their testimony was countered only by a General Motors doctor, who argued it would take excessive amounts of carbon monoxide to cause harm to healthy humans.

The hearing was one of the first involving a wave of legislation that will attempt to revamp air pollution laws last amended in 1977. The time limit for non-attainment areas to meet clean-air goals has expired. Ninety-six cities failed to meet met air-quality standards for ozone or carbon monoxide by Dec. 31, 1987.

Congress last year extended that deadline six months, but failed to adopt amended legislation before it adjourned last fall.

The Bush administration has promised to introduce its clean-air package in late spring. The auto industry has already mounted heavy lobbying campaigns, fearing the industry could be subjected to extensive new emissions regulations.

Dr. Christopher C. Green, director of GM's biomedical research, testified before the committee that healthy young volunteers were exposed to the currently permitted amounts of ozone for 6.6 hours in controlled chambers and exercised "at a level that far exceeds what most people could sustain for even a few hours."

GM's studies showed the subjects had deviations in lung functions because considerably more ozone was drawn into the lungs, Green said. But the variations in lung functions were reversible, he said.

Recent studies have also failed to support claims that the elderly are at greater risk from ozone exposure, and experiments have demonstrated that older men and women were "far less responsive to ozone than the younger subjects," Green said.

He cited other studies with cigarette smokers, individuals with chronic obstructive pulmonary disease and children that drew similar conclusions.

"In short, there is little evidence, in spite of a great deal of study, to suggest that age or pre-existing respiratory disease predisposes individuals to excess susceptibility to ozone effects in today's ambient environment," Green said.

But Green's testimony was countered by the other expert witnesses, who presented medical studies that showed ozone's detrimental effects.

Dr. Philip Bromberg of the University of North Carolina School of Medicine said carbon monoxide can pass through the blood of a pregnant mother into the fetus and harm it. Dr. Philip J. Landrigan of the American Academy of Pediatrics said heavy exposure to ozone can result in a premature loss of lung elasticity.

AUCTION DATES

Ford Motor Co.

March 14 — Greater Chicago Auto Auction, Chicago; Harrisonburg Auto Auction, Harrisonburg, Va.; and Bay Cities Auto Auction, Hayward, Calif.

March 15 — Albuquerque Auto Auction, Albuquerque, N.M.; Concord Auto Auction, Acton, Mass.; Aptco Auto Auction, Taylor, Mich.; and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

March 16 — Auto Auction of Billings, Billings, Mont.; Greensboro Auto Auction, Greensboro, N.C.; Texas Hobby Auto Auction, Houston; Skyline Auto Exchange; Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

Chrysler

March 14 — Florida Auto Auction of Orlando, Ocoee, Fla.; American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Nashville Auto Auction, Nashville, Tenn.; Portland Auto Auction, Portland, Ore.; Riverside Auto Auction, Riverside, Calif.; Hatfield Auto Auction, Hatfield, Pa.; and Greensboro Auto Auction, Greensboro, N.C.

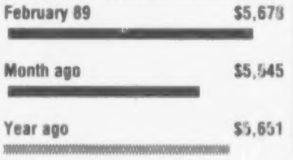
General Motors

March 13 — Dallas Auto Auction, Grand Prairie, Texas

March 14 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and Manheim Auto Auction, Manheim, Pa.

Used Car Sales

Auction Averages



February 89	$5,678
Month ago	$5,545
Year ago	$5,651

Model Breakdown

Auction Averages

	FEB 1989	JAN 1988	DEC 1988
1989 ...	$13,118	$12,109	—
1988 ...	$8,235	$8,612	$9,894
1987 ...	$7,289	$7,136	$7,686
1986 ...	$6,014	$5,944	$4,874
1985 ...	$4,764	$4,873	$4,747
1984 ...	$3,840	$3,760	$3,723
1983 ...	$2,683	$2,795	$2,776
1982 ...	$2,187	$2,246	$2,343
Overall Average	$5,678	$5,545	$5,824

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Trucks set Feb. record of 381,046

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

U.S. truckmakers cranked out enough units last month to beat the record they set in 1988. Assembly of 381,046 units in February was the highest ever for that month, surpassing the 351,498 built last year.

Last month's truck production fell 226 units short of the January total of 381,272.

Truckmakers scheduled 90,909 units to be built last week, 3.94 percent below the prior week's 94,638 but 3.98 percent more than the year-ago week's 87,429.

Car output for February totaled 609,024, 4.56 percent below January's 638,129 but 8.08 percent more than the year-ago month's 563,508.

Last week's scheduled production of 146,369 cars dipped 4.68 percent from the previous week's 153,560 but rose 7.20 percent above the year-ago week's 136,534.

Companies split last week's targeted output as follows:

General Motors, 47.02 percent; Ford Motor Co., 25.95 percent; Chrysler Motors, 12.09 percent; Honda of America Manufacturing, 5.29 percent; Mazda Motor Manufacturing (USA) Corp., 3.31 percent; New United Motor Manufacturing Inc., 2.73 percent; Nissan Motor Manufacturing Corp. U.S.A., 1.60 percent; Toyota Motor Manufacturing U.S.A., 1.38 percent; and Diamond-Star Motors, 0.63 percent.

GM's Reatta Craft Centre in Lansing, Mich., was closed last week because of slow sales. The plant was scheduled to resume output today.

GM's Doraville, Ga., plant remains idle until March 20 for inventory adjustment.

Trucks at peak in Canada, too

Along with their U.S. counterparts, Canadian truckmakers set a record last month. Production of 86,770 trucks in February was the highest ever for that month, surpassing the prior peak of 80,177 in 1988.

February's truck output was slightly above (0.57 percent) the January total of 86,281.

Last week's scheduled truck output of 21,057 was 3.40 percent below the previous week's 21,798 but 5.06 percent more than the year-ago week's 20,042.

Year-to-date, 207,783 trucks have been built, 8.98 percent more than the 190,666 completed last year at this time.

Car production for February totaled 84,028, 4.87 percent more than January's 80,125 but 8.59 percent below the year-ago month's 91,922.

Targeted output of 20,688 cars last week was 3.06 percent more than the prior week's 20,074 but 5.51 percent below the year-ago week's 21,895.

Chrysler Motors' plant in Bramalea, Ontario, and its Pillette Road plant in Windsor, Ontario, are idle until March 20 for inventory adjustment.

U.S. CAR	Week Ended Mar. 11, 1989	Week Ended Mar. 12, 1988	Week Ended Mar. 4, 1989	Feb. Total	Jan. 1 to Mar. 11, 1989	Jan. 1 to Mar. 12, 1988
Horizon	0	1,725	0	0	0	16,996
Sundance	2,000	2,115	2,269	8,926	23,593	21,140
Reliant	0	2,510	0	0	0	15,357
Acclaim	2,900	0	2,750	10,287	20,805	0
Caravelle	0	506	0	0	0	3,381
Gran Fury	0	103	0	0	0	2,324
Total Plymouth	4,900	6,959	5,019	19,213	44,398	59,200
LeBaron K	0	496	0	0	0	2,710
LeBaron J	1,800	1,926	2,240	9,132	22,552	8,796
LeBaron GTS	0	178	436	1,525	2,946	1,554
N. Yorker C-Class	2,200	2,224	2,359	10,981	25,149	19,781
Fifth Avenue	0	379	0	0	0	10,471
Total Chrysler	4,000	5,203	5,035	21,638	50,647	43,312
Omni	0	1,675	0	0	0	16,627
Daytona	1,800	1,949	2,244	9,127	22,584	7,959
Shadow	2,000	2,285	2,450	9,901	24,150	21,958
Aries	0	2,219	0	0	0	12,217
Dodge 600	0	479	0	0	0	2,886
Dynasty	2,900	2,450	2,900	13,692	32,087	21,754
Lancer	0	226	54	598	1,528	2,414
Spirit	2,100	0	2,200	10,121	19,958	0
Diplomat	0	494	0	0	0	3,837
Total Dodge	8,800	11,777	9,848	43,439	100,307	89,652
CHRYSLER MOTORS	17,700	23,939	19,902	84,290	195,352	192,164
Escort	6,740	2,352	6,292	26,247	74,308	72,352
Mustang	4,120	4,470	4,442	[illegible]	42,223	44,860
Tempo	3,228	3,987	3,007	12,958	34,387	40,404
Taurus	8,080	7,946	7,739	31,118	79,628	79,429
Thunderbird	3,412	3,352	3,813	15,418	36,344	32,229
Total Ford Div.	25,580	22,109	25,293	103,421	266,890	269,274
Topaz	1,282	1,543	1,364	5,059	13,272	15,611
Cougar	3,435	2,418	3,826	12,958	30,933	25,468
Sable	2,896	2,636	3,056	9,266	26,397	24,610
Total Mercury	7,613	6,597	8,246	27,283	70,602	65,689
Continental	1,438	943	1,648	5,732	15,014	8,600
Mark VII	480	448	551	2,055	6,259	5,401
Lincoln	2,876	2,809	3,294	10,993	26,171	29,983
Total Lincoln	4,794	4,200	5,493	18,780	47,444	43,984
Total L-M Division	12,407	10,797	13,739	46,063	118,046	109,673
FORD MOTOR CO.	37,987	32,906	39,032	149,484	384,936	378,947
Skyhawk	324	1,106	284	830	3,360	6,109
Skylark/Somerset	1,310	346	1,307	5,242	10,127	5,002
Century	1,863	1,875	2,388	7,414	25,062	10,338
Riviera	584	130	712	2,488	6,106	1,416
Electra	1,959	1,253	1,950	7,732	18,508	13,257
LeSabre (fwd)	4,290	2,400	2,236	7,648	14,523	24,100
LeSabre (rwd)	210	219	192	806	2,000	1,248
Reatta	0	97	184	399	1,279	675
Total Buick	10,540	7,426	9,253	32,559	80,965	62,145
Cimmaron	0	117	0	0	0	2,619
Eldorado	943	1,010	744	2,935	7,348	6,018
Seville	584	598	642	2,443	5,718	4,264
Brougham (rwd)	720	0	893	3,918	9,764	0
Deville (fwd)	4,760	3,967	4,885	19,085	44,734	38,832
Allante	75	65	75	300	735	401
Total Cadillac	7,082	5,757	7,239	28,681	68,299	52,134
Cavalier	8,084	7,275	8,027	33,672	83,652	63,883
Camaro	2,525	974	2,574	9,786	24,254	9,235
Celebrity	2,400	4,496	2,997	11,736	35,018	29,030
Corsica/Beretta	8,965	9,132	9,360	37,038	89,098	75,545
Caprice	4,686	3,152	4,940	16,167	38,656	41,774
Corvette	560	449	563	2,100	5,071	4,304
Total Chevrolet	27,220	25,478	28,461	110,499	275,749	223,771
Calais	2,290	2,020	2,298	8,824	17,330	20,663
Firenza	0	482	0	0	0	2,998
Cutlass Ciera	1,460	0	1,854	7,057	16,671	0
Cutlass Supreme	0	2,216	0	9,325	21,568	18,110
Toronado	137	403	150	929	2,465	3,197
88 (fwd)	1,209	3,210	3,981	16,505	35,759	29,045
88 (rwd)	95	152	139	460	1,572	2,595
Olds 98	2,184	1,827	2,192	8,712	20,447	17,329
Total Oldsmobile	7,375	10,310	10,614	51,812	115,812	93,203
Sunbird	4,038	1,963	3,031	12,031	27,820	21,259
Grand Am	5,220	4,856	5,964	20,451	49,732	48,079
Firebird	1,620	972	1,593	6,064	15,221	8,264
Grand Prix	3,980	2,041	0	8,000	23,981	20,048
Pontiac 6000	1,600	2,527	1,951	6,067	18,213	8,198
Bonneville	0	2,002	2,319	9,062	18,605	17,215
Safari/Parisienne	120	177	102	430	1,070	1,214
Fiero	0	613	0	0	0	3,010
Total Pontiac	16,578	15,171	14,960	62,105	154,642	118,177
GENERAL MOTORS	68,795	64,142	70,527	285,656	695,467	549,430
DIAMOND-STAR	922	0	798	2,659	6,363	0
HONDA	7,750	7,068	8,451	33,458	78,803	70,495
Civic	2,550	1,929	2,779	11,324	26,497	16,848
Accord	5,200	5,139	5,672	22,134	52,306	53,647
MAZDA†	4,850	1,668	5,730	20,195	49,087	11,117
NISSAN	2,340	1,484	2,355	9,346	23,086	13,516
NUMMI	4,000	3,331	4,786	16,082	37,934	31,529
Corolla	1,600	1,203	1,874	6,688	16,153	11,064
Geo Prizm/Nova	2,400	2,128	2,912	9,394	21,781	20,465
TOYOTA	2,025	0	1,979	7,854	18,964	0
VOLKSWAGEN	0	1,996	0	0	0	11,799
Golf/GTI	0	1,296	0	0	0	7,899
Jetta	0	700	0	0	0	3,900
Total Cars, U.S.	146,369	136,534	153,560	609,024	1,489,992	1,258,997
Total Cars, Canada	20,688	21,895	20,074	84,028	196,659	220,110
U.S., Canada Cars	167,057	158,429	173,634	693,052	1,686,651	1,479,107
U.S., Canada Cars and Trucks	279,023	265,900	290,070	1,160,868	2,807,553	2,510,749

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended Mar. 11, 1989	Week Ended Mar. 12, 1988	Week Ended Mar. 4, 1989	Feb. Total	Jan. 1 to Mar. 11, 1989	Jan. 1 to Mar. 12, 1988
Premier	0	0	1,275	5,129	10,285	14,440
CHRYSLER MOTORS	0	0	1,275	5,129	10,285	14,440
Tempo	3,385	4,354	3,454	13,098	36,201	40,824
Topaz	1,463	1,341	1,500	6,746	14,277	15,306
Crown Victoria	2,900	2,794	2,780	10,075	26,588	28,315
Grand Marquis	2,862	2,826	2,871	11,997	28,239	27,562
FORD MOTOR CO.	10,610	11,315	10,605	41,916	105,305	112,007
Celebrity	196	241	160	789	1,939	3,675
Cutlass Ciera	3,720	5,440	3,086	15,327	37,020	41,086
Lumina	888	0	705	2,708	4,417	0
Pontiac 6000	0	496	0	0	0	9,376
Regal	3,240	3,579	2,145	9,642	18,832	32,252
GENERAL MOTORS	8,044	9,756	6,096	28,466	62,208	86,389
HONDA	1,650	682	1,714	7,169	16,270	6,154
TOYOTA	204	0	204	678	882	0
VOLVO	180	142	180	670	1,709	1,120
Total Cars, Canada	20,688	21,895	20,074	84,028	196,659	220,110

U.S. TRUCK☆	Week Ended Mar. 11, 1989	Week Ended Mar. 12, 1988	Week Ended Mar. 4, 1989	Feb. Total	Jan. 1 to Mar. 11, 1989	Jan. 1 to Mar. 12, 1988
Caravan	2,000	2,429	2,112	9,726	22,614	19,970
Dakota	2,200	2,865	2,300	9,031	21,708	22,667
Mini-Ram Van	100	141	177	835	1,933	3,188
Pickups	2,200	1,408	2,287	9,018	21,676	11,092
Total Dodge	6,500	6,843	6,876	28,610	67,931	56,917
Cherokee	5,400	3,797	5,156	19,209	45,655	35,566
Commanche	600	1,062	866	3,247	7,410	9,741
Grand Wagoneer	300	348	349	1,400	3,364	2,744
Wagoneer	200	303	248	824	2,059	2,637
Total Jeep	6,500	5,510	6,639	24,680	58,488	50,688
Voyager	1,800	2,094	1,994	9,131	21,820	18,549
Total Plymouth	1,800	2,094	1,994	9,131	21,820	18,549
CHRYSLER MOTORS	14,800	14,447	15,509	62,421	148,239	126,154
Aerostar	3,950	4,363	5,770	19,750	47,727	46,019
Bronco	1,847	1,284	2,103	7,757	19,276	12,588
Bronco II	2,896	2,967	2,931	12,214	28,449	30,564
Econoline	5,231	5,140	5,215	20,863	50,758	51,139
Heavy trucks	1,471	1,364	1,480	5,724	13,577	13,305
Light trucks	11,350	11,639	11,315	45,239	111,398	101,286
Ranger	7,678	7,286	7,433	32,454	74,669	73,274
Total Ford Div.	34,423	34,043	36,247	144,001	345,854	328,175
FORD MOTOR CO.	34,423	34,043	36,247	144,001	345,854	328,175
Astro	3,773	3,708	3,592	14,570	35,081	35,478
Blazer	499	592	609	2,273	5,611	5,609
Mediums/Heavies	0	249	0	0	0	5,275
P-Model	796	0	733	2,742	5,721	8,502
Pickups	9,266	6,801	8,704	37,264	92,627	62,501
S-10	6,124	6,312	5,948	25,738	60,806	54,110
S-10 Blazer	3,548	3,430	4,475	15,633	38,402	29,823
Sportsvan/Van	2,355	1,624	2,005	9,030	18,693	13,511
Suburban	1,411	1,630	1,675	6,505	15,757	14,671
Total Chevrolet	27,772	24,346	27,741	113,755	272,698	229,480
Jimmy	159	223	178	760	1,763	1,792
Mediums/Heavies	0	1,043	0	0	0	9,156
P-Model	15	0	142	586	906	724
Pickups	2,605	2,042	2,785	11,272	28,032	21,394
S-15	1,136	1,809	1,539	5,763	13,825	15,228
S-15 Jimmy	859	882	1,168	4,617	10,632	7,085
Safari	790	1,108	922	3,805	8,777	9,068
Suburban	474	809	680	2,570	6,247	7,573
Vandura/Rally Vans	621	743	368	2,162	4,916	9,484
Total GMC	6,661	8,659	7,782	31,535	75,098	81,504
GENERAL MOTORS	34,433	33,005	35,523	145,290	347,796	310,984
NAVISTAR	1,733	1,653	1,848	7,326	16,997	17,564
NISSAN	2,770	1,531	2,761	11,008	27,283	30,599
AM GENERAL	450	450	450	1,800	4,410	4,500
MISCELLANEOUS	2,300	2,300	2,300	9,200	22,540	23,000
Total Trucks, U.S.	90,909	87,429	94,638	381,046	913,119	840,976

CANADIAN TRUCK	Week Ended Mar. 11, 1989	Week Ended Mar. 12, 1988	Week Ended Mar. 4, 1989	Feb. Total	Jan. 1 to Mar. 11, 1989	Jan. 1 to Mar. 12, 1988
Caravan	3,096	3,052	3,159	12,628	31,660	30,514
Mini-Ram Van	216	349	201	825	2,030	2,504
Ram Wagon	700	532	659	2,735	6,700	4,396
Ram Van	1,650	1,428	1,744	7,001	17,062	10,895
Total Dodge	5,662	5,361	5,763	23,189	57,452	48,309
Voyager	2,832	2,811	2,898	11,587	27,509	28,569
Total Plymouth	2,832	2,811	2,898	11,587	27,509	28,569
Wrangler	1,700	1,058	1,875	7,236	15,166	10,033
Total Jeep	1,700	1,058	1,875	7,236	15,166	10,033
CHRYSLER MOTORS	10,194	9,230	10,536	42,012	100,127	86,911
FORD MTR. (lt. trks.)	3,648	3,605	3,520	13,900	34,227	35,810
Light trucks	3,310	3,400	3,507	14,460	34,176	31,784
Vans	1,545	1,280	1,293	5,728	14,232	12,966
Total Chevrolet	4,855	4,680	4,800	20,188	48,408	44,750
Light trucks	1,490	1,647	1,848	6,987	16,039	15,373
Vans	600	654	820	2,871	6,594	5,615
Total GMC	2,090	2,301	2,668	9,858	22,633	20,988
GENERAL MOTORS	6,945	6,981	7,468	30,046	71,041	65,738
NAVISTAR	270	226	274	812	2,388	2,207
Total Trks., Canada	21,057	20,042	21,798	86,770	207,783	190,666
U.S., Canada Trks.	111,966	107,471	116,436	467,816	1,120,902	1,031,642

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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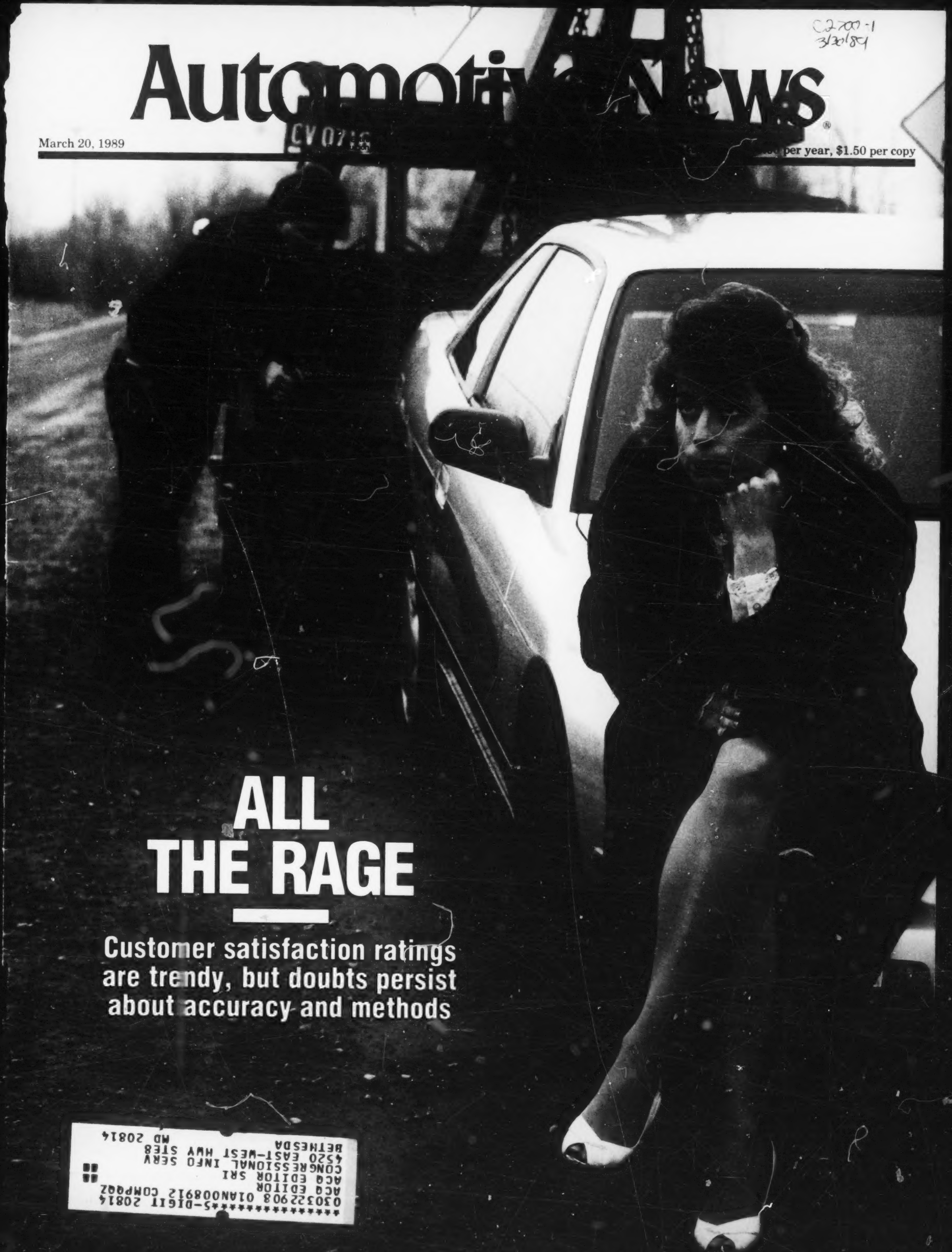

ALL THE RAGE

Customer satisfaction ratings are trendy, but doubts persist about accuracy and methods

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Big bucks, few bugs in CSI

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Customer satisfaction is more than a buzzword of the 1980s — it has become a multimillion-dollar business critical to automakers and dealers.

Each year, millions of questionnaires are mailed to new-car owners. They are aimed at winning for dealers and automakers a bigger share of the annual 200 million service visits, worth billions of dollars. Opportunities for the dealer are virtually unlimited because, as one consultant noted, there are 130 million cars on the roads — each needing service and, eventually, replacement.

Related stories, Pages 20-24

So it is no surprise that makers and dealers hire full-time staffs and consulting firms to develop and audit consumer satisfaction.

Customer satisfaction ratings have been around for only a decade. Over the years, the surveys have improved. But controversy lingers over the rating systems.

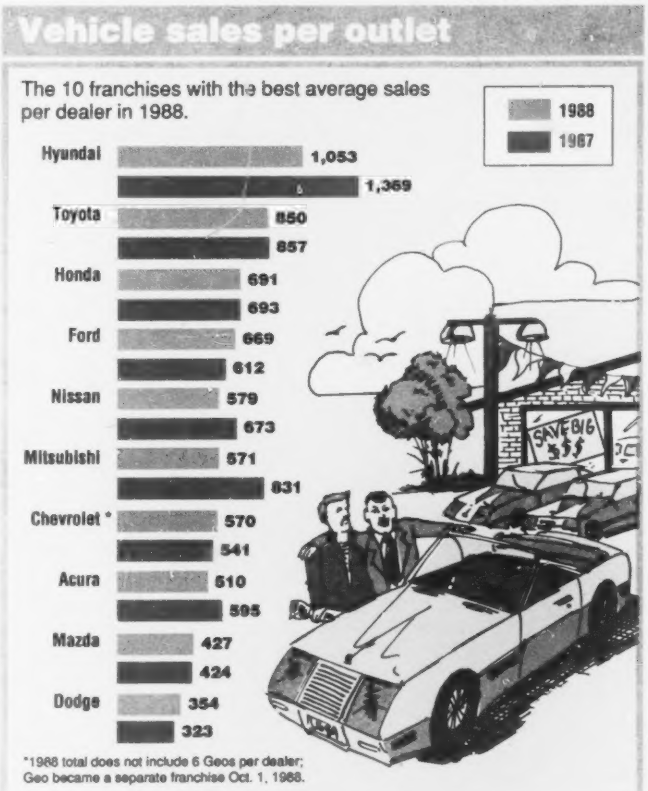
Throughout the industry, CSI rankings can determine who gets a new franchise. Some automakers use the ratings to decide who gets certain new vehicles. Mitsubishi, for one, pays some parts shipping charges for high-CSI dealers. Almost all the makers honor dealers with high CSI ratings.

Recently, Nissan started paying its dealers for high CSI ratings. Its Infiniti Division will provide to high-CSI dealers start-up aid packages that can reduce fixed costs up to 25 percent, according to James Hartzell, vice president — consumer affairs.

Dealers have other reasons to be concerned about CSI rankings.

They and consultants point out that CSI rankings vary by geography. Large-volume and multi-franchise dealers claim their im-

see CSI, page 20



Vehicle sales per outlet

The 10 franchises with the best average sales per dealer in 1988.

*1988 total does not include 6 Geos per dealer; Geo became a separate franchise Oct. 1, 1988.

AUTOMOTIVE NEWS / LANCE GRAVES

Hyundai leads again

Korean line retains sales-per-dealer title

By John K. Teahen Jr.
AUTOMOTIVE NEWS STAFF REPORTER

Although its average slipped again in 1988, Hyundai Motor America for the third consecutive year topped all makes on the U.S. market in sales per dealership.

Dealers handling the South Korean line delivered an average of 1,053 new cars per outlet last year, far ahead of Honda division — whose 691 sales per outlet made it No. 2 in the car standings — and of Toyota Motor Sales U.S.A. — which came in No. 2 in the combined car-truck standings, with 850 sales per dealer.

Hyundai's total dipped from 1,369 in 1987 and 1,431 in 1986, its first year in the United States. Sales held steady in 1988, but Hyundai's dealer total increased, hence fewer deliveries per store.

Hyundai is the only make that has topped 1,000 sales per franchise in the 34 years Automotive News has been compiling such statistics.

Imports captured the first six places in the 1988 car standings and seven of the top 10 spots. Six of the seven imports were Japanese, and four of them were aided by sales of cars built at their U.S. plants.

The latter were Honda, Toyota, Nissan Motor Corp. in U.S.A. and Mazda Motor of America. Honda, Toyota and Nissan are veterans on the transplant scene. Mazda was selling U.S.-built cara for the first

see SALES, page 61

Ford, Kia plan Tracker-fighter

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. is planning to fill a hole in its truck lineup by introducing a small sport-utility that will be built by a North American contractor.

The strategy marks a change from an earlier, two-stage approach that would have seen the small vehicle produced first by Ford's Kia Motors affiliate in South Korea and later by a North American niche maker, according to industry sources.

The vehicle, code-named UW52, would serve as Ford's answer to Suzuki's Sidekick and the Geo-badged version, called Tracker. Tracker is sold in selected Chevrolet dealerships and represents an entry that Ford doesn't have. Ford is battling to keep Chevrolet at bay and hang on to the industry's truck sales crown.

Sources note, however, that Ford's plans are not cast in stone. There are questions about the potential size of the market and whether it can absorb another competitor. Chrysler Motors enters the field in 1992 with a sport-utility vehicle, code-named JJ. It expects to sell 100,000 units annually.

Annual production of the Ford vehicle is expected to be in the range of 40,000 to 70,000 units.

General Motors began importing the Tracker from Suzuki in the current model year.

Ford had planned on importing the UW52 in the 1991 model year and then sourcing it from a North American niche producer in the 1993 or 1994 range, sources said.

The automaker is now trying to speed up the process of getting the vehicle built domestically before that time, sources said.

Corporate fuel-economy standards were cited as one reason for the sourcing switch. By building it domestically, Ford will be able to qualify for fuel-economy credits that the vehicle would not have provided as an import.

The Big 3 automakers have been shying away from producing low-volume products on their own. In response, several supply and conversion specialists are preparing to build niche vehicles for the auto manufacturers. They believe they can build profitably at volumes that would fill only a fraction of the capacity at a typical Big 3 assembly plant.

So far, no contracts have been announced. The first builder of such niche vehicles will have to wrestle with the challenge of meeting its customer's demands for quality while coping with inevitable start-up problems.

The definitions of what constitutes a "niche" varies. Magna International, a Canadian supplier, has said it is thinking in terms of less than 30,000 units annually. C&C Inc. and ASC Inc., two Michigan-based conversion firms, believe they could handle as many as 50,000 units.

Ford owns 10 percent of Kia. The company supplies Ford with the subcompact Festiva, an entry-level car.

Kia's truck and bus subsidiary, Asia Motors, plans on building a new line of sports utilities for the Korean market later this year. Ford's UW52 will be derived from this program, sources said.

Asia Motors is investing 20 billion won ($29.4 million U.S.) to upgrade assembly facilities at its plant in Kwangju.

The investment came after the South Korean government relaxed restrictions that prevented automakers from competing in certain segments. Asia Motors has been producing Jeep-like vehicles for the Korean military.

A source in Korea said Modern Engineering, a Warren, Mich., prototype firm, has a contract for work on the UW52.

Staff Correspondent Oles Gadacz in Seoul, South Korea, contributed to this story.

Young promises more help for VW dealers

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

TROY, Mich. — The new head of Volkswagen United States is promising to completely re-examine the way the company does business as he sets out to rebuild the struggling franchise.

William J. Young, who took over as vice president in charge of the VW sales operation Feb. 1, said the company will put special attention on programs that will help dealers directly at the retail level. That marks a break from the past; VW has focused its advertising on a na-

see VW, page 66

AUTOMOTIVE NEWS/JOE WILSSENS

William Young, vice president of VW's U.S. sales operations

Redlining charge leveled in Subaru franchise case

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

A Florida used-car dealer, who operated a Subaru dealership for only four days, is suing Subaru of America for denying him a franchise because the dealership was located in a predominantly black section of Miami.

Don Lloyd, owner of Don L. Motors, spent $684,000 to acquire a Subaru franchise from Warren Henry Subaru in Miami last October. He sold three cars before Subaru of America nixed the deal.

The lawsuit, filed in Dade County Circuit Court, accuses Subaru of breach of contract. But an even deeper issue looms — Lloyd's allegation that the company reneged on the deal because the dealership is in a 79-percent black area of Miami.

It cites the Equal Credit Opportunity Act, Civil Rights Act of 1866 and Robinson-Patman Act in its charges of discrimination and redlining.

Another issue raised in the suit is whether Subaru actually granted Don L. Subaru the franchise. If it did, was it in breach of contract by withdrawing from the deal four days after it gave him approval to buy the dealership from another dealer?

Lloyd had a letter of intent from Subaru saying that if Lloyd met a number of conditions by last Oct.

see REDLINING, page 62

Autos big issue as EPA attacks global warming

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Large increases in automobile fuel economy, worldwide use of catalytic converters and emissions fees placed on oil and other fossil fuels are among the EPA's proposals to stabilize global warming. The proposals are contained in the draft of a report to Congress made public last week.

The report is in preliminary stages and has not yet been endorsed by the agency.

One option would require new U.S. cars to average 40 mpg by 2000.

The draft considers policy options to stabilize climatic results of the "greenhouse effect," a phenomena that is said to occur when carbon dioxide, methane, chlorofluorocarbons, nitrous oxide and other gases absorb and reflect heat radiating from the earth's surface. Human actions are now increasing the concentrations of "greenhouse" gases and are said to be intensifying the effect.

The EPA report proposes worldwide measures to stabilize global warming that results from the greenhouse effect, starting in 1990 with targets for changes in place by 2000.

It also recommends that new automobiles in industrial countries use three-way catalytic converters and meet 1989 U.S. emission standards. Cars in the rest of world would require oxidation catalysts. The report also proposes an emissions fee of 50 cents per barrel of oil and the phase out of chlorofluorocarbons — used in automotive air conditioners.

In a longer-term scenario, worldwide automobile fuel economy could reach 75 mpg by 2050, the report predicted.

A more radical policy option suggested by EPA would require new U.S. cars to average 50 mpg by 2000. That option would also levy an emissions fee of $3.25 on a barrel of oil.

EPA Administrator William K. Reilly called the report "the first by any government to take a comprehensive look at how nations might respond to global warming."

The report said no single country or source will contribute more than a fraction of the greenhouse gases that will warm the world and any solution will require the cooperation of many countries and cuts in many sources.

"Even the largest single source categories (for greenhouse gases), such as automobiles or utilities, however, represent less than 30 percent each of the total greenhouse gas emissions," the report said.

Policies to stabilize global warming outlined in the report could reduce the amount of calculated climatic change by at least 60 percent per century, the document claimed.

AUTOMOTIVE NEWS/JOE WILSSENS

Isuzu may produce an Amigo-type sport-utility at Indiana plant

Isuzu keeps on truckin'

Japan, Indiana to emphasize niche vehicles

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Isuzu Motors, which already relies on light-truck-based vehicles for nearly 40 percent of its production, will offer more utility vehicles in the next few years, with some of those coming from its joint venture with Subaru in Indiana.

In an interview, Isuzu President Kazuo Tobiyama also said the automaker must shorten its product cycles and also share more models with Fuji Heavy Industries, maker of Subaru.

The building block for Isuzu's new niche vehicles will be the company's compact pickup truck. Some variations will be built at the company's U.S. joint venture in Indiana.

Amigo, Isuzu's first such niche product, is based on a shortened pickup chassis. The vehicle will be built in Japan and launched later this month.

Tobiyama said an Amigo-like vehicle also is slated for U.S. production at Subaru-Isuzu Automotive, the joint venture between Isuzu and Fuji Heavy Industries in Lafayette, Ind. When the plant starts up this fall, however, the pickup will be the only Isuzu model produced.

Tobiyama

Tobiyama said the emphasis at the plant and in Isuzu's product line will be on utility and recreational vehicles, an area the company intends to expand. The segment already accounts for 38 percent of Isuzu's sales.

Sources indicate that other variations include a closed-back version of the Amigo, perhaps a model similar to the Trooper II or something in the mold of a Jeep-like entry.

Tobiyama admitted Isuzu must speed up its production cycle and bring products to the market faster. "We cannot do just the same as others. We must do something different. In order to be ahead of others, modernizing the facilities is important," he said.

Tobiyama would like to see the production cycle for passenger cars reduced from four to three years, or possibly even two years. He also wants to shorten the cycle for commercial vehicles, which is currently about six to seven years.

Other Japanese makers are moving to speed up their car production cycles to less than three years. While the goal in passenger-car development is to "not fall behind" the competition, Toyiama said "in the field of commercial vehicles, we can say that we will be ahead of others."

Though Isuzu will introduce redesigned Piazza and Gemini models (known as Impulse and I-Mark, respectively, in the United States) this year, the company's emphasis appears to remain in the utility segment.

Isuzu wants to share vehicles from its Indiana joint venture, but so far there has been no agreement between the two companies. In Japan, however, Subaru sells Isuzu's Big Horn/Trooper sport-utility vehicle and Isuzu sells Subaru's van.

Tobiyama said the two companies are still talking about the possibility of an exchange in the United States, "but

see ISUZU, page 66

Sales tricks inflate totals in Germany

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Manipulation of official new-car registrations in West Germany by manufacturers is squeezing dealer margins and may distort the European sales race.

Some industry observers maintain that West German new-car sales in 1988 were artificially inflated by so-called "tageszulassungen" (literally, one-day registrations) — cars registered and soon de-registered and sold as used cars at a discount.

Carmakers are looking for ways around a West German law that prohibits them from selling vehicles to dealers at prices lower than the manufacturer's posted invoice price. Since they can't offer rebates, they indulge in the registration ploy.

Several observers allege that the close-fought battle between Volkswagen and Fiat for sales leadership in Europe was influenced by manipulation of German sales statistics, although both companies strongly deny any finagling. A new set of statistics on short-term registrations showed Fiat as the biggest user, while VW had relatively few such registrations.

Last year, VW came from behind to win the European sales crown over Fiat by only a few thousand units, according to most estimates.

Some retailers have advertised registered cars openly. A Fiat dealer in Munich recently offered a Panda, with a list price of 10,190 marks ($5,478), for 9,200 marks ($4,946) with the line: "Registered for a day, zero kilometers."

Another dealer come-on was: "We've registered it for you."

Tageszulassungen "is a real problem for dealers," said Helmut Bluemer of the Zentralverband Des Kraftfahrzeuggewerbes (ZDK) in Bonn, the German dealer association. "The dealers are trying to stop it, but the companies have a great interest because they want to push up their official registrations."

His group estimates that as many as a quarter million vehicles, nearly 10 percent of West Germany's 2.8 million-car market last year, were short-time registrations.

Technically, the practice is illegal since German registration law requires an intent to put the vehicle on the road and establish a base location. But "the dealers say no one ever bothers to look at it," said one high-ranking West German sales executive.

Officially, manufacturers say short-term registrations are being done independently by dealers. Unofficially, carmakers accuse each other.

Dealer and automaker sources in Germany say dealers are encouraged by manufacturer programs —

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NHTSA nominee Curry no stranger to safety

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — A retired U.S. Army major general who directed a Maryland proving ground where the government tests new vehicles and weapons was named NHTSA administrator late last week.

Jerry R. Curry, 56, was selected as the choice for the job two weeks ago by Transportation Secretary Samuel K. Skinner who forwarded the nomination to the White House for final approval.

Curry replaces Diane Steed, who served as NHTSA administrator for the past five years in the Reagan administration. Steed, who has served as administrator since November 1983, received her 30-day notice last week. Steed had made it known she wanted to stay in the position. Steed's plans are unknown. NHTSA said the former administrator had no comment on where she may seek future employment and did not wish to comment.

Curry, a Virginia Beach, Va., resident, directed the U.S. Army Test and Evaluation Command in Aberdeen, Md., the nation's largest proving ground where "we put the 'Good Housekeeping' seal of approval on all sorts of products after the most extensive testing in the nation," Curry said in a telephone interview.

Curry directed the engineering, development and testing on equipment ranging from missiles, computers, rifles, airplanes and naturally cars and trucks.

The testing of cars and trucks, ranging from Army jeeps and "little cars" to large-sized Ford trucks, was more intense than the programs that evaluate civilian consumer products, Curry said.

"We had to make sure they would run in the desert, mud and water — we ran them very extensively," Curry said.

The background has admittedly made Curry a self-confessed safety advocate, although he acknowledges that his expertise is not on the technical side.

"I am not an expert (on technical matters) in that I've been working with policy. I am primarily a policy maker and a leader; I've been in charge of things," Curry said.

Curry declined to say whether he believed NHTSA needs to tighten safety regulations.

The retired major general was also a pilot, flying as an Army aviator for 30 years. After retiring from the Army in 1984, Curry became an adviser in 1985 to television evangelist Pat Robertson's Freedom Council. Curry quit six months later. "I got out of there before they got into the political business," he said.

Curry said he assisted Robertson "because he was having problems administering and he asked me if I would help him straighten them out."

After consulting for Robertson, Curry became president of a Norfolk, Va.-based public policy think-tank, the National Perspectives Institute, specializing in international trade. The group is now defunct.

He also ran an unsuccessful bid last fall for the U.S. House of Representatives but was defeated by an incumbent Virginia Democrat. Curry also worked on the Bush presidential campaign.

He was nominated for the NHTSA post after his name was put into the hopper by a senator who recommended Curry for the new cabinet level post of secretary of Veteran Affairs. Curry said he told the White House personnel office, "I would go wherever the president wanted me and where Bush assigned me; I would serve at his pleasure."

Curry served active duty in the Army for 34 years, entering as a private and working his way up to major general. While in the Army, Curry obtained three college degrees including a master's degree in international relations from Boston University and a doctorate of ministry from Rice Seminary in Jacksonville, Fla.

Chicago firm buys Calif. dealerships, plans U.S. chain

By Janet Neiman
CRAIN NEWS SERVICE

CHICAGO — A newly formed Chicago-based company has launched an ambitious plan to create a national network of auto dealerships.

J.W. Newco Ltd., whose president and chief executive officer is former insurance executive Joe Wilson, last month completed the $21 million purchase of Claremont Auto Park, Claremont, Calif. Now the focus is on a group of Chicago-area dealerships.

Newco's strategy is to purchase "clusters" of auto dealerships around the country and create a chain of so-called auto parks — multiple dealerships situated on one, large parcel of property.

Last month, Wilson took his first step toward that goal. Backed by GE Capital's Auto Financial Services group, he acquired the Claremont Auto Park. The auto park spans 17 acres and boasts eight franchises, ranging from Cadillac to Hyundai.

Wilson is the former president and chairman of the executive committee of Chicago-based Ryan Insurance Group. Though he did not disclose the names of the Chicago-area dealerships he may acquire, he said he plans to initiate a deal by the end of the year.

Wilson believes that grouping the dealerships in a park-like setting allows significant economies of scale in management and marketing. The setting also provides convenient one-stop shopping for car hunters.

In addition to appointing a single general manager to oversee all of the dealerships in each market, the auto parks will have centralized facilities, such as service, body shops and used-car departments. Advertising also will promote all the Newco auto parks in a given market.

"The idea is to create a family of dealerships within these metropolitan areas so you have a common theme, a common message, a common marketing perception," Wilson said. He envisions standardized sales and service procedures — "everything from dress codes to the way a customer is treated to the way a car is delivered."

Wilson concedes that Newco's future acquisitions are unlikely to be as simple to obtain as the Claremont purchase, where the dealerships already were located in the auto park and owned by only two parties. In other markets, including Chicago, Newco probably will have to purchase adjacent dealerships from various owners and create the park environment.

Newco also may buy dealerships from an owner who has a few in one area of the city and a couple in another. "You'd buy them all and still create clusters," though advertising would direct customers to the auto park closest to them, he said.

Wilson listed three criteria for acquisitions: they must be on a major thoroughfare; they must have reasonable but potentially higher sales volume; and they must be underperforming in terms of profits.

If a Chicago deal comes to fruition, Newco's entrance into the retail market is likely to rev up interest here for additional auto parks and malls. The design concept has not caught on in the Midwest as in other parts of the country.

Multi-franchise and "megadealership" groups already abound in the Chicago metropolitan area, which lists about 700 auto dealers, many with multiple franchises. But most of those chains are not as extensive as the clusters Newco envisions and they don't provide the same one-stop shopping.

One significant exception is Motor Werks in Barrington, Ill., which in 1987 added Cadillac, Porsche, Sterling and Suzuki franchises to its BMW and Mercedes-Benz line. The dealership created a mall-like setting that is considered a model for the industry.

"Traditionally, manufacturers demanded separate facilities," said Eric DeBord, operations manager at Motor Werks. "But real estate costs and expenses for single-site locations have become very costly. Dealers need to take advantage of economies of scale."

Just how the development of auto parks might affect existing auto retailers in Chicago is debatable.

"I think they'll affect individual dealers," said Neil Friedman, senior audit partner at Michael Silver & Co., a Skokie, Ill., accounting firm that handles auto dealerships.

"The auto parks will provide one-stop shopping for customers interested in different makes of cars, and the convenience of that will work to the detriment of dealers that have only one or two franchises."

But dealers aren't necessarily worried about competition from auto parks.

"It wouldn't do anything to us," said Frank DeBartolo, general manager of Celozzi-Ettleson, Elmhurst, Ill., one of the Chicago area's top-selling dealers. "There are already plenty of places with five or six dealerships a few feet from each other.

"We're isolated out here (in Elmhurst). We're not even on a major road, and we do all right."

DOMESTIC SALES

	Mar. 1-10, 1989	Mar. 1-10, 1988
Eagle	1,705	1,097
Chrysler	4,277	10,892
Plymouth	6,053	9,180
Dodge	10,201	13,498
Chrysler Motors	22,236	34,667
Ford	36,532	47,730
Mercury	12,851	15,902
Lincoln	4,729	5,227
Ford Motor Co.	54,112	68,859
Buick	11,691	13,458
Cadillac	7,152	7,006
Chevrolet	35,263	40,749
Oldsmobile	12,293	15,405
Pontiac	16,186	18,754
General Motors	82,575	95,372
Volkswagen	—	777
Honda	8,765	8,496
Nissan	1,673	1,931
Toyota	1,850	1,110
Mazda	867	580
Mitsubishi	436	—
U.S. Car Total	172,514	211,772

Domestic sales plunge 18% for early March

By Karen Detkowski
SPECIAL CORRESPONDENT

Sales of U.S.-built cars declined 18.54 percent in the first 10 days of March. The total was 172,514 vs. 211,772 in 1988.

Each of the Big 3 was down for the period, but three of the five transplants reported increases.

Chrysler Motors delivered 35.86 percent fewer cars than it did a year ago, although Eagle sales rose 55.42 percent.

Ford Motor Co. sales dropped 21.42 percent. All three of its makes declined.

General Motors sales slipped 13.42 percent. Cadillac was up 2.08 percent, but the other divisions were down.

In the first 10 days of March, Mazda delivered 54.82 percent more U.S.-built MX-6 models than last year.

Toyota sold 1,177 U.S.-built Camrys and 673 U.S.-built Corollas. The total of 1,850 was up 66.67 percent over last year's 1,110 when only Corolla was assembled in the United States.

Honda's transplant sales rose 3.17 percent over the year-ago period, and Nissan's sales were down 13.36 percent. Mitsubishi sold 436 Eclipse models. The U.S.-built Eclipse went on sale in January.

IMPORT SALES BY MODEL

	Feb. 1989	Feb. 1988	2 Mos., 1989	2 Mos., 1988
ACURA	9,465	8,988	18,978	18,025
Integra	4,659	3,779	8,744	7,891
Legend	4,806	5,209	10,234	10,134
ALFA ROMEO	237	522	455	763
Milano	113	322	224	438
Spider	124	200	231	325
AUDI	1,458	1,992	3,267	3,431
4000S	3	38	6	78
4000CS Quattro	3	19	6	39
5000S	28	384	76	665
5000CS Turbo	8	88	26	177
5000CS Turbo Quattro	0	95	8	334
80	486	697	1,243	1,067
90	474	634	981	982
100/200	320	0	620	0
100/200 Quattro	133	0	294	0
Coupe GT	3	37	7	89
BMW	5,736	5,763	11,419	10,359
3 Series	2,702	3,287	5,471	5,998
5 Series	1,771	1,224	3,471	2,089
635 CSi	131	115	274	178
7-Series	948	914	1,816	1,696
M3	87	140	176	269
M5	41	33	90	58
M6	56	50	121	71
CHEVROLET	7,508	11,300	15,319	21,007
Spectrum	3,826	6,487	7,940	12,023
Sprint	3,682	4,813	7,379	8,984
CHRYSLER MOTORS	8,317	13,400	17,375	23,354
Colt	4,882	8,264	9,529	13,757
Conquest	381	893	854	1,442
Medallion	423	2,244	1,035	4,899
Summit	1,631	0	3,714	0
Vista	1,000	1,979	2,243	3,256
TC Maserati	64	0	133	0
DAIHATSU	1,019	760	2,123	1,783
FORD Festiva	6,226	6,080	12,679	11,168
HONDA	16,541	18,812	32,090	41,273
Civic/CRX	4,191	10,340	7,902	20,990
Accord	9,176	3,299	18,192	10,421
Prelude	3,174	5,173	6,005	9,862
HYUNDAI	14,056	22,536	29,230	44,860
Excel	11,504	22,536	24,596	44,860
Sonata	2,552	0	4,634	0
ISUZU	1,251	1,448	2,800	3,009
I-Mark	1,065	841	2,420	1,875
Impulse	186	607	380	1,134
JAGUAR	1,361	1,400	2,853	2,568
XJ6	1,027	1,046	2,163	1,953
XJS	334	354	690	615
MASERATI	44	95	96	145
MAZDA	15,612	18,413	32,049	36,408
323	6,359	7,382	12,833	15,015
626	3,680	5,272	7,527	10,107
MX-6	233	1,360	454	2,863
929	1,441	1,972	2,948	3,755
RX-7	1,611	2,447	3,528	4,668
MPV	2,288	3	4,758	0
MERCEDES BENZ	5,542	5,880	10,578	11,686
190	846	968	1,829	1,872
260E	228	513	471	987
300	1,947	1,635	3,341	3,284
300 SE	510	0	1,058	0
300SDL Turbo	0	8	0	67
300SEL	275	587	531	1,119
420SEL	529	763	1,054	1,544
560SEL	417	420	820	944
560SL	600	826	1,142	1,585
560SEC	131	130	248	295
Tourist	61	20	84	44
MERKUR	667	774	1,087	1,503
XR4Ti	280	471	760	886
Scorpio	387	303	327	617
MITSUBISHI	4,735	5,203	9,774	10,483
Starion	111	251	296	446
Cordia	22	433	303	884
Tredia	0	111	5	203
Mirage	673	899	1,429	1,893
Galant	2,261	837	4,179	1,747
Precis	1,549	2,092	3,218	4,349
Van/Wagon	119	580	344	961
NISSAN	30,361	24,826	59,469	52,627
Sentra	10,904	10,882	21,461	21,402
Pulsar	1,695	3,252	3,065	6,304
Stanza	1,965	3,140	4,237	8,000
Maxima	8,595	4,490	17,002	10,177
240/200SX	5,706	1,062	10,525	2,445
300ZX	1,278	1,727	2,591	3,851
Hawaii	228	273	588	448
PEUGEOT	413	331	861	684
PONTIAC LeMans	3,604	3,574	7,341	7,153
PORSCHE	536	1,417	1,141	2,554
924S	14	106	42	281
944	62	[illegible]	141	654
944S	6	60	10	100
944 Turbo	38	206	78	326
911 Coupe	162	288	340	505
911 Turbo	90	90	180	181
911 Cabriolet	103	132	213	253
928S	61	134	137	254
SAAB	2,845	3,076	5,280	5,795
900	373	535	782	1,080
900S	472	797	1,000	1,512
900 Turbo	939	688	1,686	1,261
9000S	345	293	553	573
9000 Turbo	455	752	746	1,341
9000 CD	250	0	493	0
Tourist	11	11	20	48
STERLING	612	1,166	1,400	2,117
SUBARU	13,208	12,590	23,457	22,547
Hatchback	293	518	644	1,151
3-Door	564	570	1,153	1,046
4-Door Sedan	5,149	2,337	3,202	3,717
XT/XT6	843	1,020	1,464	1,848
Station Wagon	4,010	5,385	7,109	9,518
Justy	2,349	2,760	3,985	5,267
SUZUKI	559	0	1,106	0
TOYOTA	29,421	42,187	65,797	84,316
Corolla	6,294	11,142	14,224	22,248
Tercel	7,629	6,422	14,833	12,652
Celica	3,753	4,498	8,350	8,924
Supra	1,172	1,751	2,595	3,276
Camry	6,522	13,935	[illegible]	28,547
Cressida	1,562	1,058	[illegible]	1,977
Land Cruiser	431	598	910	1,148
Van	368	577	867	1,078
4Runner SR 5	1,277	1,353	2,405	2,852
MR2	413	853	772	1,614
VOLKSWAGEN	8,825	12,764	17,854	23,854
Cabriolet	686	1,127	1,056	1,831
Jetta	3,569	5,730	7,229	10,125
Golf/GTI	1,403	0	2,856	0
Vanagon	318	570	593	1,079
Quantum	112	250	267	514
Scirocco	160	314	352	570
Fox	2,577	4,768	5,501	9,731
VOLVO	7,510	7,161	16,649	15,830
240 Series	3,287	2,873	7,025	6,588
740 Series	3,124	3,388	7,570	7,302
760 Series	977	747	1,798	1,666
780	118	106	210	208
Tourist	4	47	46	66
YUGO	761	2,744	1,631	5,358
IMPORT TOTAL	198,369	235,212	401,737	464,673

*Volkswagen has reported sales of U.S.-built Golf and GTI models as imports after [illegible] 1988.

[illegible]

TRUCK INDUSTRY

February truck sales by manufacturer and segment

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1989	TOTAL 1988
CHRYSLER-PLYMOUTH	MO	14,022						14,022	14,835
	YR	27,750						27,750	26,593
DODGE	MO	45,101						45,101	48,598
	YR	87,000						87,000	88,390
JEEP	MO	17,286						17,286	19,548
	YR	36,083						36,083	36,103
TOYOTA	MO	15,280						15,280	15,616
	YR	30,480						30,480	34,200
NISSAN	MO	15,[illegible]0						15,230	11,687
	YR	[illegible]						27,177	26,760
MAZDA	MO	[illegible]						6,133	8,105
	YR	[illegible]						13,093	16,424
ISUZU	MO	6,[illegible]						6,873	5,808
	YR	13,499						13,499	12,818
MITSUBISHI	MO	3,366						3,366	4,120
	YR	6,263						6,263	8,077
SUZUKI	MO	2,324						2,324	5,085
	YR	4,382						4,382	10,377
RANGE ROVER	MO	341						341	278
	YR	836						836	525
FORD	MO	107,766	2,388		650	2,477	1,091	114,372	123,965
	YR	213,048	4,787		1,368	4,979	2,133	226,315	230,463
FREIGHTLINER	MO						1,926	1,926	2,074
	YR						3,866	3,866	3,185
CHEVROLET	MO	94,755		15	844	603		96,217	118,588
	YR	184,127		41	1,239	1,399		186,806	211,478
GMC	MO	25,851		271	263	736		27,121	33,254
	YR	50,679		1,061	717	2,069		54,526	55,759
KENWORTH	MO					40	1,241	1,281	1,175
	YR					63	2,669	2,732	2,195
MACK	MO				208	278	1,374	1,860	1,494
	YR				410	548	2,582	3,540	2,914
MERCEDES	MO				46	88		134	210
	YR				112	170		282	397
NAVISTAR	MO		8	6	996	1,585	2,463	5,058	6,869
	YR		26	21	2,367	3,714	5,217	11,345	13,496
PETERBILT	MO					41	1,213	1,254	1,183
	YR					98	2,612	2,710	2,090
VOLVO	MO					72	1,308	1,380	1,141
	YR					175	2,458	2,633	1,903
HINO	MO	16		34	30	76		156	141
	YR	31		62	75	152		320	283
NISSAN DIESEL	MO	40		82	24	61		207	174
	YR	66		132	40	90		328	321
ISUZU TRUCK	MO	534	41	15	130	56		776	721
	YR	1,104	93	17	164	86		1,464	910
MITSUBISHI FUSO	MO	170		57	26	48		301	165
	YR	287		85	46	85		503	256
SCANIA	MO						7	7	21
	YR						13	13	28
IVECO TRUCKS	MO	51	35	25	10			121	112
	YR	127	85	43	18			273	235
WESTERN STAR	MO						122	122	140
	YR						222	222	325
OTHER DOMESTICS	MO				5	56	60	121	42
	YR				5	80	105	190	98
GRAND TOTAL	MO	355,189	2,472	505	3,232	6,217	10,805	378,420	425,149
	YR	696,032	4,991	1,462	6,561	13,708	21,877	744,631	787,233
1988 YR to DATE		739,773	1,655	1,090	10,232	14,651	19,832		

NOTE: February 1988 includes 2 Subarus.

February sales tumble

Dips for lights, mediums cut total 11%

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Domestic truck sales declined 10.99 percent in February because of a slide in most light- and medium-duty segments. Only Class 4 medium and Class 8 heavy trucks posted gains over last year.

February sales of 378,420 trucks in the United States were off from 425,149 in 1988.

The Class 1-3 light-duty segment's 355,189 total was down 11.04 percent from 399,278 in the year-earlier period.

In the medium category, Class 4, under the impetus of Ford's Super Duty models, more than doubled its year-earlier performance with 2,472 sales, up from 1,028 in February 1988. Elsewhere, Class 5 sales of 505 were down from 556 a year earlier; Class 6 sales of 3,232 were down from 5,728; and Class 7 sales of 6,217 were off from 8,141 a year ago.

Class 8, with its strong order backlog, continued its gain over last year. Sales of 10,805 heavy-duty models were up from 10,418 in February 1988.

For the first two months of calendar 1989, manufacturers retailed 744,631 trucks, off 5.41 percent from 787,233 a year earlier.

Light-duty sales of 696,032 were off 5.91 percent from 739,773 in 1988.

In the medium segment, Class 4 sales of 4,991 tripled last year's 1,655. Class 5, with 1,462 sales, retained a lead over 1,090 a year earlier. Class 6 sales of 6,561 were down sharply from 10,232 in 1988, as were Class 7 sales, which dropped to 13,708 from 14,651.

Class 8, with sales of 21,877 trucks, was up sharply from 19,832 a year earlier.

All Class 8 competitors were up for the first two months of 1989.

Segment leader Navistar's sales of 5,217 were up a modest 2.37 percent from 5,096 a year earlier.

No. 2 Freightliner's sales of 3,866 were up marginally from 3,819 last year.

Kenworth took third-place with 2,669 sales, up a sharp 26.91 percent from 2,103 a year ago.

Fourth-place went to Peterbilt, with its sales of 2,612 Class 8s, up 26.42 percent from last year's 2,066.

Fifth-place Mack had a considerably larger 15.58 percent increase for the first two months, based on 2,582 Class 8 sales compared to 2,234 in 1988.

Sixth-place Volvo GM had an even greater 39.34 percent gain on sales of 2,458 Class 8's compared to 1,764 last year.

And seventh-place Ford's Class 8 sales of 2,133 units were up 16.56 percent over 1,830 a year ago.

Freightliner expansion makes a heavy-duty trend

PORTLAND, Ore. — Freightliner Corp. joined the list of heavy-truck manufacturers planning production expansions.

Volvo GM Heavy Truck and Kenworth are also planning to expand capacity. Volvo GM recently acquired a plant and expects to have it running at full capacity late this year. Kenworth is selecting the site for its new facility.

Freightliner purchased a plant in Cleveland, N.C., from MAN Truck & Bus Corp. The property consists of about 100 acres. The plant and offices total about 280,000 square feet.

The industry's expansion plans are in direct contrast to a few years ago when several major manufacturers, including Paccar, parent of Kenworth and Peterbilt, eliminated capacity.

Freightliner was capacity-constrained in 1988.

Even though it produced at full capacity and exceeded its 1987 sales levels, it lost market share last year due to the rising market, said Ernst G. Stoeckl, president and chief executive officer.

Freightliner will shift part of the production at its nearby Mt. Holly, N.C., truck plant to Cleveland, thereby allowing Mt. Holly to build more of the Long Conventional model. The Cleveland plant will be in operation in late 1989. The new plant will increase Freightliner's U.S. capacity by about 10 percent by year-end, Stoeckl said.

Freightliner's current order backlog, like those of its competitors, is very strong, so it plans to get its new plant to full speed quickly.

The company's other manufacturing plants are in Portland, Ore.; Burnaby, British Columbia; and an assembly plant for Mercedes-Benz in Hampton, Va.

New Alaska rep for Detroit Diesel

DETROIT — Detroit Diesel Corp. said McDonald Industries of Seattle has signed a letter of intent to buy the rights to distribute Detroit Diesel engines and Allison transmissions in Alaska from Emerson GM Diesel, the current distributor.

D.M. Emerson, president and principal owner, is retiring and selling the assets of Emerson GM Diesel, according to Detroit Diesel.

Emerson also holds the rights to distribute Detroit Diesel products in western Washington. A Detroit Diesel spokeswoman said the corporation is reviewing the possibility of combining the western Washington distributorship with one or more of the neighboring distributors.

McDonald Industries is not currently among Detroit Diesel's 44 North American distributors. The new Alaska distributorship will be called Alaska Detroit Diesel and will be headquartered in Anchorage at the current Emerson GM Diesel facility.

The Detroit Diesel spokeswoman said the corporation's distributors are all independent and it has no plans to purchase any of them.

PICK-A-PAIR: *Limited-edition Coupe DeVille, Eldorado blossom for spring*

DETROIT — Cadillac has introduced a pair of limited-edition spring models — the Spring Edition Coupe DeVille and the Eldorado Spring Special.

They are equipped with option packages that include convenience, luxury and styling items. Both have aluminum alloy wheels, leather seats and front passenger seats with six-way power adjustments and manual seat recliners.

Other features include illuminated driver and passenger vanity mirrors, illuminated entry system and leather-trimmed steering wheel.

The models are available in four colors — carmine red, sapphire blue firemist, sable black and cotillion white.

The Spring Edition Coupe DeVille has a monochromatic color scheme with matching interior and full cabriolet roof treatment. The Eldorado model may be ordered with contrasting cabriolet roof and interior.

Both models will be produced in limited quantities; they became available March 1.

The special DeVille is priced at $27,955 — the DeVille base price of $24,960 plus the option package price of $2,995. The Eldorado is $28,073 — the Eldorado's $26,738 base price plus $1,335 for the option package.

Cadillac's Spring Edition Coupe DeVille

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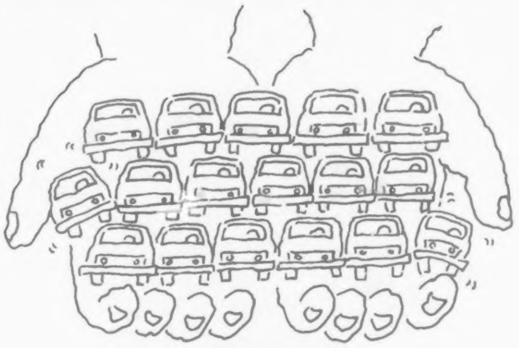

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Issue date: April 17

NATIONAL NEW VEHICLE REGISTRATIONS

	1988	1987
Chrysler Conquest*	9,647	11,233
Laser		4,792
Imperial		
LeBaron/LeBaron GTS	35,406	81,564
LeBaron SW	2,625	4,825
LeBaron coupe/convertible	102,549	78,683
New Yorker Turbo	14,736	39,271
New Yorker/Landau	79,986	18,450
Fifth Avenue/Newport	38,845	58,583
Total	283,794	297,401
Plymouth Colt*	32,953	38,132
Colt DL station wagon*	4,767	185
Colt Vista station wagon*	9,317	14,553
Horizon	59,765	48,864
Sundance	87,308	75,313
Turismo	1,399	17,818
Reliant	94,741	83,471
Reliant station wagon	15,775	22,685
Laser		
Caravelle	14,536	35,928
Gran Fury	10,326	7,707
Acclaim	2,273	
Total	333,162	344,656
Chrysler/Plymouth Total	616,956	642,057
Dodge Colt*	37,087	42,179
Colt DL station wagon*	5,491	203
Colt Vista station wagon*	10,282	15,820
Omni	58,332	39,979
Shadow	89,248	76,927
Charger	1,630	19,951
Daytona	70,482	37,125
Aries	86,586	81,347
Aries station wagon	14,771	19,919
Lancer	10,780	22,847
600	13,832	36,716
Dynasty	76,822	2,276
Diplomat	18,579	13,042
Spirit	2,438	
Total	496,330	408,339
Eagle Summit*	3,621	
Alliance	4,713	26,207
Eagle	1,496	4,678
Premier	37,518	111
Medallion*	14,648	13,744
Total	61,996	44,740
Total Chrysler	1,176,282	[illegible]
Ford Festiva*	67,560	24,385
Escort	338,033	332,753
Escort station wagon	46,890	61,033
Mustang	169,552	171,026
Probe	68,106	
Tempo	278,647	223,350
Taurus	286,056	268,151
Taurus station wagon	90,859	90,057
Crown Victoria	99,215	102,374
Crown Victoria station wagon	14,116	16,090
Thunderbird	118,510	132,080
Total	1,577,544	1,421,299
Lincoln Town Car	123,791	126,446
Mark VII	22,951	27,408
Continental	532	12,355
Continental (fwd)	43,203	1,081
Total	190,477	167,290
XR4Ti Total*	5,868	8,849
Scorpio Total*	6,415	4,650
Mercury Lynx	2,240	31,179
Lynx station wagon	759	6,109
Tracer	48,239	30,085
Tracer station wagon*	8,476	2,238
Capri*		
Topaz	85,936	63,217
Sable	92,675	78,746
Sable station wagon	25,442	26,653
Cougar	102,415	110,112
Grand Marquis	106,157	106,649
Grand Marquis station wagon	8,984	9,366
Total	481,323	464,362
Lincoln-Mercury Total	684,083	645,171
Total Ford	2,261,627	[illegible]
Buick Reatta	3,893	10
Skyhawk	23,980	36,712
Skyhawk station wagon	2,094	2,797
Somerset/Skylark	58,029	68,029
Century	120,013	137,914
Century station wagon	10,324	14,275
Regal	9,644	47,608
Regal (fwd)	113,552	11,163
LeSabre	129,081	132,406
Electra/Park Avenue	86,702	79,761
Buick station wagon	9,212	9,927
Riviera	11,287	16,493
Total	578,531	557,095
Cadillac DeVille/Fleetwood	151,865	145,309
Fleetwood 60 Special	1,324	1,224
Cimarron	5,906	12,639
Brougham/Chassis	44,513	56,669
Eldorado	30,763	20,357
Seville	22,183	20,725
Allante	3,191	2,068
Total	259,745	258,991
Chevrolet Nova/Geo Prizm	96,782	135,120
Sprint*/Geo Metro*	49,565	59,266
Spectrum*	68,276	79,108
Chevette	279	21,287
Corsica	194,680	100,231
Beretta	180,153	108,614
Camaro	99,052	117,080
Cavalier	278,226	280,923
Cavalier station wagon	28,705	38,072
Celebrity	201,761	253,237
Celebrity station wagon	50,598	60,648
Lumina		
Monte Carlo	30,191	68,854
Caprice	138,361	143,112
Chevrolet station wagon	29,806	30,661
Corvette	22,927	24,878
Total	1,469,362	1,496,074
Oldsmobile Firenza	6,468	15,413
Firenza station wagon	1,110	1,863
Calais	104,828	100,832
Cutlass Ciera	219,161	224,206
Cutlass Ciera station wagon	16,323	22,452
Cutlass Supreme	24,443	95,403
Cutlass Supreme (fwd)	87,656	
Delta 88	146,884	155,328
98	73,719	71,466
Custom Cruiser station wagon	10,669	14,045
Toronado	15,052	16,199
Total	708,313	717,262
Pontiac 1000	220	5,703
LeMans*	61,381	33,062
Sunbird	80,392	77,370
Sunbird station wagon	1,686	2,796
Fiero	24,106	42,663
Firebird	57,413	73,822
Grand Am	226,012	214,141
6000	87,955	112,257
6000 SW	8,779	11,942
Grand Prix	1,642	13,707
Grand Prix (fwd)	96,058	637
Safari SW	6,757	9,434
Bonneville	107,039	100,609
Total	759,434	696,143
GM Lotus	2	
Total GM	3,776,387	3,727,[illegible]
Domestic station wagons	397,749	479,741
Import station wagons	236,345	255,671
Misc. Domestic	188	[illegible]
Domestic Sponsored Imports	443,586	377,723
Other Imports	3,265,411	3,276,416
Total	3,708,996	3,654,139
Grand Total All Registrations	10,477,863	10,166,[illegible]

*Domestic-sponsored import

SOURCE: R.L. Polk & Co.

Southeast Toyota, Nuckolls build in Orlando; 2 more due

Southeast Toyota Distributors and Bill Nuckolls, a longtime Florida vehicle wholesaler, are building a $6 million auto auction in Orlando, Fla., and plan to build two more, in Fort Lauderdale, Fla., and Atlanta.

Nuckolls opened Orange County Auto Auction in Orlando on eight acres in 1984. He said unexpected growth has led to rebuilding the auction on 71 acres near the existing facility.

Southeast Toyota has a 50 percent stake in the Orange County Auto Auction, according to Nuckolls.

He said Southeast Toyota also will have a 50 percent interest in the other two auctions to be built in the next 24 months. Southeast Toyota is Toyota Motor Sales' distributor in Florida, Georgia, Alabama, North Carolina and South Carolina.

Officials at Southeast Toyota confirmed the company has a stake in Orange County Auto Auction but declined to comment on the venture.

Nuckolls said the Orange County Auto Auction was a family business before Southeast Toyota bought out other members of the family.

He said the new facility is expected to open in June, complete with a detailing facility and car wash.

"We are registering 1,000 cars every week and selling between 575 and 625," he said. "Our operation grew way beyond our expectations. The present facility is too small."

The new auction is located 10 minutes from the current site. It will have seven lanes, up from four, and will be able to process 2,000 vehicles a week.

Nuckolls said plans call for reopening the old site as a vehicle salvage auction — selling vehicles destroyed in collisions for insurance companies.

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Fort Worth Auto Auction (div. of GECAA), 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Tuesday. Contact: George Horton, 817-626-5494.

WISCONSIN

Metro Milwaukee Auto Auction. Sale every Wednesday. FMC, GMAC, all leasing. 414-835-4436, Caledonia, Wisconsin.

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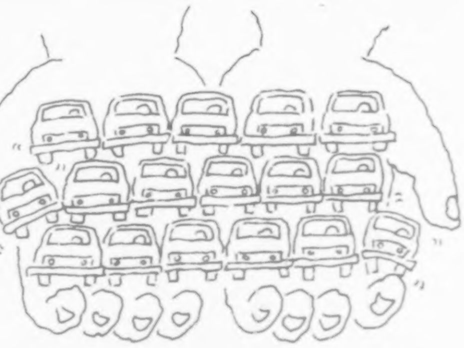

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Issue date: April 17
Ad closing: April 10

AUCTION BRIEFS

CHARLES THOMAS

Brasher's adds warranty

Sellers are responsible for repairs in excess of $100 on qualified vehicles sold at Brasher's Sacramento Auto Auction in Sacramento, Calif., if mechanical defects normally covered by arbitration are discovered within four days or 500 miles.

The auction said its "Sacramento 500" plan carries no fee for the seller, who must guarantee the vehicle is free from any hidden or known defects.

Under a second program, a covered vehicle is warranted under the Brasher's Auction Warranty rather than by the seller to be free of major mechanical defects. Sellers pay a $25 fee for an auction inspection and provide the auction with a guarantee the vehicle is sound.

The buyer can then pay $25 to extend the warranty beyond the day of sale. If a covered defect should arise within four days or 500 miles, the auction will repair the vehicle and bill the buyer only for the first $100 in repairs.

Buyers of vehicles not pre-qualified for Brasher's Auction Warranty can have them inspected by auction mechanics and be covered by the plan for a $50 fee.

"This program is the only one of its kind in the auction industry," said Rex Roden, general manager of Brasher's Sacramento Auto Auction. "Our dealers have been very enthusiastic about it, and we expect to see more like it in the industry."

All domestic and most imported vehicles are eligible for the warranties covering defects in engine, transmission, rear-end, emissions-control equipment and air conditioning.

Brasher's also has introduced a program that allows qualified auction customers up to 28 days to pay for vehicles purchased.

Auto buyers normally have to pay for a vehicle the day of the sale or upon receipt of the title. Under the four-week draft program, the auction will hold a customer's draft for 28 days before sending it to the bank for payment.

Auction customers pay a fee to participate in the four-week program. The fee is based on the amount of money involved in the extended draft.

Louisville adds lanes

Frankenthal Group will spend $150,000 to add two sales lanes and a larger dealer lounge to the Louisville Auto Auction in Clarksville, Ind.

Construction of the 6,000 square-foot addition is scheduled to be completed this spring. In addition, the company has purchased four auto transport vehicles, bringing its total to eight.

Frankenthal Group also owns Cincinnati Auto Auction in Hamilton, Ohio, and SJF Transport in Clarksville, Ind.

AUCTION DATES

Used Car Sales
Auction Averages

March 89	$6,029
Month ago	$5,720
Year ago	$5,859

Model Breakdown
Auction Averages

	MAR 1989	FEB 1988	JAN 1988
1989 ...	$10,267	$13,118	$12,109
1988 ...	$8,710	$8,235	$8,612
1987 ...	$7,576	$7,289	$7,136
1986 ...	$5,936	$6,014	$5,944
1985 ...	$5,208	$4,764	$4,873
1984 ...	$3,544	$3,840	$3,760
1983 ...	$2,823	$2,683	$2,795
1982 ...	$2,082	$2,187	$2,246
Overall Average	$6,029	$5,678	$5,545

Chrysler

March 15 — A.D.E. of Birmingham, Birmingham, Ala., and Butler Auto Auction, Gibsonia, Pa.

March 16 — Northway Exchange, Clifton Park, N.Y.; Aptco Auto Auction, Taylor, Mich.; Indianapolis Auto Auction, Indianapolis; Omaha Auto Auction, Omaha, Neb.; Southwest Auto Auction, Phoenix, Ariz.; and Ark-La-Tex Auto Auction, Shreveport, La.

March 17 — Manheim Auto Auction, Manheim, Pa.

March 21 — Dallas Auto Auction, Grand Prairie, Texas; Clanton's Auto Auction, Darlington, S.C.; Denver Auto Auction, Aurora, Colo.; Southern Auto Auction, Warehouse Point, Conn.; South Seattle Auto Auction, Kent, Wash.; Hatfield Auto Auction, Hatfield, Pa.; and Golden Gate Auto Auction, Fremont, Calif.

March 22 — Columbus Fair Auto Auction, Obetz, Ohio, and Minneapolis Auto Auction, Plymouth, Minn.

March 23 — Big Sky Auto Auction; Billings, Mont.; Fredericksburg Auto Auction, Fredericksburg, Va.; Salt Lake Auto Auction, Salt Lake City; and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

March 24 — St. Louis Auto Auction, Bridgeton, Mo.

March 28 — Florida Auto Auction, Ocoee, Fla.; American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Nashville Auto Auction, Nashville, Tenn.; Portland Auto Auction, Portland, Ore.; Riverside Auto Auction, Riverside, Calif.; Hatfield Auto Auction, Hatfield, Pa.; and Greensboro Auto Auction, Greensboro, N.C.

March 29 — A.D.E. of Birmingham, Birmingham, Ala., and Butler Auto Auction, Gibsonia, Pa.

March 30 — Northway Exchange, Clifton Park, N.Y.; Aptco Auto Auction, Taylor, Mich.; Indianapolis Auto Auction, Indianapolis; Omaha Auto Auction, Omaha, Neb.; Southwest Auto Auction, Phoenix, Ariz.; Ark-La-Tex Auto Auction, Shreveport, La.; and Amarillo Auto Auction, Amarillo, Texas.

March 31 — Manheim Auto Auction, Manheim, Pa.

Ford Motor Co.

March 21 — South Seattle Auto Auction, Kent, Wash.

March 22 — Atlanta Auto Auction, Red Oak, Ga.; Baltimore-Washington Auto Exchange, Baltimore; Fort Worth Auto Auction, Fort Worth, Texas; Lakeland Auto Auction, Lakeland, Fla.; Southern California Auto Auction, Fontana, Calif.; and Newburgh Auto Auction, Newburgh, N.Y.

March 23 — Ohio Auto Auction, Grove City, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

March 28 — Greater Chicago Auto Auction, Chicago; and Bay Cities Auto Auction, Hayward, Calif.

March 29 — Northway Auto Auction, Clifton Park, N.Y.; and Indianapolis Auto Auction, Indianapolis.

General Motors

March 15 — Atlanta Auto Auction, Atlanta; Puget Auto Auction, Auburn, Wash.; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Mississippi Auto Auction, Hattiesburg, Miss.; Omaha Auto Auction, Omaha, Neb.; and Southern California Auto Auction, Fontana, Calif.

March 16 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; Utah Auto Auction, West Bountiful, Utah; and Mid-Ark Auto Auction, North Little Rock, Ark.

March 17 — Omaha Auto Auction, Omaha, Neb.

March 20 — A.D.E. of Birmingham, Moody, Ala.

March 21 — A.D.E. of Birmingham, Moody, Ala.; Florida Auto Auction of Orlando, Ocoee, Fla.; Harrisonburg Auto Auction, Harrisonburg, Va.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

AUTOMOTIVE NEWS/JOE WILSSENS

European Mustangs pony up

The American Pony Drive, a traveling collection of 40 vintage European-owned Ford Mustangs, made a publicity stop in Detroit last week. Organizers John Manners, right, and Madeline Koch have planned a 17-state tour that begins Friday. The tour is in conjunction with the 25th anniversary of the Mustang.

Makers fine-tune incentives

Chrysler, Chevrolet, Olds change customer programs

By Laura Clark and Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — In the latest chorus of incentive-tuning, Chrysler Motors sweetened offerings on LeBaron and Daytona and mailed rebate offers on other vehicles, Chevrolet added regional incentives to its national ones and Oldsmobile changed the expiration date of its program.

Chevrolet is offering regional consumer incentives on several car models until May 2.

In its 14-state "Momentum '89 Camaro Regional Incentive" program, Chevrolet is giving a $500 rebate on a Camaro. If dealers contribute $250, Chevrolet increases the rebate to $750, for a total savings to the consumer of $1,000.

The Camaro rebate program is effective in California, Florida, Texas, Wisconsin, Illinois, Indiana, Ohio, Michigan, Kentucky, Tennessee, North Carolina, South Carolina, Georgia and Alabama. The program began March 7 and ends May 2. It applies to vehicles purchased or leased from dealer inventory.

In the Eastern states and Texas, Chevrolet is offering free automatic transmission on 1988 and 1989 Cavaliers. The dealer's cost on the automatic transmission usually is $340. Under the program, dealers must contribute $150 of the cost of the automatic transmission.

The program runs until May 2. It is good in Massachusetts, Maine, Connecticut, New York, New Hampshire, Vermont, Rhode Island, New Jersey, Delaware, Maryland, Pennsylvania, Virginia, Texas and the District of Columbia.

Buyers of 1989 Corsica and Berettas in selected states can receive a $400 rebate, of which the dealer contributes $200 and Chevrolet $200. Chevrolet declined to name the states in which this incentive is offered. The $400 rebate is in addition to the national $600 rebate on Corsica and Beretta. The regional incentive ends May 2.

CHRYSLER MOTORS: Chrysler announced that its "Here's to You, America" incentive program will now offer $1,000 on 1988 and 1989 Chrysler LeBaron coupes (excluding convertibles) and 1988 and 1989 Dodge Daytonas. Previous incentives on those models were $750. As an alternative, consumers may select low-interest loans ranging from 4.9 percent to 10.9 percent.

In addition, Chrysler launched a direct-mail program aimed at current owners of its vehicles. It offers $300 to $500 in addition to Chrysler's other incentives and runs March 15 to May 31.

Bonus certificates were mailed to 1.6 million owners March 17-22. Dealers will receive a prospect list of owners this week.

The "Special Thanks" program gives certificate holders rebates of $300 on 1988 and 1989 Plymouth Colt, Horizon, Sundance and Acclaim; 1988 and 1989 Dodge Colt, Omni, Shadow, Spirit; 1989 Eagle Summit; and 1988 and 1989 Plymouth Voyager and Dodge Caravan with the shorter wheelbase.

The rebate is $500 on the 1988 and 1989 Dodge Daytona and Dynasty; 1988 and 1989 Chrysler LeBaron coupe and convertible, New Yorker and New Yorker Landau; and 1988 and 1989 Eagle Medallion and Premier.

OLDSMOBILE: Oldsmobile announced that the ending date for its incentive program is April 3 instead of the previously announced March 31. A company press release had erroneously reported that the program ended March 31.

Cleveland-FTC agreement on hours takes effect

WASHINGTON — Within the next 30 days, the Cleveland Auto Dealers Association will place advertisements in the Cleveland Plain Dealer explaining its agreement with the Federal Trade Commission requiring its 130 members not to limit showroom hours.

The 10-year consent decree was reached late last year and now has become final. The dealer group does not admit violating any law, but agrees to change its bylaws and policies and to report periodically to the FTC.

Cleveland was the only major U.S. city besides Detroit that had restricted showroom hours. Cleveland agreed to settlement before trial. The position of the Detroit Auto Dealers Association was upheld in a similar case before an administrative law judge, but that victory was overturned recently by the commission. The Detroit dealer group said it will appeal the decision.

— Helen Kahn

Investor throws $2 million in pot to help bail out bankrupt Zimmer

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

A private investor has committed $2 million to help Zimmer Corp. of Pompano Beach, Fla., work its way out of Chapter 11 bankruptcy.

The specialty vehicle conversion firm will use the funds to pay unsecured claims arising from its 1988 bankruptcy.

Zimmer President Terry McMahan said the investor asked that his name not be disclosed.

It has not been decided whether the investor will have a management role in the restructured company, according to Jack Gary of Crown Financial Associates of Palm Beach, Fla., who arranged the funding.

The private placement loan is subject to approval by the U.S. Bankruptcy Court for southern Florida.

Zimmer and its creditors intend to file a joint plan of reorganization by March 23. Company management hopes to emerge from bankruptcy by this fall and resume its business of converting vans and upfitting sport-utility vehicles.

Last October, the company arranged a $4 million line of credit and $1 million in working capital from bankers. Gary said the new investor was attracted to Zimmer after reading of that arrangement. A company spokesman said that line of credit is still in place.

Two Zimmer subsidiaries — Zimmer Motor Cars Corp. and Zimmer Motor Coach Corp. — have filed liquidation plans that have been approved by creditors and the bankruptcy court. Also, the Zimmer Recreational Products Corp. subsidiary has sold all its assets to a group of Kansas investors.

SALES

FROM PAGE 3

time in 1988.

Honda's Acura division and Mitsubishi Motor Sales of America made the top 10 without transplants, although Mitsubishi began selling U.S.-built cars in January 1989.

Ford Division, Chevrolet and Pontiac were the U.S. cars in the top 10.

Four of the top 10 increased their car sales per dealer in 1988 — Toyota, Ford, Mazda and Pontiac.

Showing declines in addition to Hyundai were Honda, Acura, Nissam, Mitsubishi and Chevrolet.

Mitsubishi, third in the combined car-truck standings in 1987, slipped to sixth in 1988. Car-truck sales were off only 5 percent in 1988, but Mitsubishi's dealer total jumped to 250 from 148 a year earlier, and all Mitsubishi dealers now handle trucks as well as cars.

That combination of factors cut sales per outlet to 571 from 831 in 1987. The truck sales boom of recent years has dispelled the notion that trucks are small potatoes in the dealership world. A few examples from the sales-per-dealer averages show just how important they really are.

Dodge dealers averaged more truck sales than car sales last year — 186 vs. 168 — and truck figures for Ford and Chevrolet nearly matched their car numbers. Ford dealers averaged 349 cars and 320 trucks. Chevrolet dealers averaged 298 cars and 272 trucks.

Perhaps Suzuki of America Motor Corp. is the best example. It was 11th in combined car-truck sales per dealer in 1988 with 322 deliveries. All but one were sport-utility vehicles, which are counted as trucks on the sales charts. Suzuki began selling cars in the United States late in 1988.

Of the 38 makes in the car-truck ranking for both 1987 and 1988, 15 increased their sales-per-outlet averages last year. Among the domestics, 13 of the 14 makes were up. The Chrysler brand showed the only decline. Mazda and Range Rover were the only gainers among the imports.

At the corporate level, each of the Big 3 boosted their car-truck sales-per-dealer averages in 1988. Ford Motor Co. rose to 691 sales per outlet from 635 in 1987. General Motors advanced to 554 from 514, and Chrysler Motors climbed to 415 from 383.

Only two of the foreign-based manufacturers have more than a single line of vehicles and, therefore, more than a single dealership network, in the United States. Neither sells trucks. American Honda (Honda and Acura) averaged 652 sales per dealership last year, compared to 676 in 1987. Volkswagen of America (VW and Audi) fell to 181 last year from 215 in 1987.

CAR-TRUCK SALES PER OUTLET

Final 1988	1988	1987
1. Hyundai	1,053	1,369
2. Toyota	850	857
3. Honda	691	693
4. Ford	669	612
5. Chevrolet	570	541
6. Nissan	579	673
7. Mitsubishi	571	831
8. Acura	510	595
9. Mazda	427	424
10. Dodge	354	323
11. Suzuki	322	579
12. Pontiac	262	234
13. Volvo	238	257
14. Oldsmobile	227	226
15. Mercedes	198	213
16. Buick	198	189
17. Mercury	197	174
18. Subaru	195	220
19. Jeep	178	150
20. BMW	176	209
21. Plymouth	172	158
22. Isuzu	171	229
23. Cadillac	166	162
24. Volkswagen	162	219
25. GMC	147	129
26. Jaguar	144	150
27. Lincoln	117	102
28. Yugo	107	166
29. Saab	104	124
30. Chrysler	90	99
31. Audi	58	101
32. Range Rover	57	53
33. Porsche	51	74
34. Sterling	50	85
35. Eagle	48	33
36. Alfa Romeo	31	42
37. Peugeot	26	34
38. Maserati	11	14
39. Geo*	6	—

*Geo became a separate franchise Oct. 1, 1988.
Totals include sales of captive imports and transplant models.

CAR SALES PER OUTLET BY MAKE FOR 5 YEARS

	1988	1987	1986	1985	1984
Hyundai	1,053	1,369	1,431	—	—
Honda	691	693	716	640	610
Toyota	625	578	592	572	515
Mitsubishi	571	521	489	598	477
Acura	510	595	352	—	—
Nissan	426	477	495	520	439
Ford	349	308	301	295	276
Mazda	313	266	290	277	223
Chevrolet	302	304	343	362	305
Pontiac	262	234	283	265	235
Volvo	238	257	276	257	246
Oldsmobile	227	226	334	334	331
Mercedes-Benz	198	213	236	207	190
Buick	198	189	260	285	318
Mercury	197	174	184	192	195
Subaru	195	219	226	219	196
BMW	176	209	226	204	170
Dodge	168	136	178	168	148
Cadillac	166	162	188	185	200
Volkswagen	162	219	247	246	197
Jaguar	144	150	150	120	98
Lincoln	117	102	110	104	97
Plymouth	109	112	141	122	111
Yugo	107	166	173	—	—
Saab	104	124	137	115	102
Chrysler	90	99	117	124	110
Audi	58	101	146	182	172
Porsche	51	74	94	78	61
Sterling	50	85	—	—	—
Eagle	48	33	—	—	—
Isuzu	44	89	134	118	80
Alfa Romeo	31	42	54	31	17
Peugeot	26	34	51	53	64
Maserati	11	14	20	24	—
Geo*	5	—	—	—	—
Suzuki	1	—	—	—	—
Renault	—	—	51	87	135
AMC	—	—	6	9	14

*Geo became a separate franchise Oct. 1, 1988.
Note: Totals include sales of captive imports and transplant models.

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Truck output tops million, leads 1988

By Karen Detkowski
SPECIAL CORRESPONDENT

U.S. truckmakers built their millionth vehicle of the year last Friday, one week ahead of 1988.

So far this year, 1,008,709 trucks have been assembled, 8.86 percent more than the 926,594 completed last year at this point.

Last week's scheduled truck production of 94,903 units rose 3.61 percent over the prior week's 91,596 and was 12.15 percent above the year-ago week's 84,619.

Auto production was targeted at 151,409 units last week, 1.17 percent higher than the previous week's 149,658 and 4.49 percent more than last year's 144,909.

Year-to-date, 1,644,690 cars have been produced, 16.92 percent more than the 1,406,731 assembled at this time last year.

Last week's scheduled production was shared as follows: General Motors, 45.49 percent; Ford Motor Co., 26.66 percent; Chrysler Motors, 13.34 percent; Honda of America Manufacturing, 5.12 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.20 percent; New United Motor Manufacturing Inc., 2.64 percent; Nissan Motor Manufacturing Co. U.S.A., 1.55 percent; Toyota Motor Manufacturing U.S.A., 1.34 percent; and Diamond-Star Motors, 0.66 percent.

Chrysler called back 1,200 workers to the Jefferson Avenue plant in Detroit and began building Plymouth Horizon and Dodge Omni models last week. The plant had been shut down since December for conversion. Horizon and Omni were moved from the Kenosha, Wis., plant that closed last Dec. 23.

GM slated overtime last Saturday at its Oklahoma City; Arlington, Texas; Lakewood, Ga.; Lordstown, Ohio; and Lansing, Mich., car plants. Also scheduled to work last Saturday were the Flint, Mich.; Pontiac (West), Mich.; Shreveport, La.; and Lordstown, Ohio, truck plants.

Overtime was scheduled last Saturday at Ford's Lorain, Ohio, and Wixom, Mich., car plants and its Wayne, Mich.; Louisville, Ky.; and St. Louis truck plants.

Diamond-Star Motors announced it will advance the startup of its second shift by six months. The second shift will start in May; it was originally scheduled for November. Current employment is 1,900 and will increase to 2,900 by July.

Car production firm in Canada

Canadian auto output was scheduled at 19,456 units last week, down slightly from the prior week's 19,559 but 3.03 percent above the year-ago week's 18,884.

Truckmakers estimated assembly of 18,707 units last week, 10.91 percent below the previous week's 20,997 and 6.80 percent below the year-ago week's 20,071.

Chrysler's Pillette Road plant in Windsor, Ontario, and its plant in Bramalea, Ontario, resumed output today. Both had been closed for inventory adjustment, Pillette for one week and Bramalea for two.

U.S. CAR	Week Ended Mar. 18, 1989	Week Ended Mar. 19, 1988	Week Ended Mar. 11, 1989	Mar. to Date	Jan. 1 to Mar. 18, 1989	Jan. 1 to Mar. 19, 1988
Horizon	0	1,613	0	0	0	18,423
Sundance	2,300	2,193	2,200	5,861	26,093	23,255
Reliant	0	2,493	0	0	0	18,067
Acclaim	2,800	0	3,393	7,843	24,098	0
Caravelle	0	545	0	0	0	3,887
Gran Fury	0	189	0	0	0	2,427
Total Plymouth	5,100	7,033	5,593	13,704	50,191	66,059
LeBaron K	0	502	0	0	0	3,206
LeBaron J	2,200	1,954	1,832	5,376	24,784	10,572
LeBaron GTS	0	212	0	262	2,946	1,732
N. Yorker C-Class	2,600	2,362	3,033	7,048	28,582	22,055
Fifth Avenue	0	240	0	0	0	10,850
Total Chrysler	4,800	5,270	4,865	12,686	56,312	48,415
Omni	0	1,577	0	0	0	18,052
Daytona	2,200	1,921	1,846	5,392	24,830	9,808
Shadow	2,300	2,266	2,111	5,881	26,561	24,343
Aries	0	2,244	0	0	0	14,436
Dodge 600	0	429	0	0	0	3,365
Dynasty	3,400	2,598	3,432	8,572	36,019	24,204
Lancer	0	194	0	32	1,528	2,640
Spirit	2,400	0	2,663	6,383	22,921	0
Diplomat	0	548	0	0	0	4,431
Total Dodge	10,300	11,777	10,052	26,261	111,859	101,279
CHRYSLER MOTORS	20,200	24,080	20,510	52,651	218,362	215,753
Escort	6,916	4,480	6,625	17,316	81,109	76,834
Mustang	4,175	4,569	4,124	10,964	46,402	49,299
Tempo	3,270	4,515	3,240	8,314	37,669	44,967
Taurus	8,226	7,950	8,045	20,914	87,819	87,366
Thunderbird	4,010	3,461	3,343	9,641	40,285	35,694
Total Ford Div.	26,597	24,975	25,377	67,150	293,284	294,160
Topaz	1,116	1,906	1,270	3,204	14,376	17,496
Cougar	4,019	2,309	3,363	9,678	34,880	27,773
Sable	3,073	2,634	2,968	7,875	29,542	27,231
Total Mercury	8,206	6,849	7,601	20,757	78,798	72,500
Continental	1,670	1,067	1,439	4,098	16,685	9,686
Mark VII	559	557	479	1,369	6,817	5,934
Lincoln	3,339	3,248	2,882	8,197	29,516	33,236
Total Lincoln	5,568	4,872	4,800	13,664	53,018	48,856
Total L-M Division	13,776	11,721	12,401	34,420	131,816	121,356
FORD MOTOR CO.	40,373	36,696	37,778	101,570	425,100	415,516
Skyhawk	324	1,067	5,213	5,707	8,573	7,189
Skylark/Somerset	1,310	396	1,291	3,385	11,418	5,348
Century	2,735	2,214	2,184	6,352	28,118	12,838
Riviera	539	156	552	1,518	6,613	1,574
Electra	0	1,286	1,576	2,746	18,125	14,785
LeSabre (fwd)	4,485	2,500	4,297	10,124	19,015	26,520
LeSabre (rwd)	210	222	202	527	2,202	1,472
Reatta	199	110	0	309	1,478	778
Total Buick	9,802	7,951	15,315	30,669	95,542	70,504
Cimmaron	0	127	0	0	0	2,778
Eldorado	945	1,161	915	2,306	8,265	7,246
Seville	585	694	571	1,541	6,290	4,871
Brougham (rwd)	870	213	682	2,088	10,596	0
Deville (fwd)	4,940	4,019	4,761	12,632	49,675	42,799
Allante	70	65	75	190	805	466
Total Cadillac	7,410	6,279	7,004	18,757	75,631	58,160
Cavalier	8,084	7,144	3,468	16,368	87,120	71,840
Camaro	2,515	2,238	2,471	6,530	26,715	11,494
Celebrity	2,868	3,991	2,148	6,814	37,634	33,041
Corsica/Beretta	9,375	9,186	9,131	24,122	98,639	84,677
Caprice	5,658	3,109	4,754	13,376	44,382	44,621
Corvette	560	443	560	1,458	5,631	4,753
Total Chevrolet	29,060	26,111	22,532	68,669	300,121	250,426
Calais	2,290	2,095	2,275	5,944	19,605	22,683
Firenza	0	490	0	0	0	3,506
Cutlass Ciera	1,395	0	1,766	4,273	18,372	0
Cutlass Supreme	0	2,216	0	0	21,568	20,695
Toronado	179	466	132	401	2,639	3,687
88 (fwd)	240	3,389	998	3,627	35,788	33,056
88 (rwd)	144	247	110	337	1,731	2,862
Olds 98	250	1,830	2,221	3,786	20,734	19,379
Total Oldsmobile	4,498	10,733	7,502	18,368	120,437	105,134
Sunbird	4,038	2,015	3,994	9,851	31,814	23,733
Grand Am	5,940	4,813	5,131	14,649	55,583	52,935
Firebird	1,625	1,826	1,658	4,239	16,884	10,011
Grand Prix	4,020	2,041	4,000	8,020	28,021	22,307
Pontiac 6000	2,352	2,090	1,674	5,197	20,639	11,020
Bonneville	0	2,092	0	1,391	18,605	19,710
Safari/Parisienne	126	219	120	307	1,196	1,471
Fiero	0	618	0	0	0	3,623
Total Pontiac	18,101	15,714	16,577	43,654	172,742	135,700
GENERAL MOTORS	68,871	66,788	68,930	180,117	764,473	619,924
DIAMOND-STAR	1,000	0	843	2,322	7,284	0
HONDA	7,750	8,039	7,565	20,386	86,368	78,298
Civic	2,610	2,127	2,356	6,633	28,913	19,093
Accord	5,140	5,912	5,209	13,752	57,455	59,205
MAZDA†	4,850	1,821	4,838	13,126	53,325	12,973
NISSAN	2,340	2,178	2,356	6,109	25,442	15,612
NUMMI	4,000	3,287	4,788	11,660	42,722	34,860
Corolla	1,600	1,213	2,008	4,732	18,161	12,267
Geo Prizm/Nova	2,400	2,074	2,780	6,927	24,561	22,593
TOYOTA	2,025	0	2,050	5,262	21,014	0
VOLKSWAGEN	0	2,020	0	0	0	13,795
Golf/GTI	0	1,320	0	0	0	9,195
Jetta	0	700	0	0	0	4,600
Total Cars, U.S.	151,409	144,909	149,658	393,203	1,644,690	1,406,731
Total Cars, Canada	19,456	18,884	19,559	51,059	214,986	242,081
U.S., Canada Cars	170,865	163,793	169,217	444,262	1,859,676	1,648,812
U.S., Canada Cars and Trucks	284,475	268,483	281,810	740,327	3,094,815	2,785,626

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended Mar. 18, 1989	Week Ended Mar. 19, 1988	Week Ended Mar. 11, 1989	Mar. to Date	Jan. 1 to Mar. 18, 1989	Jan. 1 to Mar. 19, 1988
Premier	0	0	0	765	10,285	14,440
CHRYSLER MOTORS	0	0	0	765	10,285	14,440
Tempo	3,385	4,345	3,340	8,797	39,541	45,543
Topaz	1,463	1,330	1,413	3,776	15,690	16,280
Crown Victoria	2,900	2,837	2,873	7,441	29,461	31,090
Grand Marquis	2,862	2,845	2,837	7,422	31,076	30,407
FORD MOTOR CO.	10,610	11,357	10,463	27,436	115,768	123,320
Celebrity	214	355	196	506	2,153	3,914
Cutlass Ciera	4,058	5,377	3,743	9,653	41,101	46,526
Lumina	2,440	0	426	3,289	6,395	0
Pontiac 6000	0	570	0	0	0	9,872
Regal	0	355	2,457	3,744	18,049	35,916
GENERAL MOTORS	6,712	6,657	6,822	17,192	67,698	96,228
HONDA	1,650	730	1,840	4,518	18,110	6,826
TOYOTA	304	0	254	680	1,236	0
VOLVO	180	140	180	468	1,889	1,267
Total Cars, Canada	19,456	18,884	19,559	51,059	214,986	242,081

U.S. TRUCK☆	Week Ended Mar. 18, 1989	Week Ended Mar. 19, 1988	Week Ended Mar. 11, 1989	Mar. to Date	Jan. 1 to Mar. 18, 1989	Jan. 1 to Mar. 19, 1988
Caravan	2,200	1,984	2,069	5,536	24,883	21,999
Dakota	2,400	2,864	2,235	6,015	24,143	25,532
Mini-Ram Van	100	268	181	387	2,114	3,229
Pickups	2,800	1,371	2,241	6,413	24,517	12,500
Total Dodge	7,500	6,487	6,726	18,352	75,657	63,260
Cherokee	4,500	3,860	5,348	12,942	50,103	40,013
Commanche	500	1,020	595	1,627	7,905	10,953
Grand Wagoneer	300	350	335	844	3,699	3,092
Wagoneer	100	282	227	476	2,186	2,990
Total Jeep	5,400	5,512	6,505	15,888	63,893	57,048
Voyager	1,900	1,708	1,962	5,058	23,882	20,293
Total Plymouth	1,900	1,708	1,962	5,058	23,882	20,293
CHRYSLER MOTORS	14,800	13,707	15,193	39,298	163,432	140,601
Aerostar	5,754	4,410	3,911	13,127	53,442	50,382
Bronco	2,109	1,274	1,793	5,164	21,331	13,853
Bronco II	3,375	2,996	2,847	7,981	31,775	33,538
Econoline	5,232	5,223	5,153	13,514	55,912	56,327
Heavy trucks	1,736	1,381	1,448	4,072	15,290	14,702
Light trucks	11,673	10,355	11,133	29,595	122,854	111,689
Ranger	8,447	7,416	7,682	20,589	83,120	80,707
Total Ford Div.	38,326	33,055	33,967	94,041	383,724	361,198
FORD MOTOR CO.	38,326	33,055	33,967	94,041	383,724	361,198
Astro	3,218	3,903	3,961	9,334	38,487	39,204
Blazer	591	457	506	1,462	6,209	6,102
Mediums/Heavies	0	365	0	0	0	5,489
P-Model	807	0	805	2,052	6,537	8,502
Pickups	9,027	6,530	8,216	22,465	100,604	68,921
S-10	4,919	5,527	6,525	15,013	66,126	60,840
S-10 Blazer	4,522	3,779	3,882	11,089	43,258	33,214
Sportsvan/Van	2,346	1,724	2,315	5,864	20,999	15,135
Suburban	1,677	1,211	1,441	4,123	17,464	16,033
Total Chevrolet	27,107	23,496	27,651	71,403	299,684	253,440
Jimmy	194	200	166	467	1,964	1,984
Mediums/Heavies	0	902	0	0	0	10,282
P-Model	22	0	58	165	971	724
Pickups	2,766	2,497	2,526	6,963	30,719	23,289
S-15	1,136	1,623	1,600	3,659	15,423	16,542
S-15 Jimmy	1,174	685	1,031	2,906	11,978	8,006
Safari	731	936	979	2,263	9,697	10,158
Suburban	579	782	570	1,557	6,922	8,259
Vandura/Rally Vans	630	576	615	1,466	5,540	10,227
Total GMC	7,232	8,181	7,545	19,446	83,214	89,471
GENERAL MOTORS	34,339	31,677	35,196	90,849	382,898	342,911
NAVISTAR	1,918	1,723	1,693	4,720	18,875	19,272
NISSAN	2,770	1,707	2,797	7,224	30,080	32,362
AM GENERAL	450	450	450	1,170	4,880	4,950
MISCELLANEOUS	2,300	2,300	2,300	5,980	24,840	25,300
Total Trucks, U.S.	94,903	84,619	91,596	243,282	1,008,709	926,594

CANADIAN TRUCK	Week Ended Mar. 18, 1989	Week Ended Mar. 19, 1988	Week Ended Mar. 11, 1989	Mar. to Date	Jan. 1 to Mar. 18, 1989	Jan. 1 to Mar. 19, 1988
Caravan	3,096	3,075	3,154	8,145	34,814	33,566
Mini-Ram Van	216	342	203	540	2,233	2,853
Ram Wagon	0	562	641	1,036	6,641	4,928
Ram Van	0	1,398	1,739	2,785	17,151	12,323
Total Dodge	3,312	5,377	5,737	12,507	60,839	53,670
Voyager	2,832	2,803	2,940	7,511	30,449	31,380
Total Plymouth	2,832	2,803	2,940	7,511	30,449	31,380
Wrangler	1,700	1,069	1,849	4,674	17,015	11,091
Total Jeep	1,700	1,069	1,849	4,674	17,015	11,091
CHRYSLER MOTORS	7,844	9,249	10,526	24,692	108,303	96,141
FORD MTR. (lt. trks.)	3,648	3,660	3,378	9,138	37,605	39,415
Light trucks	3,310	3,224	3,271	8,685	37,447	34,852
Vans	1,545	980	1,449	3,770	15,681	14,238
Total Chevrolet	4,855	4,204	4,720	12,455	53,128	49,090
Light trucks	1,490	1,789	1,444	4,043	17,483	16,872
Vans	600	945	655	1,747	7,249	6,269
Total GMC	2,090	2,734	2,099	5,790	24,732	23,141
GENERAL MOTORS	6,945	6,938	6,819	18,245	77,860	72,231
NAVISTAR	270	224	274	708	2,662	2,433
Total Trks., Canada	18,707	20,071	20,997	52,783	226,430	210,220
U.S., Canada Trks.	113,610	104,690	112,593	296,065	1,235,139	1,136,814

☆—Includes window van production. *—Estimates.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Dealers an import priority

Leaders want 'em strong, profitable

Stronger, more profitable dealerships — not necessarily more dealerships — is the goal of auto importers as they prepare for the 1990s.

That is the message of executives interviewed for Import World, a special section in this issue.

Import World section follows Page 52

The import officials — representing Japanese, Korean, German, Swedish and British vehicle nameplates — stressed that making existing dealerships more profitable, by boosting sales per outlet, is high among their goals as they prepare for the 1990s.

Any expansion in number of dealerships, they said, will be precisely planned and carried out.

Said Erich Krampe, president, Mercedes-Benz of North America: "The health of our dealer body is very much our top concern. We have no intentions to extend our dealer organization dramatically. Also, we have no intentions to shrink. We are well represented now. We are not going the expansion road, and we are not going the contraction road."

Added Krampe, whose company recently has undergone a reorganization: "We are going to concentrate on supporting the dealership in total. The dealer body, and thereby the retail customer, will see a very strong and responsive management out there (in the sales zones), with more authority and more responsibilities."

During the past year, Mazda Motor of America consolidated two regional marketing arms into a single company and added about 35 dealers.

With that accomplished, George McCabe, deputy general manager and group vice president — sales and marketing, said Mazda has undertaken two major projects: identifying markets that are ripe for expansion and turning existing Mazda franchises into exclusive points with upgraded facilities.

"Next year, we'll add more dealerships — not many, but in key metro markets where studies show we're underdeveloped to some degree," McCabe said. "Our philosophy has been, and always will be, to add dealers only as we need them. We would rather do the volume of business we have with the least number of dealers."

McCabe added: "Our dealer development plans are not what I would call aggressively expansive. Actually, they're rather conservative."

Similarly, Hyundai Motor America's dealer expansion plans are based on production volume, ac-

see IMPORTS, page 52

4Runner goes 4door
Toyota introduced its 1990 4Runner sport-utility vehicle at the New York auto show. In addition to having a four-door sport-utility for the first time, Toyota will also offer the new model in a two-wheel-drive version. Two-door models will continue to be four-wheel-drive only. **New York auto show story and other photos on Page 4.**

Yugo, liquidator in accord

Buyback plan averts distress sale of 4,700 cars

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEWARK, N.J. — Yugo America has settled its dispute with an inventory liquidation firm that threatened to ruin the market for Yugos by dumping thousands of cars below dealer cost.

The out-of-court settlement, which was reached last Thursday between Yugo and Norauto LP of Columbus, Ohio, is subject to approval by Chief Judge Vincent J. Commisa of U.S. Bankruptcy Court.

It provides that Yugo America will be allowed to purchase about 4,700 Yugos from Norauto for resale to dealers. The settlement would also remove some of the uncertainty hanging over the company and its dealers since Yugo's parent, Global Motors, filed for reorganization Jan. 30 under Chapter 11 of the Bankruptcy Act.

Yugo America, the U.S. distributor of the Yugo, is based in Upper Saddle River, N.J.

Late last year, Norauto financed two shipments of Yugos with letters of credit worth about $14.3 million, using the cars as collateral. Norauto took delivery of the shipments Oct. 4 and Dec. 12.

Norauto, which deals in "distressed" inventory obtained from bankrupt or terminated dealers and distributors, subsequently claimed Yugo America defaulted on its promise to repay the financing with interest and threatened to sell the cars below dealer cost.

After that threat, Global filed for bankruptcy.

Under the proposed settlement, Yugo America agreed to buy a minimum of 150 cars in April, 200 in May and 300 from June through August.

The repurchase price is based on the original invoice price plus $275 per car, plus interest charges of prime plus 1 percentage point. The invoice prices of the cars range from about $2,200 to $3,000 depending upon model year and equipment.

By comparison, Yugo received the invoice price of the cars from Norauto in the form of the letter of credit. But the importer also had to pay on a per-car basis, $275 interest, $210 freight and $60 customs duties, Marcel

see YUGO, page 78

Ecology, car demand set to clash

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

Heightened concern in Washington over global warming has prompted a flurry of tough fuel-economy bills in Congress and threatens to set government policy on a collision course with market demand for larger, more powerful cars.

While data is not conclusive on what impact the "greenhouse effect" is having on the environment, the speed with which Congress implements laws may depend less on their scientific merits than on this summer's weather.

"If we have another very hot, dry summer and the TV, newspapers and magazines start screaming, 'The greenhouse effect is here, somebody do something,' well, the 'somebody' will be Congress and they will increase CAFE," predicted Chrysler Motors President Robert Lutz.

At least five bills have already been introduced to Congress that would mandate corporate average fuel economy standards in the range of 40 to 50 mpg by the year 2000 in the interest of stabilizing the earth's temperature.

EPA recently issued a preliminary report recommending similar CAFE levels to combat greenhouse gases, primarily carbon dioxide, created when fuel is burned.

The EPA recommendations indicate the Bush administration supports such legislation — a complete reversal of the Reagan position.

Most of the bills in Congress call for at least a 20 percent increase in the CAFE standard of 27.5 mpg by 1992 or 1993. (Although the standard originally called for a CAFE of 27.5 mpg for 1989, it was rolled back by NHTSA to 26.5 mpg last fall.)

Lutz said Friday at the New York auto show that he hopes Congress won't raise CAFE beyond 30 mpg. "That's tough enough, depending on the time frame," he said.

If legislation calling for tight fuel-economy standards by 2000 becomes law, manufacturers will have relatively little time to change their design plans.

see ECOLOGY, page 80

Rental-car industry: a tumultuous giant

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Ownership changes in the rental-car industry have occurred at such a rapid clip in the past three years that observers need a scorecard to keep track of the players.

And big players they are: The industry last year purchased about 10 percent of total U.S. car production, representing more than $9.2 billion in revenue to domestic automakers.

It has become such an important part of domestic automakers' sales that to guarantee their market shares, General Motors has taken a stake in both Avis and National Car Rental Systems Corp., and Ford Motor Co. has taken equity positions in both Hertz Corp. and Budget Rent a Car Corp.

The partnership between Ford Motor and Hertz is an example of the synergy between an automaker and a rental-car company.

Ford sold about 85,000 vehicles, representing $850 million in revenue, to Hertz in 1987, according to Charles H. Finnie, analyst with Maryland-based Alex. Brown & Sons. Although hard numbers for 1988 are not yet available, he said he expected the total to exceed 100,000 units.

Driving the recent ownership changes at the rental companies was the repeal of the federal investment tax credit in 1986. The repeal meant the conglomerates that owned the rental-car companies no longer received huge tax benefits for buying cars.

As a result, the industry's Big 4 — Hertz, Avis, Budget and National — have undergone a flurry of management buyouts, public stock offerings and, in one case, purchase by its employees.

In the case of Hertz, Ford contributed $500 million in equity and joined with Hertz management to form an investment group that acquired the No. 1 rental-car firm in 1987 from UAL Corp., now United Airlines, based in Chicago.

Last summer, Ford turned around and sold 20 percent of Hertz to AB Volvo for $100 million, thereby reducing its ownership to 60 percent. Hertz management retained a 20 percent stake.

Avis employees, using an employee stock ownership plan, purchased Avis from New York investment firm Wesray Capital Corp. in 1987 for $750 million and assumption of the company's debt of $1 billion. It was the fifth time in as many years the company had changed hands.

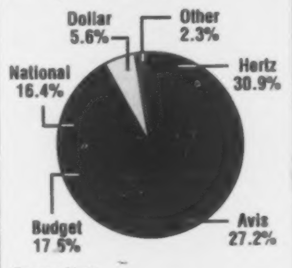
In January, GM purchased an undisclosed portion of Avis — estimated at 25 percent by industry sources.

Neither has Budget been exempt from ownership turnover. Budget expects to wrap up a deal in April in which a holding company comprised of Ford, Budget management and the New York-based investment firm Gibbons, Green, Van Amerongen will buy shares of the company held by outsiders,

see RENTAL, page 78

Rental-car industry shares

Market share based on 1988 on-airport revenue.



Source: Hertz

U.S. CAR FLEETS
Average fleet sizes during 1988

Hertz	160,000
Avis	125,000
Budget	112,000
National	100,000*
Alamo	60,000
Thrifty	40,000

* Estimate
SOURCE: Rental-car companies

Futurist planted in present

Cutler guides Chrysler vision

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Laurel Cutler: Chrysler's futurist/marketing guru

SANTA FABIO

How will Chrysler Motors differentiate Dodge cars from Plymouths? What is the best way to get shoppers into Eagle showrooms? What will consumers think about four-wheel-drive vehicles in 1995?

For the answers to these questions, Chrysler Motors turns to Laurel Cutler, a sharp-witted marketing expert and renowned futurist who joined the company as vice president of consumer affairs in November.

As the company's leading expert on consumer trends, Cutler, 62, keeps Chrysler management abreast of how consumers feel about the automaker and its cars.

Whether it is the styling of future vehicles or development of hard-hitting advertising, Cutler is bringing the voice of the consumer to Chrysler's planning. Her charter includes helping Chrysler executives reassess marketing strategies.

"I honestly feel that my value to this corporation is that I am the most 'other' individual that they can imagine," said Cutler, who received her first driver's license just three years ago.

"I'm not a car man. I'm not a finance man. I'm not even a man," laughs Cutler.

Cutler spends two to four days a week on Chrysler business at her office at Chrysler's Highland Park, Mich., headquarters or the New York office of her long-time employer, marketing consultancy FCB/Leber Katz Partners. She continues to serve as vice chairman of Leber Katz and works with its clients including Campbell Soup, Citicorp, RJR Nabisco and Marriott Corp.

Her outsider's perspective has won praise from Chrysler's top management. She is said to have good credibility with Chrysler Chairman Lee Iacocca.

"She brings a perspective outside our tunnel vision," said Bennett Bidwell, chairman of Chrysler Motors and the executive to whom Cutler reports.

see CUTLER, page 77

200 U.S. dealers to visit Porsche

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

Bowler

Branitzki

GENEVA — Porsche Cars North America will bring most of its American dealers to Germany next week — a first for the company.

The 200 dealers will come away with a 911 Carrera 4 or 944 convertible to launch the cars in the United States.

Brian Bowler, president and chief executive officer of Porsche Cars North America, said the dealers will take home either the new four-wheel-drive Carrera 4 or the cabrio.

Meanwhile, Bowler said the number of Porsche outlets in the United States is edging downward as company officials in Germany believe it must. But Porsche AG Chairman Heinz Branitzki vowed in an interview here that there is no master plan to reduce the dealer network or define how many dealers are needed.

"We will not touch the dealer body," he said. "What we will do is tell them that everybody is in the business to make profits and we have to figure out if the Porsche business under the new conditions is profitable or not. Then it is the dealer's decision."

The network numbered 322 outlets on Jan. 1, 1987, and 317 on Jan. 1, 1988.

"Since I joined the company in November, we've gone down from 309 dealers to 299," said Bowler. "So some dealers are arriving at those conclusions now. I'm not going to say whether that rate is satisfactory or not. But dealers are businessmen, they're not in there because of some kind of love affair."

"It makes no sense for them to be in the business if their volume isn't at least 80 new cars a year," Branitzki said. "It should be 100 or 120, but at least 80. If it is less than 80, a dealer can't make any profits, forget it.

"With, say, 15,000 cars, you are close to 200 dealers," he said. "But, again, we don't aim to touch things where our main discussions would then be with lawyers. Whatever the figure will be, it will be."

With U.S. volume now half what it was three years ago, analysts feel Porsche could do with a smaller dealer network. But Porsche says it has no plan to systematically reduce the number. Following its disastrous 1984 proposal to circumvent the franchise system by making U.S. dealers sales agents, the German manufacturer is anxious not to rile the dealer body again.

Instead, Porsche says it is encouraging dealers to evaluate the profitability of their franchises. Company officials will not even say what size network they believe is appropriate.

Porsche is drastically reducing the size of its dealer network in Germany, but Branitzki said conditions there aren't comparable to those in the United States.

"In a smaller country, you can tell a customer that the next dealer is 30 kilometers away," he said. "But you can't tell a customer in the States that the next dealer is located 500 miles away."

Past visits by U.S. dealers to the Porsche factory in Stuttgart-Zuffenhausen have usually been piggybacked onto Audi trips, thus next week's visit is unprecedented.

"We're taking our American dealers to Germany in the first week of April; 200 of them are coming to the factory and it's the first time that Porsche dealers of America have ever made this kind of visit," said Bowler.

"Part of the program is that they will have a choice of taking home a Carrera 4 or a 944 convertible. So when they come back to the United States with those cars, that is effectively the launch of the product in our market."

Bowler said the Carrera 4 and 944 convertible should begin arriving in the United States in mid-to-late April.

Last year, sales in the United States fell 33 percent to 15,737, and Bowler predicted a further decline in 1989. "We're talking now

see PORSCHE, page 81

Ford, converters grapple with seat rules

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Recreational Vehicle Industry Association officials said they were encouraged by a meeting with Ford Motor Co. officials late last week in which the company said it will try to continue supplying seat-delete vans to converters after new federal safety standards take effect.

Ford had originally said that it was unlikely that van converters would be able to purchase seat-delete vans after the new standards take effect in 1992. However, the company has changed its position and is exploring alternatives, such as providing to converters front seats that would meet the standards.

Beginning in the 1992 model year, NHTSA will expand Federal Motor Vehicle Safety Standard 208 — which before applied only to automobiles — to vans with curb weights of less than 5,500 pounds. Among other requirements, Standard 208 mandates how much head injury a person can sustain in a 30 mph frontal impact.

All minivans and many full-size vans will have to score below a 1,000-point rating under NHTSA's head-injury criteria. The front seats in a majority of van conversions will be affected.

Seats are a significant part of the upfit package that converters install in vans.

The new ruling will still allow the industry to install captain's chairs, but they will no longer be swivel seats. Converters are concerned about the standard's affect on seat prices and the aesthetics of matching front seats to rear.

There are still many unknowns facing converters, such as the empty weights of Ford's 1992-model vans. The company plans a major restyling of its full-size vans for the 1992 model year.

One RVIA official said that the association will seek a meeting with NHTSA to see if it can get relief for its converter members from the new standard.

The association will seek a lower weight figure for vehicles affected by the standard. Lowering the limit to 5,000 pounds curb weight, for example, would exempt a larger number of full-sized vans.

The RVIA also said it is still seeking guidelines from the auto companies on how to build conversions to meet the standard. So far, the car companies haven't been able to supply them. It will also bring this up at its meeting with NHTSA.

Ford told RVIA officials it would like to extend the company's Quality Vehicle Modifier program to van conversions and motor homes. The program now monitors the quality of other commercial vehicles built by second-stage manufacturers on Ford chassis.

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NHTSA bill requires stiff vehicle-safety rules

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — A Senate bill authorizing NHTSA to operate through 1991 includes sweeping changes and a host of new safety requirements historically opposed by the auto industry.

The legislation is more stringent than a House bill that died in subcommittee during the last Congress. The Senate version of that bill, however, was approved.

This new bill, introduced by Sen. Richard Bryan, D-Nev., authorizes new safety requirements and funding for NHTSA, setting a ceiling for agency spending at $65.4 million in fiscal 1990 and $68.4 million in fiscal 1991. Only by passing a reauthorization bill, such as Bryan's, can Congress revise an agency's duties, as in the case of NHTSA, and force it to mandate additional safety features onto cars. NHTSA has not had a reauthorization since 1985 though Congress has continued to appropriate money annually.

Although more than a dozen auto safety bills have been introduced in Congress, none are of the magnitude of Bryan's bill, which calls for NHTSA's reauthorization. Bryan is a freshman senator and former Nevada governor.

Bryan's bill calls for:

- Five-mph bumpers.
- Rollover standards for multipurpose vehicles.
- Reinstituting a requirement that petitions for the reduction of the corporate average fuel economy be submitted 24 months prior to applicable model years.

The bill also would give consumer groups the option of appealing to a court NHTSA's denial of petitions to begin a defect investigations. Currently, only automakers can obtain a judicial review of a recall or an investigation.

The bill would require NHTSA to speed up work already under way in several areas and set timetables, specifically:

- Upgrade side-impact protection in passenger cars within one year of the bill's adoption and within two years for multipurpose vehicles.
- Establish roof crush standards, requirements for head restraints, passive restraints, high-mount stop lamps and rollover standards for multipurpose vehicles, light trucks and vans.
- Reconsider vehicle classifications.
- Require rear shoulder belts in all passenger vehicles (except convertibles) manufactured after Sept. 1, 1989, and in all multipurpose vehicles and convertibles made after Sept. 1, 1990.
- Study the feasibility of providing information that compares the crashworthiness of vehicles and labeling vehicles with information about the bumper's capacity to withstand impact.

The Senate commerce committee will hold a hearing on the bill April 5.

Joan Claybrook, a former NHTSA administrator who now heads Public Citizen, a consumer group, said the bill is the strongest proposed legislation since the early 1970s when sweeping safety regulations were passed.

U.S. AUTOMOTIVE TRADE BY QUANTITY

Passenger cars

Country	Trade	Dec. 1987	Dec. 1988	Jan. 1987-Dec. 1987	Jan. 1988-Dec. 1988
Japan	Export	656	2,440	4,721	21,720
	Import	219,217	216,717	2,417,509	2,123,051
Canada	Export	41,637	40,493	560,453	616,910
	Import	92,719	88,887	926,927	1,191,357
West Germany	Import	37,410	34,125	377,542	264,249
South Korea	Import	46,721	44,434	399,856	455,741
Sweden	Import	11,422	10,469	138,565	108,006
Mexico	Import	10,116	12,069	126,266	148,065
Yugoslavia	Import	4,027	0	49,445	28,431
United Kingdom	Import	4,575	2,854	50,059	31,636
Italy	Import	253	638	8,648	6,053
France	Import	636	616	26,707	15,990
Brazil	Import	7,900	2,922	48,169	59,401
Others	Export	6,882	16,555	66,235	140,343
	Import	2,543	1,940	19,317	18,233
Car total	Export	49,175	59,488	631,409	778,973
	Import	437,539	415,671	4,589,010	4,450,213
TRADE BALANCE		(388,364)	(356,183)	(3,957,601)	(3,671,240)
Light trucks (up to 10,000 lbs. GVW)					
Canada	Export	14,975	10,200	163,842	152,686
	Import	25,918	33,589	226,538	299,351
Japan	Import	55,192	46,381	772,758	548,356
Mexico	Import	0	0	11,296	29
Others	Export	1,362	3,098	16,617	31,914
	Import	52	6	486	2,536
Truck total	Export	16,337	13,298	180,460	184,600
	Import	81,099	79,796	1,011,078	850,272
Trade balance		(64,762)	(66,498)	(830,618)	(665,672)
Car and truck total	Export	65,512	72,786	811,669	963,573
	Import	518,638	495,467	5,600,088	5,300,485
TRADE BALANCE		(453,126)	(422,681)	(4,788,219)	(4,336,912)

Compiled by Automotive News from official statistics of the U.S. Commerce Department, as reported by the U.S. International Trade Commission. Because of rounding, figures may not add to the totals shown.

U.S. AUTOMOTIVE TRADE BY VALUE

(x $1,000)

Passenger cars

Country	Trade	Dec. 1987	Dec. 1988	Jan. 1987-Dec. 1987	Jan. 1988-Dec. 1988
Japan	Export	$ 8,973	$ 30,600	$ 72,290	$ 271,412
	Import	1,923,355	2,045,165	21,304,737	19,877,699
Canada	Export	427,401	432,393	5,727,152	6,259,139
	Import	1,023,194	997,530	10,185,353	13,255,226
West Germany	Import	778,168	790,566	8,901,850	6,441,720
South Korea	Import	244,496	266,930	2,061,457	2,486,510
Sweden	Import	179,238	167,046	1,941,488	1,698,197
Mexico	Import	86,475	103,630	1,176,374	1,270,947
Yugoslavia	Import	10,210	0	126,242	75,794
United Kingdom	Import	136,609	97,104	1,193,837	941,406
Italy	Import	10,899	19,713	177,965	152,152
France	Import	8,473	7,250	255,998	171,178
Brazil	Import	41,511	17,034	239,201	341,274
Others	Export	90,198	201,813	889,772	1,781,216
	Import	35,074	32,165	293,501	292,592
Car total	Export	526,542	664,806	6,689,214	8,311,767
	Import	4,477,704	4,544,134	47,858,003	47,004,697
Trade balance		(3,951,162)	(3,879,328)	(41,168,789)	(38,692,930)
Light trucks (up to 10,000 lbs. GVW)					
Canada	Export	$ 156,005	$ 108,586	$ 1,595,619	$ 1,543,344
	Import	228,476	402,264	2,231,020	3,400,302
Japan	Import	326,419	302,095	4,278,125	3,241,138
Mexico	Import	212	617	90,009	9,428
Others	Export	14,548	33,409	207,113	39,296
	Import	11,393	2,557	71,946	143,291
Truck total	Export	170,553	141,993	1,802,732	1,936,310
	Import	626,500	707,533	6,671,181	6,794,160
Trade balance		(455,947)	(565,540)	(4,868,449)	(4,857,850)
Car and truck total	Export	697,095	806,799	8,491,946	10,248,077
	Import	5,104,204	5,251,667	54,529,184	53,798,857
VEHICLE TRADE BALANCE		(4,407,109)	(4,444,868)	(46,037,238)	(43,550,780)
TOTAL U.S. Merchandise trade (customs value)	Export	24,152,500	29,192,000	254,121,900	322,224,100
	Import	37,949,700	41,085,800	424,442,100	459,564,800
TRADE BALANCE		(13,797,200)	(11,893,800)	(170,320,200)	(137,340,300)

Vehicle trade deficit declines 5.4% in '88

WASHINGTON — The U.S. automotive trade deficit by value for passenger cars and light trucks narrowed 5.4 percent in 1988, the result of an 18.69 percent increase in exports for the year and a slight decline in imports.

Canadian imports prevented further improvement in the U.S. trade imbalance.

Canadian passenger-car imports by value were up 30.1 percent for the year, while Canadian truck imports by value surged ahead 52.4 percent.

Shipments from most non-North American importers were down for calendar 1988. The exception was imports from Korea, Mexico and Brazil.

The value of vehicle exports for all of 1988 was $10.25 billion, compared with $8.49 billion in calendar 1987.

Import value in 1988 fell 1.3 percent to $53.8 billion. Imports in 1987 were valued at $54.53 billion.

The year-end figures show that December's trade deficit by value for passenger cars and light trucks increased 0.9 percent. December's increase follows a 0.7 percent increase in November.

For the month of December, U.S. Commerce Department figures show a trade deficit for passenger cars and light trucks of $4.44 billion, compared with December 1987's figure of $4.41 billion.

Total car and truck imports had a value of $5.25 billion during the month, while monthly car and truck exports were valued at $806.8 million.

Passenger-car exports reached 59,488 vehicles with an estimated value of $664.8 million in December.

Light-truck exports for the month totaled 13,298 vehicles with an estimated value of $142.0 million.

Passenger-car exports were up 272 percent to Japan and 140.6 percent to nations labeled "others" by the Commerce Department.

On the import side for the month, Japan showed a slight downturn in the number of cars imported to the United States, but the value of these shipments increased. Both the value and quantity of Japanese truck imports declined, however.

There were 495,467 finished vehicles imported to the United States in December 1988, compared with 518,638 vehicles in December 1987.

Imports of passenger cars reached 415,671 units for the month with a value of $4.54 billion.

Light-truck imports totaled 79,796 units with a value of $707.5 million.

The value of imported trucks increased 12.9 percent from the year-earlier period, while shipments declined 1.6 percent.

Japanese-car imports dropped 1.1 percent for the month but the value of shipments increased 6.3 percent.

Japanese truck imports were off 16 percent and their value was down 7.5 percent.

Japan shipped 216,717 cars to the United States in December, down from 219,217 a year earlier. Truck shipments were 46,381 units, down from 55,192 units in December 1987.

Also shipping fewer cars in November were: West Germany, off 8.8 percent; Sweden, 8.3 percent; United Kingdom, 37.6 percent; France, 3.1 percent; and Brazil, 63 percent.

No cars were shipped from Yugoslavia last December. In December 1987, 4,027 cars were shipped to the United States.

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European sales continue to grow

Gains for February, 2 months belie predictions of '89 decline

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — European new-car sales continued to rise in February, further postponing the expected downturn in the market.

Sales in 17 Western European countries rose 7.5 percent in February after an 11.5 jump in January, according to industry estimates compiled by Automotive News.

Industry executives and analysts had forecast a decline of 3 to 5 percent in 1989 after a record 13 million car sales in 1988. Most still expect the market to weaken this year, but probably not until the second half, which means the 1989 calendar year total could set another record.

European sales for the first two months of 1989 totaled 2,257,200, an increase of 8.8 percent over 1988. Volume was 1,075,800 in February.

Sales in each of the five largest European markets — Italy, the United Kingdom, West Germany, France and Spain — grew in January and February.

Fiat Auto ranked first among manufacturers through the first two months with 16.2 percent of the market. Group sales, including Lancia and Alfa Romeo, spurted 11.3 percent in February to 175,600 and increased 5.9 percent for the first two months to 365,600.

Alfa Romeo, with larger supplies of its 164 sedan, upped sales 12.4 percent for the two months to 39,400 units, good for 1.7 percent of the European market.

Fiat is riding the crest of the Italian market, which ranked first in Europe for the first two months. Fiat brands controlled nearly 60 percent of the home market.

In second place in Europe was Peugeot S.A., which last year finished third behind Volkswagen and Fiat. Sales for Peugeot S.A., including the Peugeot and Citroen divisions, rose 18.7 percent in January and February to 311,100 units, equal to a 13.8 percent market share. Sales rose nearly 12 percent to 142,100 in February.

Automobiles Peugeot climbed 15.6 percent to 89,600 in February, with gains of 10.5 percent to 40,300 in France, 21 percent to 10,500 in Italy, 25 percent to 10,200 in the United Kingdom and 13 percent to 8,600 in Germany.

Volkswagen AG, which edged Fiat for first place in Europe in 1988 according to most estimates, ranked third after two months of 1989. Group share, including VW, Audi and Seat, was 13.6 percent on sales of 306,200, an increase of 8.1 percent. In February, the VW brands were up 9.3 percent to 152,700.

Ford of Europe was fourth with an 11.3 percent share on sales of 255,600 cars, an increase of 5.8 percent. General Motors was next with 251,000 units, an increase of 14.5 percent and an 11.1 percent share.

Renault rounded out Europe's six volume makers with a 10.2 percent share on sales of 229,200, a 7 7 percent improvement.

Mercedes-Benz sales were down 6.1 percent in the first two months of 1989 to 73,500 as it suffered the effects of a declining diesel market in Germany and competition from arch-rival BMW.

Mercedes declined 14.2 percent to 20,300 in February in Germany and was off 9.9 percent for the year to 42,400 in its home market.

Official registration statistics for January in Germany (February registrations aren't available yet) indicated declines for Mercedes in both the mid-sized W124 and compact 190 ranges, while BMW's 3- and 5-series sales both improved over January, 1988.

The W124 slipped from 12,594 in January 1988 to 11,234, while the 190 dropped from 8,669 to 8,313. The 3 series rose 54 percent to 7,028 in January and 5-series sales totaled 7,042 compared to 1,715 in January 1988, when the new version had not yet been introduced.

However, the Mercedes S-class, which fell 18 percent in Germany last year, was up 6 percent in January to 1,382. BMW 7-series sales totaled 1,429 in Germany during January, three units less than in 1988.

BMW remained the fastest-growing marque in Europe. Sales were up 35.4 percent in the first two months to 64,600 and the February increase was nearly 30 percent to 29,400.

In its home market, official German statistics indicate a 99.6 percent gain for BMW in January on the strength of the new 5, with sales hitting 15,624 vs. 7,827 for 1988. Unofficial estimates of the German market in February show a 30 percent gain to 14,500 and a year-to-date jump of 58.4 percent to 30,100 units.

Japanese makers continued to stay well within the overall growth of the European market. Combined sales rose 3.7 percent in February to 107,200 and were up 5.4 percent for two months at 222,500. That gave Japanese carmakers 9.9 percent of European new-car sales.

Nissan, the top Japanese make in Europe, gained ground in the United Kingdom, where it builds Bluebird sedans, and in West Germany. Nissan's British sales were up 25 percent to 21,700 for January-February, and it's German sales increased 49 percent to 12,400.

Across Europe, Nissan sales rose 13.2 percent to 61,500, good for 2.7 percent of the market.

EUROPEAN SALES

Manufacturer	2 Mos. 1989	1989 share*	2 mos. 1988	Volume Change '89 vs '88
Fiat Group**	365,600	16.2	345,100	+ 5.9
PSA***	311,100	13.8	262,100	+18.7
VW-Audi-Seat	306,200	13.6	283,200	+ 8.1
Ford	255,600	11.3	241,500	+ 5.8
General Motors****	251,000	11.1	219,200	+14.5
Renault	229,200	10.2	212,900	+ 7.7
Mercedes-Benz	73,500	3.3	78,300	− 6.1
Austin Rover	73,000	3.2	76,500	− 4.6
BMW	64,600	2.9	47,700	+35.4
Nissan	61,500	2.7	54,300	+13.2
Toyota	49,400	2.2	50,900	− 2.9
Volvo	48,200	2.1	43,100	+11.8
Mazda	35,500	1.6	36,200	− 2.1
Mitsubishi	24,900	1.1	20,600	+21.2
Lada	19,600	0.9	18,400	+ 6.7
Others	88,300	3.9	84,200	+ 4.9
Total	2,257,200	100.0	2,074,200	+ 8.8

* Does not add to 100 because of rounding
** Includes Alfa Romeo
*** Peugeot, Citroen, Talbot
**** Opel, Vauxhall, Isuzu, GM-U.S./Canada

NEW-CAR SALES BY COUNTRY IN EUROPE

Country	2 months 1989	Pct. Change vs. 1988
Italy	433,900	+ 3.6
United Kingdom	410,100	+ 9.2
West Germany	403,300	+15.2
France	377,800	+17.8
Spain	169,800	+ 4.9
Netherlands	120,100	− 3.2
Belgium-Luxembourg	85,000	− 2.3
Switzerland	51,400	+16.7
Sweden	45,000	− 6.3
Austria	41,100	+21.6
Finland	38,000	+21.0
Portugal	33,300	+30.5
Ireland	16,800	+29.7
Denmark	13,000	−21.4
Greece	11,000	+23.6
Norway	7,600	−48.7
Total	2,257,200	+ 8.8

Italy ranked first among national markets after two months with sales of 433,900, a gain of 3.6 percent. Sales climbed 12 percent in February to 205,000.

The United Kingdom followed with 410,100, an increase of 9.2 percent with February sales up 4.8 percent to 189,900 units.

Germany, which in recent years has not picked up steam until spring, was 15.2 percent over last year at 403,300 after two months. German sales grew 9 percent in February to 215,500, according to the unofficial estimates.

French sales were up 17.8 percent for the year to 377,800 following a 10 percent rise to 175,900 in February.

After three red-hot years, Spain cooled off in the first two months of 1989. Sales rose 3.2 percent in February to 84,000 and increased 4.9 percent for the year to 169,800. The slower growth followed a three-year span during which car sales in Spain nearly doubled. The surge included a 15 percent rise to 1.06 million units last year.

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American buys rights to Irish sports car

Aidan O'Sullivan
SPECIAL CORRESPONDENT

DUBLIN, Ireland — The manufacturing rights for the TMC Costin, the Irish-made sportster, have been sold to an unnamed individual in Atlantic City, N.J. He is reported to be without previous experience in either car making or running a dealership, and plans to restart production in Atlantic City, using a V-8 engine, far larger than the mid-sized family sedan engines used when the car was made in Ireland.

The Atlantic City buyer had been negotiating the deal with Pete and Sean Thompson, prior to the collapse of the brothers' company into liquidation at the end of last year. The deal covers U.S. and Canadian rights only, and the other rights are for sale by the liquidator, Rory Leonard, a Dublin accountant.

The sale price has not been disclosed.

The future of the new model that the Thompsons had on the drawing boards is less certain. Like the previous 2+2, it was designed by Frank Costin, the former Lotus designer, who had a small stakeholding in the collapsed company.

The Irish government had agreed to put up non-returnable grants of $600,000 to help the new-model project along. Those grants may still be available to the new buyer, provided he guarantees the car will be built in Ireland creating jobs.

The Thompsons have said they will not be going into automotive assembly jobs elsewhere. Pete and Sean Thompson are starting a new racing car promotion company in Britain, while accountant Val Thompson has found work outside the industry.

Only 10 years ago the following companies all had small Irish assembly operations, which have now closed: Ford, General Motors, Mazda, Daihatsu, Nissan, Toyota, Fiat and Peugeot.

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March 29 — A.D.E. of Birmingham, Birmingham, Ala., and Butler Auto Auction, Gibsonia, Pa.

March 30 — Northway Exchange, Clifton Park, N.Y.; Aptco Auto Auction, Taylor, Mich.; Indianapolis Auto Auction, Indianapolis; Omaha Auto Auction, Omaha, Neb.; Southwest Auto Auction, Phoenix, Ariz.; Ark-La-Tex Auto Auction, Shreveport, La.; and Amarillo Auto Auction, Amarillo, Texas

Ford Motor Co.

March 28 — Greater Chicago Auto Auction, Chicago; and Bay Cities Auto Auction, Hayward, Calif.

March 29 — Northway Auto Auction, Clifton Park, N.Y.; and Indianapolis Auto Auction, Indianapolis

General Motors

March 28 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; South Seattle Auto Auction, Kent, Wash.; and Manheim Auto Auction, Manheim, Pa.

March 29 — Atlanta Auto Auction, Atlanta; Clanton's Auto Auction, Darlington, S.C.; Southern California Auto Auction, Fontana, Calif.; and Omaha Auto Auction, Omaha, Neb.

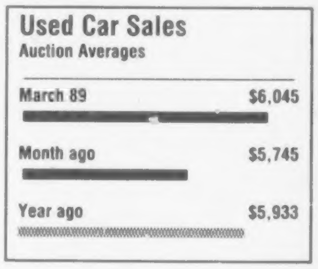
March 30 — Mid Ark Auto Auction, North Little Rock, Ark.; Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

March 31 — Butler Auto Auction, Gibsonia, Pa.

Volvo

April 12 — Golden Gate Auto Auction, Fremont, Calif.

Used Car Sales
Auction Averages



March 89	$6,045
Month ago	$5,745
Year ago	$5,933

Model Breakdown
Auction Averages

	MAR 1989	FEB 1988	JAN 1988
1989 ...	$13,243	$13,118	$12,109
1988 ...	$8,538	$8,235	$8,612
1987 ...	$7,495	$7,289	$7,136
1986 ...	$5,903	$6,014	$5,944
1985 ...	$5,062	$4,764	$4,873
1984 ...	$3,884	$3,840	$3,760
1983 ...	$2,819	$2,683	$2,795
1982 ...	$2,406	$2,187	$2,246
Overall Average	$6,045	$5,678	$5,545

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Attorneys general adopt guidelines for rental-car ads

By Helen Kahn
SENIOR CORRESPONDENT

WASHINGTON — The National Association of Attorneys General has adopted a wide range of guidelines to curb what it calls misleading car-rental advertising.

Included are recommendations to end abuses concerning collision damage waivers.

The guidelines are the result of a year-long study by the association's special task force. The guidelines are interpretations of state laws governing unfair and deceptive trade practices and allow each attorney general to enforce his own state's law as he sees fit.

The Federal Trade Commission, although generally approving of the association's guidelines, expressed some concern.

The group's guidelines state:

- Advertisements listing prices should show clearly and conspicuously all key restrictions and conditions of rental, such as any advance reservation or advance payment, the cost of a collision damage waiver, any geographic limitations and any time restrictions on the advertised price.
- Mandatory charges, for example, fuel surcharges, should be included in the advertised price of the rental vehicle.
- Unless the advertisement says supplies are limited, there should be enough vehicles to meet reasonably expected demand.

In the report, the task force stressed the need for full and clear disclosure of terms and conditions as they relate to collision damage waivers and other fees.

It found most persons unprepared to decide whether to skip the waiver or risk raising their payments by as much as 30 percent. It also said some rental agents, who apparently were trying to earn commissions, urged consumers to buy unneeded collision damage waivers or face liability for the value of the entire vehicle.

The task force recommended several changes in state laws:

- Outlawing sales of collision damage waivers by banning the practice of charging a rental-car customer for accidental damage or theft of a vehicle.
- Limiting liability to $500 or less, which may be covered by buying a collision damage waiver.
- Allowing unlimited consumer liability for any loss resulting from consumer negligence so long as the rental firm offers the choice of buying collision damage waivers and so long as the cost is approved by the state's insurance regulator.

The FTC is concerned that the guidelines' stringent requirement on fee disclosure may have an adverse effect on price advertising, which would hurt rather than help the consumer. Because of the differences in charges assessed by franchisees and in surcharges imposed by airports, it might be difficult to build those fees into national price advertising. That may result in reduced price promotion and lead to higher prices.

The FTC is also concerned about banning a distinct collision damage waiver, which could result in "bundling" a charge into each rental transaction, restricting consumer choice.

For example, it noted, when Illinois banned collision waivers Jan. 1, Hertz raised prices 8 percent there. Two other companies also raised prices in Illinois but not elsewhere.

That creates inequity, the FTC said. Some customers have to bear greater costs than others because a state law requires shifting accident and theft losses to the rental companies.

RENTAL

FROM PAGE 1

thereby taking Budget private. Ford will provide about $300 million in cash and will receive nonvoting stock in the company.

Last fall, Fidelco, a New Jersey-based investment firm; National's management, and GM acquired the Paine Webber Group's stake in National. Finnie pegged GM's ownership at approximately 45 percent, for which it invested an estimated $250 million to $300 million.

Each of the four rental giants has agreed to purchase about 70 percent — or more — of its fleet from its automaker-partner, said Budget Chairman Clifton E. Haley. National buys more than 75 percent of its fleet from GM, said National Executive Vice President Robert J. McKenna.

Chrysler Corp. hasn't linked itself financially with a rental company but has hefty sales to Thrifty Rent-a-Car System Corp., Plano, Texas, and sells to Avis and Budget, among others.

"Chrysler has looked at the rental-car market and said there is enough business left for it that's not controlled," said Budget's Haley.

Although Japanese automakers have expressed an interest in buying into U.S. car-rental companies, the likelihood of them gaining ownership in the industry is slim, say those in the industry.

"Japanese automakers probably wouldn't start a car-rental company of their own because that's not their style," Haley said.

"If they want to enter the industry in a partnership arrangement and want volume, then they have to deal with the Big 4, which already have affiliations with domestic automakers."

He said the number of Japanese and European vehicles in the rental-car market is less than 5 percent, but he predicted Japanese penetration will increase if retail sales soften.

"Europeans don't have the dealer network here for the volume of vehicles needed in the rental-car market," said Haley.

The U.S. rental-car market was $8 billion in 1988, and for the last five years has been growing at about 13 percent compounded annually, according to Finnie.

Rental companies are constantly churning their fleets selling older cars and replacing them with new ones under attractive incentives offered by the automakers. That is one of the reasons for the apparent discrepancy between industry revenues and vehicle purchases.

"Powerful economic and demographic trends, including low airfares, increased business travel and two-earner couples taking more frequent vacations, imply the continued growth of the car-rental market," he said.

Further fueling the growth of the industry are advantageous fleet purchasing deals stemming from overcapacity in the car manufacturing industry, he said.

For companies purchasing 5,000 vehicles or more, the auto companies offer volume discounts, rebates, reimbursement for car-rental advertisements featuring a specific manufacturer, guaranteed resale values of vehicles and fleet financing.

Finnie predicts the industry will grow at the rate of 10 percent annually during the next five years.

There are two types of car-rental companies — general use and replacement.

General use comprises 80 percent of the market, renting to individuals for business (called commercial business) and leisure travel. Replacement companies — an estimated $1.7 billion market in 1987 with 300,000 vehicles in their fleets — rent to customers whose vehicles have been stolen or damaged.

"Most commercial rentals — about 95 percent — are provided by companies located on-airport," said Finnie. "That means those companies having rental counters in the airport terminal and vehicle parking slots on the airport premises."

The industry is split between those companies that are on-airport, which means they have counters and lots on the premises of the airport, and those companies that are off-airport like Thrifty or Alamo.

Off-airport operators have taken market share from their larger competitors by offering substantially lower rental rates and by marketing those rates aggressively, said Finnie.

Their advantage is that that they are not required to pay a portion of their revenues — roughly 10 percent for on-airport companies — to local airport authorities, although some airports are trying to charge them an access fee.

The leisure segment is growing twice as fast as the business segment, he said.

"There is a trend toward 60 percent business and 40 percent personal use because of changing lifestyles," said Budget's Haley.

"More people are deferring childbearing, and there are more two-wage-earner households where people are taking more frequent but shorter vacations," he added.

Fleet sizes at the Big 4 have been growing about 7 percent annually for the last few years and are expected to continue to grow at that rate barring recession.

Finnie also noted a reduction in market share of the Big 4 rental companies; together they have lost 20 percentage points to smaller competitors since 1982.

According to Finnie, the Big 4's share of the U.S. airport car-rental market, based on systemwide revenues, was 97 percent in 1982 and 77 percent in 1987.

He said the reason for their loss in market share is the boom in the leisure segment, as travelers seek lower prices from off-airport firms like Alamo Rent a Car Corp.

Program cars — vehicles sold to the rental companies then repurchased by the automakers at a guaranteed depreciation price — are expected to remain an incentive for the rental companies.

Ford offers programs in which 70 percent of a rental fleet's Fords are repurchased and 30 percent are "at-risk," meaning the car-rental companies must absorb any unexpected depreciation, Budget's Haley said.

National's McKenna said GM programs were 100 percent buyback in 1988 but that has changed to 75 percent repurchase and 25 percent at-risk for 1989.

INDUSTRIES IN TRANSITION

Date	Buyers	Price	Share Purchased
National Car Rental Systems			
1968	Household International	n/a	100%
1986	Paine Webber, Fidelco Corp., management	$459 million[C]	100%
1988	Fidelco, management	$275 million	n/a[D]
1988	General Motors	$250 million	
		$300 million[B]	45%[B]
Avis			
1983	Esmark	n/a	100%
1984	Beatrice	n/a	100%
1986	Kohlberg Kravis	n/a	100%
1986	Wesray Capital	$1.6 billion[A]	100%
1987	Employees	$1.8 billion[A]	100%
1989	General Motors	n/a	25%[B]
Budget Rent a Car Corp.			
1968	TransAmerica	n/a	100%
1986	Gibbons, Green, Van Amerongen	$203 million	100%
1987	Public offering	$155 million	29%
1988-9	Beech Holdings Corp. (Ford; Gibbons, Green; management)	$333 million	100%
Hertz Corp.			
1967	RCA Corp.	n/a	100%
1985	UAL Inc.	$587 million	100%
1987	Ford, management	$1.3 billion	100%
1988	AB Volvo	$100 million	20%

NOTES: A — Includes assumed debt
B — Estimate
C — Does not include assumed debt
D — For Paine Webber share only
SOURCES: Rental companies and Alex. Brown & Sons

YUGO

FROM PAGE 1

Kole, then acting chief executive officer of Yugo, testified in court last month.

John A. Spiech, the new president and chief executive officer of Yugo America, acknowledged the settlement will "cost some money, but we feel we have to protect the franchised dealer."

Spiech also announced last week that Yugo America will offer its dealers a $750 rebate on retail sales from inventory. That dealer incentive is being applied retroactively to retail sales from March 1 and will run through May 15. Also until May 15, the company will offer dealer discounts up to $1,500 off the wholesale price of Yugos ordered by dealers, depending on the model.

Zavodi Crvena Zastava, the Yugoslavian manufacturer of the Yugo, is footing the bill to jump-start retail sales, Spiech said.

Spiech also announced that once Yugo America satisfies its debts to Manufacturers Hanover Trust Co., which has a lien on more than 1,000 cars, Yugo America will no longer require its dealers to post letters of credit as a prerequisite to getting or keeping a franchise.

Spiech

Spiech said dealers had complained that being required to provide an irrevocable, $300,000 letter of credit that could be liquidated at any time in return for a shipment of possibly unwanted Yugos was a "sword of Damocles" hanging over their heads.

"Once the Manny Hanny debt is finished, I see no need for letters of credit from anybody," Spiech said. "I want to remove that sword of Damocles."

Commisa earlier ruled in Yugo America's favor in the Norauto matter, refusing to allow Norauto to sell the cars pending the course of Yugo America's reorganization in Bankruptcy Court.

The judge ruled that he found "substantial merit" in Yugo America's argument that the Norauto transaction was a "financing arrangement" subject to the court, and not an outright sale.

Crain Communications files trademark suit

DETROIT — Crain Communications, publisher of Automotive News, filed a trademark infringement suit against Fairchild Publications, which recently began publishing Automotive Electronic News.

The suit charges that Automotive Electronic News infringes on Crain's federally registered trademark by use of a name almost identical to Automotive News; its common page size, layout and format; and distribution to the same audience as Automotive News. The suit claims these actions will cause confusion in the marketplace.

The suit, filed Thursday in U.S. District Court in Detroit, seeks an injunction with punitive and exemplary damages against Fairchild.

Fairchild has offices in Troy, Mich.

ECOLOGY

FROM PAGE 1

"Ten years is not really 10 years, because we are already designing cars for the 1994 model year," said Gerald Stofflet, assistant director of automotive emission control on General Motors's environmental activity staff.

Washington insiders believe that some form of legislation to stabilize global warming will pass into law during this Congress, which ends in 1990. By the end of next Congress, many government and industry officials predict fuel-economy measures will surely pass into law.

This comes at a time when manufacturers are having trouble selling four-cylinder cars and demand is higher for larger cars, passenger vans and trucks. Compact vans and light trucks, which account for one of every three vehicles sold in the United States, are certified under a much lower truck CAFE standard of 21 mpg.

Lutz said small cars powered by four-cylinder engines are "almost sales proof" as consumers demand V-6s, V-8s and even a V-10, as envisioned for the Dodge Viper that Chrysler is showing at the New York show.

Analyst George Peterson, president of AutoPacific Group in Newport Beach, Calif., said if a 40 mpg CAFE were adopted, "automakers, especially domestics, would have to make dramatic changes. Cars would have to be much more fuel efficient, more more aerodynamic, much lighter."

Dealing with higher CAFE would be a much more dramatic problem than tighter tailpipe emissions, Peterson noted.

"Tighter emissions could be met at the expense of driveability and fuel economy, but it would not mean changing the size of the vehicle fleet. But fuel efficiency would force a complete downsizing of the entire fleet," he said.

"Scientific consensus leans to the greenhouse effect" as a legitimate concern that causes global warming, said a spokesman for the Senate subcommittee on environmental protection. "But how fast the greenhouse effect will alter the temperature and the climate are in question. The heat of the summer will play a part in the (legislative) decisions that are made, whether they will occur in this Congress or the next."

The greenhouse effect is a phenomenon that is said to occur when carbon dioxide, nitrogen oxides and other gases absorb and reflect heat radiating from the earth's surface. Some theories say the potential exists for a significant increase in the earth's temperature — from 1.5 to 8.0 degrees centigrade — during the next 50 years.

Cars and trucks are said to account for about 30 percent of greenhouse gas emissions, according to officials connected with global warming legislation.

Much of the proposed legislation in Congress aims to reduce levels of carbon dioxide, the predominant greenhouse gas in the atmosphere. Carbon dioxide is produced whenever fossil fuels are burned. Trees absorb carbon dioxide and releasing oxygen in return. Taken to its simplest form, the proposed legislation aims to burn less fossil fuel, develop alternative power supplies and plant more trees.

Ironically, automakers have been striving for 20 or so years to build cars that emitted water vapor and carbon dioxide rather than more harmful hydrocarbons, carbon monoxide, nitrogen oxides and lead.

Donald Zinger, EPA assistant director of the office of mobile sources said, "Carbon dioxide comes from any combustion. It is not a pollutant, occurs naturally and has been looked at as something you like. But carbon dioxide is a greenhouse gas."

"People working on global warming say the way you're going to reduce carbon dioxide is to conserve energy — that certainly is one way to do it — and that is putting pressure on corporate average fuel economy standards," said Richard Wilson, director of the EPA's office of mobile sources.

"CAFE itself is a mechanism. There are other ways of energy conservation. . . . You could have a carbon dioxide emissions requirement. You could have a gasoline tax and use the price of gasoline to reduce demand," he added.

None of the current legislative proposals, including EPA's own preliminary study, however, appear to take that approach.

Chrysler's Lutz said those bills would increase CAFE to a level "ranging from the very difficult to the frankly absolutely utopian and infeasible."

"Yet, that same government is going to continue to be very reluctant to raise the federal tax on motor fuels," he said. "It is patently absurd to permit motor fuels to be sold at a price that, adjusted for inflation, is cheaper than in 1971.

"I don't see how manufacturers can make the increased CAFE if the federal government doesn't make up its mind to raise the gas tax," Lutz said.

Global warming legislation that includes fuel-economy measures has been proposed in the House of Representatives by Rep. Claudine Schneider, R-R.I., and in the Senate by Sen. Timothy Wirth, D-Colo., Sen. Albert Gore, D-Tenn. and recently by Sen. Max Baucus, D-Mont., chairman of the Environmental Protection Subcommittee.

In addition, Massachusetts Senators John F. Kerry and Edward M. Kennedy, both Democrats, have sponsored a acid rain bill that includes fuel-economy standards around 45 mpg by 2000.

Support for global warming legislation is apparently bipartisan.

Michael Totten, legislative aid for Schneider, said the Congresswoman's bill is a policy measure that includes many legislative ideas that could be included in other pieces of legislation. The entire House bill, he said, is unlikely to be voted upon as it is an omnibus, or policy, document.

Any action during this Congress on fuel economy is likely to start in the Senate, Totten said, especially since its new majority leader, George Mitchell, D-Maine, was successful in getting a clean air bill passed by the Senate last year. However, that effort died when the House failed to pass similar legislation. A domestic industry ally in the House is Rep. John Dingell, D-Mich., chairman of the powerful energy and commerce subcommittee. A stalemate between Dingell and committee member Rep. Howard Waxman, D-Calif., helped stall legislation last year.

If new fuel-economy measures are adopted in this Congress, Totten said, they are likely to be tacked onto another bill or be made part of the expected clean air debate in Congress.

Two proposals to increase federal fuel-economy standards almost became a part of an unrelated bill dealing with oil drilling and gas leasing in Alaskan wildlife refuges recently.

"You can understand the tack-on of a CAFE amendment to that bill to be the first skirmish," said the spokesman for the Senate Environmental Protection Subcommittee.

Congress has yet to update the Clean Air Act; extensions of its clean air deadlines ran out last summer.

While an extension of those deadlines is important to local government officials struggling with attaining clean-air standards, the industry will also be watching that legislation closely as well to see if there will be any further tightening of tailpipe emission standards.

Many sources, however, believe the Clean Air Act will be addressed separate from global warming but that fervent support for it will reawaken in this session of Congress.

Robert Crandall, a senior fellow in economics at the Brookings Institute in Washington said, "I suspect the time is right in the environmental arena. The Clean Air Act is up in the air and there is the global warming issue. But they are two separate issues."

James Mateyka, a vice president with the consulting firm of Booz Allen and Hamilton, said, "We follow emissions legislation for our auto industry clients and my read is that there is a fairly significant new wave of environmental legislation. Our sense is that the legislation is less fanatic than in the early 1970's but the auto industry should be looking at the trend."

Auto industry officials say 45 mpg cars can be built, but the question is not "can we build them," but, "will the customers buy them?"

GM's Stofflet notes that a Suzuki-built three-cylinder 1.0-liter Geo Metro model now is rated at 65 mpg, but accounts for less than 0.5 percent of GM sales.

He also noted that GM recently has had to increase the size of certain, previously downsized models, to increase demand.

"If you want to increase fuel economy, you have to tie that in with a gas tax," said Crandall of the Brookings Institute.

"Any other way would suppress the need and demand for new automobiles. . . . Otherwise buyers will hang onto their gas guzzlers. It is not clear however that anyone will have the courage to introduce such a measure," he said.

Totten of Rep. Schneider's office said European experience has shown fuel taxes to be an incentive only to purchase vehicles up to 30 or 35 mpg capability.

Automotive News Staff Reporters Mary Connelly and Roger Rowand in Detroit, Jim Henry in New York and Jesse Snyder in Los Angeles contributed to this report.

California drops bomb

Clean-air plan would kill gasoline cars

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — Automakers expressed doubts about the technical feasibility and timing of a sweeping proposal that would eliminate gasoline-powered cars by 2007 in Southern California.

The 123-part plan, approved March 17 by the South Coast Air Quality Management District and the Southern California Association of Governments, includes 19 measures that directly affect the auto industry. The plan is designed to bring a four-county area into compliance with federal clean-air standards within 18 years.

It still must be approved by the California Air Resources Board and the EPA, a process that is expected to take at least four months.

And if approved, the air-quality and government association groups must go back and take up two proposals per month for implementation, which could take as long as five years.

The four-county region has twice failed to meet interim federal clean air standards and is under court order to adopt a plan.

The plan includes a phase-in of vehicles using alternate fuels that would result in eliminating gasoline-powered cars by 2007 and further tightening of California's already stringent limits on emissions of nitrous oxides, hydrocarbons and carbon monoxide.

But the plan also calls for significant changes in Southern California lifestyles. They range from limiting the number of cars per household and ending solo commuting to eliminating charcoal starter fluid and reformulating hair spray and aerosol deodorants.

Marcel Halberstadt, director of the environmental department of the Motor Vehicle Manufacturers Association, said it is not feasible with present emission-control technology to meet the proposed standards.

Spokesmen for General Motors and Ford Motor Co. concurred, saying the plan assumes the development of emission-control technology that currently doesn't exist. But both companies and most Japanese auto importers based in California cautioned that they have not had time to study the plan.

Many aspects of the plan already are being addressed, such as gradually weaning vehicles off gasoline, a GM spokesman said.

Both Ford and GM have fleets of small cars in California that are powered by a mixture of methanol and gasoline. Ford has 1,000 flexible-fuel Escorts in government service in the state, and GM will deliver 2,200 variable-fuel cars to the California Energy Commission in the next two years.

The goal of the Air Quality Management Board is to convert 40 percent of cars, 70 percent of commercial vehicles and all buses to electricity or alternative fuels within 10 to 15 years.

But the ability of manufacturers to take experimental methanol programs from the concept stage to manufacturing, servicing and fueling vehicles with performance and convenience acceptable to consumers in such a short period is questioned by George Peterson, president of AutoPacific Group, a consultant firm in Newport Beach, Calif.

"Everybody has an alternate fuel program, but it's a big leap from experimental designs to something that can be manufactured and meet driveability standards," Peterson said.

Improving emission controls, while a technological challenge, is far less costly to automakers than complete product-line redesigns that would be required to meet tougher fuel-economy standards that the federal government is expected to take up shortly, he added.

The plan for reducing the number of vehicles per household could include heavily taxing the second and subsequent vehicle registrations.

If that happens, vehicle purchases in the Los Angeles area would drop and eventually reduce dealership values in the area, said Christopher Cedergren, senior analyst for J.D. Power and Associates, Agoura Hills, Calif.

But it's unlikely to happen because no elected politician would dream of taking cars away from Southern Californians, said Mickey Garrett, executive vice president of the Greater Los Angeles Motor Car Dealers Association.

Of greater concern to auto dealers is meeting even tighter controls on emissions of paint solvents from their body shops, he added.

Nissan, which is the only Japanese company represented on an SAE committee studying how to replace chlorofluorocarbons in air conditioners and refrigeration equipment, is ready to launch a Freon recovery and recycling program for its dealers as soon as federal certification is received.

DOMESTIC CAR SALES

	Mar. 11-20, 1989	Mar. 11-20, 1988
Eagle	1,347	1,017
Chrysler	5,643	9,479
Plymouth	6,455	7,556
Dodge	12,379	12,749
Chrysler Motors	25,824	30,801
Ford	39,065	38,079
Mercury	13,147	11,088
Lincoln	5,267	5,019
Ford Motor Co.	57,479	54,186
Buick	13,973	12,512
Cadillac	7,470	6,105
Chevrolet	35,415	33,655
Oldsmobile	16,242	17,091
Pontiac	19,262	22,810
General Motors	92,362	92,173
Volkswagen	—	1,034
Honda	9,052	7,270
Nissan	2,912	1,869
Toyota	5,027	1,169
Mazda	1,384	743
Mitsubishi	557	—
U.S. Car Total	194,597	189,245

Transplants pace mid-month gain

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

A few fragments of good news for automakers in the United States blew in on the blusterous winds of mid-March. Retail deliveries of U.S.-built cars rose a skimpy 2.83 percent.

Sales in the March 11-20 sales period climbed to 194,597 units, up from 189,245 units in the year-earlier span.

Transplants led the way and all the domestic makers reported sales improvements except Chrysler Motors, which noted a 16.16 percent decline.

The average daily-selling rate totaled 24,325 units, up from 23,656 units a year earlier. Both periods had eight selling days.

Ford Motor Co.'s sales rose 6.08 percent while General Motors inched up 0.21 percent. Sales improvements for Buick, Cadillac and Chevrolet offset drops for Oldsmobile and Pontiac.

Toyota dealers delivered 5,027 cars, compared with 1,169 last year, a gain of 330.03 percent. Of the Toyotas sold, 2,592 were Corollas and 2,435 Camrys.

Mitsubishi, a newcomer to production here, reported retail sales of 557 units. The company's Eclipse is produced in Illinois.

Also reporting sales gains were Mazda, 86.27 percent; Nissan, 55.81 percent; and Honda, 24.51 percent.

PRODUCTION

Good Friday slashes car, truck output

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Last week's targeted domestic car and truck production fell from the prior week's and year-ago week's totals as all but one U.S. assembly plant closed for Good Friday.

Scheduled truck output was 69,543 units last week, 28.02 percent below the prior week's 96,610, which was the highest weekly total since the 96,725 trucks assembled the week ended Dec. 10, 1988.

Last week's projected truck build was 21.39 percent below the year-ago week's 88,469.

Year-to-date, 1,079,959 trucks have been assembled, 6.54 percent more than the 1,013,618 built last year at this time.

Automakers scheduled assembly of 127,636 cars last week, 16.35 percent below the previous week's 152,582 and 13.66 percent fewer than the year-ago week's 147,821.

So far this year, 1,773,499 cars have been built, 14.25 percent more than the 1,552,357 completed last year at this point.

Companies split last week's estimated production as follows: General Motors, 48.50 percent; Ford Motor Co., 24.87 percent; Chrysler Motors, 12.38 percent; Honda of America Manufacturing, 4.86 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.02 percent; New United Motor Manufacturing Inc., 2.51 percent; Nissan Motor Manufacturing Co. U.S.A., 1.61 percent; Toyota Motor Manufacturing U.S.A., 1.59 percent; and Diamond-Star Motors, 0.66 percent.

GM's Janesville, Wis., truck plant shut down March 20 for model changeover; it will be closed until late July. About 1,000 workers are temporarily laid off.

On April 10, GM will shut down its Reatta Craft Centre in Lansing, Mich., for one week to adjust inventory.

GM's Wentzville, Mo.; Doraville, Ga.; and Willow Run, Mich., plants resumed production last week after being idle for inventory adjustment.

All assembly plants except Toyota's Georgetown, Ky., facility were closed Good Friday.

Short week felt in Canada, too

Canadian assembly plants were closed Good Friday, causing car and truck production to dip from the prior week's and year-ago week's builds.

Last week's targeted car output of 18,678 fell 8.47 percent from the previous week's 20,407 and dropped 29.32 percent from the year-ago week's 26,426.

So far this year, 234,615 cars have been built, 11.37 percent below the 264,707 assembled last year at this time.

Truckmakers scheduled 15,987 units last week, 6.15 percent below the prior week's 17,034 and 20.02 percent below the year-ago week's 19,989.

Year-to-date, 240,744 trucks have been assembled, 4.54 percent more than the 230,291 completed last year at this point.

U.S. CAR	Week Ended Mar. 25, 1989	Week Ended Mar. 26, 1988	Week Ended Mar. 18, 1989	Mar. to Date	Jan. 1 to Mar. 25, 1989	Jan. 1 to Mar. 26, 1988
Horizon	200	1,849	0	200	200	20,336
Sundance	1,800	2,189	2,386	7,747	27,979	25,448
Reliant	0	2,377	0	0	0	20,460
Acclaim	2,200	0	3,445	10,688	26,943	0
Caravelle	0	524	0	0	0	4,432
Gran Fury	0	112	0	0	0	2,566
Total Plymouth	4,200	7,051	5,831	18,635	55,122	73,242
LeBaron K	0	524	0	0	0	3,708
LeBaron J	1,800	1,899	2,296	7,272	26,680	12,626
LeBaron GTS	0	243	0	262	2,946	2,044
N. Yorker C-Class	1,800	0	2,861	9,109	30,643	24,417
Fifth Avenue	0	192	0	0	0	11,040
Total Chrysler	3,600	5,209	5,157	16,643	60,269	53,835
Omni	200	1,881	0	200	200	19,929
Daytona	1,800	1,976	2,300	7,292	26,730	12,029
Shadow	1,900	2,270	2,404	7,885	28,565	26,309
Aries	0	2,333	0	0	0	16,580
Dodge 600	0	457	0	0	0	3,794
Dynasty	2,300	2,609	3,564	11,036	38,483	26,802
Lancer	0	163	0	32	1,528	2,784
Spirit	1,800	0	2,749	8,532	25,070	0
Diplomat	0	693	0	0	0	4,979
Total Dodge	8,000	12,382	11,017	34,978	120,576	113,206
CHRYSLER MOTORS	15,800	24,642	22,005	70,256	235,967	240,283
Escort	5,960	4,252	6,900	23,260	87,053	81,084
Mustang	3,471	4,543	4,163	14,423	49,861	53,875
Tempo	2,498	4,406	3,246	10,788	40,143	49,414
Taurus	6,268	7,870	6,191	27,147	94,052	95,156
Thunderbird	3,186	3,454	3,786	12,603	43,247	39,148
Total Ford Div.	21,383	24,525	26,286	88,222	314,356	318,677
Topaz	1,110	1,100	1,154	4,352	15,524	18,567
Cougar	2,335	2,316	3,806	11,800	37,002	30,089
Sable	3,112	2,753	3,088	11,002	32,669	30,041
Total Mercury	6,557	6,169	8,048	27,154	85,195	78,697
Continental	1,145	938	1,660	5,233	17,820	10,606
Mark VII	378	457	553	1,741	7,189	6,409
Lincoln	2,285	2,805	3,317	10,460	31,779	36,041
Total Lincoln	3,808	4,200	5,530	17,434	56,788	53,056
Total L-M Division	10,365	10,369	13,578	44,587	141,983	131,753
FORD MOTOR CO.	31,748	34,894	39,864	132,809	456,339	450,430
Skyhawk	212	1,040	316	5,911	8,777	8,256
Skylark/Somerset	1,048	369	1,347	4,470	12,503	5,744
Century	1,880	3,135	2,758	8,255	30,021	15,647
Riviera	430	151	535	1,944	7,039	1,730
Electra	1,561	1,667	0	4,307	19,686	16,071
LeSabre (fwd)	3,732	3,411	4,485	13,856	22,747	29,895
LeSabre (rwd)	132	219	199	648	2,323	1,679
Reatta	162	129	194	466	1,635	888
Total Buick	9,157	10,121	9,834	39,858	104,731	79,910
Cimmaron	0	176	0	0	0	2,905
Eldorado	753	1,180	919	3,033	8,992	8,393
Seville	466	702	568	1,990	6,739	5,556
Brougham (rwd)	568	213	838	2,624	11,132	426
Deville (fwd)	3,916	4,029	4,936	16,544	53,587	46,818
Allante	56	65	73	249	864	531
Total Cadillac	5,759	6,365	7,334	24,440	81,314	64,629
Cavalier	5,278	6,999	7,890	21,452	92,204	78,984
Camaro	2,284	2,418	2,513	8,812	28,997	13,732
Celebrity	1,900	3,464	2,870	8,716	39,536	36,532
Corsica/Beretta	7,592	8,842	9,218	31,557	106,074	93,863
Caprice	3,676	3,153	5,478	16,872	47,878	47,850
Corvette	504	438	573	1,975	6,148	5,196
Total Chevrolet	21,234	25,314	28,542	89,385	320,837	276,157
Calais	1,832	1,990	2,317	7,803	21,464	24,778
Firenza	0	542	0	0	0	3,996
Cutlass Ciera	1,144	0	1,858	5,880	19,979	0
Cutlass Supreme	2,828	2,216	0	2,828	24,396	22,911
Toronado	143	481	167	532	2,770	4,148
88 (fwd)	2,756	4,050	240	6,383	38,544	36,445
88 (rwd)	92	269	137	422	1,816	3,119
Olds 98	1,747	2,157	254	5,537	22,485	21,209
Total Oldsmobile	10,542	11,705	4,973	29,385	131,454	115,872
Sunbird	2,766	2,150	4,089	12,668	34,631	25,748
Grand Am	4,155	4,615	6,077	18,941	59,875	57,748
Firebird	1,140	1,817	1,568	5,322	17,967	11,837
Grand Prix	3,248	2,041	4,000	11,248	31,249	24,348
Pontiac 6000	1,492	3,175	2,235	6,572	22,014	13,350
Bonneville	2,352	2,465	0	3,743	20,957	21,802
Safari/Parisienne	76	200	124	381	1,270	1,680
Fiero	0	616	0	0	0	4,241
Total Pontiac	15,229	17,079	18,093	58,875	187,963	151,644
GENERAL MOTORS	61,921	70,584	68,776	241,943	826,299	688,212
DIAMOND-STAR	840	0	1,119	3,281	8,243	0
HONDA	6,200	8,043	7,600	26,436	92,418	86,392
Civic	2,036	2,171	2,507	8,566	30,846	21,232
Accord	4,164	5,872	5,093	17,869	61,572	65,160
MAZDA†	3,852	1,837	4,862	16,990	57,789	14,794
NISSAN	2,050	2,505	2,329	8,148	27,481	18,284
NUMMI	3,200	3,296	4,023	14,883	45,945	38,147
Corolla	1,280	1,246	1,652	6,064	19,493	13,480
Geo Prizm/Nova	1,920	2,050	2,371	8,818	26,452	24,667
TOYOTA	2,025	0	2,004	7,266	23,018	0
VOLKSWAGEN	0	2,020	0	0	0	15,815
Golf/GTI	0	1,670	0	0	0	10,515
Jetta	0	350	0	0	0	5,300
Total Cars, U.S.	127,636	147,821	152,582	522,012	1,773,499	1,552,357
Total Cars, Canada	18,678	26,426	20,407	70,688	234,615	264,707
U.S., Canada Cars	146,314	174,247	172,989	592,700	2,008,114	1,817,064
U.S., Canada Cars and Trucks	231,844	282,705	286,633	974,329	3,328,817	3,060,973

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended Mar. 25, 1989	Week Ended Mar. 26, 1988	Week Ended Mar. 18, 1989	Mar. to Date	Jan. 1 to Mar. 25, 1989	Jan. 1 to Mar. 26, 1988
Premier	1,020	1,695	0	1,785	11,305	16,090
CHRYSLER MOTORS	1,020	1,695	0	1,785	11,305	16,090
Tempo	2,676	4,391	3,403	11,491	42,235	49,888
Topaz	1,164	1,356	1,480	4,957	16,871	17,612
Crown Victoria	2,420	2,835	2,945	9,906	31,926	33,927
Grand Marquis	2,380	2,870	2,838	9,778	33,432	33,252
FORD MOTOR CO.	8,640	11,452	10,666	36,132	124,464	134,679
Celebrity	156	435	196	644	2,291	4,271
Cutlass Ciera	2,959	7,528	3,742	12,296	43,744	54,143
Lumina	1,917	0	1,420	4,186	7,292	0
Pontiac 6000	0	1,135	0	0	0	11,002
Regal	2,362	3,397	2,290	8,396	22,701	35,519
GENERAL MOTORS	7,394	12,495	7,648	25,522	76,028	104,935
HONDA	1,320	634	1,701	5,889	19,481	7,596
TOYOTA	160	0	212	748	1,304	0
VOLVO	144	150	180	612	2,033	1,407
Total Cars, Canada	18,678	26,426	20,407	70,688	234,615	264.707

U.S. TRUCK☆	Week Ended Mar. 25, 1989	Week Ended Mar. 26, 1988	Week Ended Mar. 18, 1989	Mar. to Date	Jan. 1 to Mar. 25, 1989	Jan. 1 to Mar. 26, 1988
Caravan	1,600	2,182	2,548	7,484	26,831	24,383
Dakota	2,000	2,835	2,991	8,606	26,734	28,396
Mini-Ram Van	100	360	217	604	2,331	3,647
Pickups	2,000	1,400	2,993	8,606	26,710	13,871
Total Dodge	5,700	6,777	8,749	25,301	82,606	70,297
Cherokee	3,600	3,218	4,584	16,626	53,787	43,173
Commanche	400	840	588	2,115	8,393	11,973
Grand Wagoneer	200	0	350	1,094	3,949	3,142
Wagoneer	100	247	198	674	2,384	3,222
Total Jeep	4,300	4,305	5,720	20,508	68,513	61,510
Voyager	1,500	2,122	2,401	7,059	25,883	22,301
Total Plymouth	1,500	2,122	2,401	7,059	25,883	22,301
CHRYSLER MOTORS	11,500	13,204	16,870	52,868	177,002	154,108
Aerostar	3,990	5,115	5,800	17,163	57,478	55,497
Bronco	1,474	1,301	2,062	6,591	22,758	15,155
Bronco II	2,246	3,011	2,969	9,821	33,615	36,605
Econoline	4,184	5,184	5,198	17,664	[illegible]	61,511
Heavy trucks	1,145	1,410	1,747	5,228	16,446	16,110
Light trucks	9,079	11,653	11,616	38,617	131,876	122,721
Ranger	6,171	7,406	7,548	25,861	88,392	88,061
Total Ford Div.	28,289	35,080	36,940	120,944	410,627	395,660
FORD MOTOR CO.	28,289	35,080	36,940	120,944	410,627	395,660
Astro	2,575	3,314	3,526	12,217	41,370	42,500
Blazer	433	510	619	1,923	6,670	6,558
Mediums/Heavies	0	500	0	0	0	5,854
P-Model	636	879	822	2,703	7,188	9,118
Pickups	6,931	7,603	9,232	29,601	107,740	76,150
S-10	3,590	6,526	5,354	19,038	70,151	66,442
S-10 Blazer	3,064	3,095	4,901	14,532	46,701	36,993
Sportsvan/Van	1,695	1,874	2,269	7,482	22,617	16,914
Suburban	1,109	1,451	1,780	5,335	18,676	17,244
Total Chevrolet	20,033	25,752	28,503	92,832	321,113	277,773
Jimmy	85	168	213	571	2,068	2,183
Mediums/Heavies	0	777	0	0	0	11,137
P-Model	11	105	41	195	1,001	1,128
Pickups	496	2,334	1,339	6,032	29,788	26,047
S-15	892	1,613	1,462	4,877	16,641	18,163
S-15 Jimmy	792	1,341	1,570	4,094	13,166	8,691
Safari	521	757	946	2,999	10,433	10,950
Suburban	368	578	713	2,059	7,424	9,021
Vandura/Rally Vans	399	589	612	1,847	5,921	10,748
Total GMC	3,564	8,262	6,896	22,674	86,442	98,068
GENERAL MOTORS	23,597	34,014	35,399	115,506	407,555	375,841
NAVISTAR	1,530	1,737	1,888	6,220	20,375	20,940
NISSAN	2,427	1,684	2,763	9,644	32,500	34,069
AM GENERAL	360	450	450	1,530	5,220	5,400
MISCELLANEOUS	1,840	2,300	2,300	7,820	26,680	27,600
Total Trucks, U.S.	69,543	88,469	96,610	314,532	1,079,959	1,013,618

CANADIAN TRUCK	Week Ended Mar. 25, 1989	Week Ended Mar. 26, 1988	Week Ended Mar. 18, 1989	Mar. to Date	Jan. 1 to Mar. 25, 1989	Jan. 1 to Mar. 26, 1988
Caravan	2,064	3,078	3,169	10,282	36,951	36,641
Mini-Ram Van	144	345	199	667	2,360	3,195
Ram Wagon	560	580	0	1,596	7,201	5,490
Ram Van	1,320	1,390	0	4,105	18,471	13,721
Total Dodge	4,088	5,393	3,368	16,651	64,983	59,047
Voyager	1,888	2,814	2,845	9,412	32,350	34,183
Total Plymouth	1,888	2,814	2,845	9,412	32,350	34,183
Wrangler	1,360	1,057	1,849	6,183	18,524	12,160
Total Jeep	1,360	1,057	1,849	6,183	18,524	12,160
CHRYSLER MOTORS	7,336	9,264	8,062	32,246	115,857	105,390
FORD MTR. (lt. trks.)	3,040	3,526	3,601	12,131	40,598	43,075
Light trucks	2,648	3,177	2,380	10,403	39,165	38,076
Vans	1,124	951	1,322	4,671	16,582	15,248
Total Chevrolet	3,772	4,128	3,702	15,074	55,747	53,324
Light trucks	1,192	1,702	646	4,391	17,831	18,661
Vans	436	1,143	755	2,338	7,840	7,184
Total GMC	1,628	2,845	1,401	6,729	25,671	25,845
GENERAL MOTORS	5,400	6,973	5,103	21,803	81,418	79,169
NAVISTAR	211	226	268	917	2,871	2,657
Total Trks., Canada	15,987	19,989	17,034	67,097	240,744	230,291
U.S., Canada Trks.	85,530	108,458	113,644	381,629	1,320,703	1,243,909

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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GM maps franchise for '90s

Dealers will fight more takeaways

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — At a time when dealers are accusing General Motors of chiseling away at their profits, the automaker is developing a new dealer franchise agreement that will carry it into the competitive 1990s.

The new agreement, which in essence is a contract that allows a dealer to sell GM-built vehicles, replaces the present five-year agreement on Nov. 1, 1990. The agreement, according to dealers involved in developing the new contract, could include:

- A new process for resolving disputes between GM and dealers.
- More specific sales-target and customer-satisfaction performance levels for dealers.
- More detailed requirements for in-dealership high-tech equipment.
- More detailed requirements for dealership employee training.
- A change in the franchise buy/sell clause that dealers fear would make it harder to sell the dealership to offspring at lower-than-market prices.

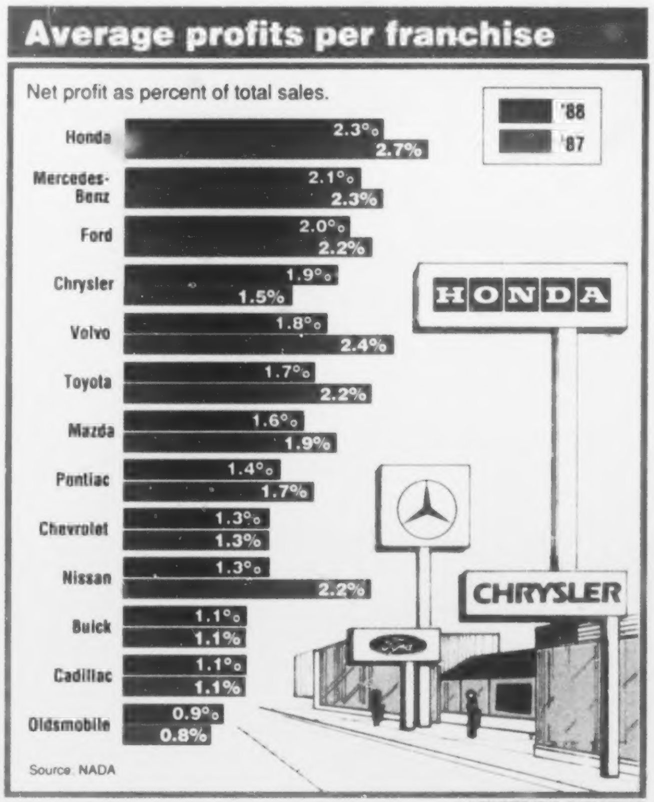
What the 1990 franchise agreement won't contain is a wholesale adoption of Saturn-type features.

While GM will reveal few specifics about what it wants in the agreement, Robert H. Ogden, GM's general director of sales operations and dealer relations, said Saturn's clean sheet of paper approach and dealer ranks of no more than 200 allowed it to make its franchise agreement different from GM's.

"We're working with a mature organization of 10,000 existing

see FRANCHISE page 58

Average profits per franchise



Source: NADA

AUTOMOTIVE NEWS / DAVID BURNHAM

Dealers sliding toward red ink

By Laura Clark and Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTERS

New-car dealers' pre-tax profit margins declined in 1988 and now are sliding into the red.

Preliminary figures collected by the National Automobile Dealers Association reveal that pre-tax margins dwindled into net losses for a growing number of dealers during the first two months of this year.

The report could indicate the worst January-February performance since the end of the recession in the early 1980s.

The news comes on the heels of a poor dealer profit performance in 1988. NADA reported that nationwide pre-tax profit averages for domestic and import dealerships combined sunk to 1.6 percent of sales last year from 1.9 percent in 1987.

January-February profits are traditionally weak, but the new figures appear to be abnormally bad, said NADA Executive Vice President Frank McCarthy.

"This looks like the worst January-February period we've had since 1983," McCarthy said. "A lot of dealers are in the red."

Jake Kelderman, NADA executive director of industry affairs, cautioned that the analysis will not be complete for another two weeks, but he said the numbers coming in "are not encouraging by any means."

"The resilience within the dealer network just isn't there now," Kelderman said.

Tom Webb, NADA statistical director, said he has not completed analysis of February survey results, but the average dealer pre-tax margin in January was "just barely black."

NADA measures and reports profit margins as net pre-tax income as a percentage of sales.

NADA President Ron Tonkin said it was his impression from talking to dealers around the coun-

see DEALERS, page 59

Ford leads way to 2.9% loans; GM follows

By David Versical and Laura Clark
AUTOMOTIVE NEWS STAFF REPORTERS

The auto industry headed into another incentive bonanza last week by tempting customers with the most aggressive rebates and discount finance offers in nearly two years.

But the lead player came as a surprise. Ford Motor Co. — the only Big 3 automaker that has increased its market share this year — kicked off the latest round on Wednesday. Ford is now offering financing as low as a 2.9 annual percentage rate or cash rebates worth $500 or more on most of its cars.

General Motors echoed Ford's offer with a program that began Friday. Like Ford, GM offered 2.9 APR rates on 24-month loans, 5.9 for 36 months, 6.9 for 48 months and 9.9 for 60 months.

Volkswagen, trying to pump some blood into an anemic 1989, began a novel new program that essentially adds between $500 and $2,000 to the downpayment on financed purchases. Customers who pay cash get a U.S. savings bond.

And Toyota provided some dealer incentives worth up to $1,000 on 1988 and 1989 Camry models.

Chrysler Motors, meanwhile, said it was studying the Ford and GM moves. As of Friday, however, Chrysler was sticking with its current program. That deal offers financing rates between 4.9 percent and 10.9 percent or cash rebates worth $300 or more, plus additional cash discounts for current owners.

The latest efforts came as little surprise. At the start of the year, analysts had predicted that interest rates would climb and that automakers would have to rely on aggressive sales programs to keep things moving. But the prime interest rate jumped twice in Febru-

see INCENTIVES, page 58

Ford scales back '89 sales forecast

By David Versical
AUTOMOTIVE NEWS STAFF REPORTERS

Rising interest rates have prompted Ford Motor Co. to trim its 1989 car and truck sales forecast.

Ford opened the year with the Big 3's most optimistic sales projection — 15.4 million. It has now backed off that number.

"Ford is still forecasting the year will come in above 15 million," said Robert L. Rewey, vice president for North American sales operations. "But certainly there has to be concern over the very rapid movement of interest rates that occurred in the first quarter."

Ford had accounted for the prospect of higher interest rates in its earlier forecast. But that was before the prime rate absorbed back-to-back increases in February. At 11.5 percent, the prime is now the highest in more than four years.

The prime interest rate is the rate commercial banks charge their best corporate customers and is commonly used to measure the cost of money. A rising prime rate could cause a slowdown in borrowing and spending.

Rewey said the increases have

see SALES, page 58

Geo models: Chevrolet's marketing answer to a growing import market

Geo line no barn burner, but Chevrolet is optimistic

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

As Geo receives its six-month report card, Chevrolet's marketing chief expressed cautious optimism about its overall performance.

He shooed aside worries about increasing supply, a softening market, import share decline and a host of dealer woes and said time should prove that Geo will make the grade.

"I guess I'd give it a B-plus," said Michael H. Erdman, Chevrolet general marketing manager, reflecting on the import franchise's first few months as a separate marketing entity.

See related story, Page 57

In the middle of the 1988 model year, Chevrolet said it would merchandise its captive imports plus the Nova under the Geo label for 1989. It offered the Geo franchise to its 4,900 dealers, and about 4,100 are handling the line.

Despite Erdman's assessment,

see GEO, page 57

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Tonkin targets fleet deals Page 3
California probes big Ford dealership Page 4

KIT WOES

London Motors fights shove to bankruptcy

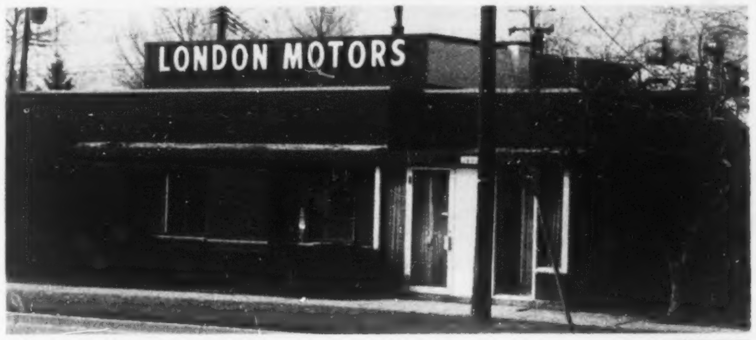
By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

London Motors, an Inkster, Mich., kit car manufacturer, will tell a federal Bankruptcy Court in Detroit this week that it is close to a deal with new financial backers and can repay its creditors without being forced into involuntary Chapter 11 reorganization.

On Jan. 30, three car dealers, who say London Motors owes them approximately $175,000, filed a petition with the U.S. District Court in Detroit to place the firm in involuntary Chapter 11 reorganization.

The dealers claim that London Motors failed to deliver MGTD-replica "London Roadsters" and refuses to refund their advance payments.

Creditors of London Motors have filed claims totaling $200,000 with the Bankruptcy Court.



GLENN TRIEST

Headquarters of London Motors in Inkster, Mich., where London Roadsters are assembled

The company faces similar complaints from more than 27 car dealers, and 14 consumers — who made deposits of as much as $15,000 — have filed complaints with the Michigan attorney general's consumer protection division.

State records show that some of those complaints have been settled by London Motors.

In court papers filed last month, the company said it is trying to reorganize its finances with new financial backers and will resist its creditors' petition to place the company in Chapter 11 bankruptcy.

Morris Goodman, attorney for London Motors, blamed the company's financial troubles on a $1 million loss he said it suffered a few years ago when an agreement to build a convertible version of the Pontiac Fiero fell through after London Motors purchased tooling for the project.

Goodman said the company also lost money when it borrowed from a bank that later dissolved and called the loan early.

In court papers filed March 20, London Motors said its president and sole owner, Ian Stevenson, has met with "several groups of investors to refinance his companies." Stevenson declined to be inter-

see LONDON, page 60

Tonkin targets fleet deals, sets meeting

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

As the core of Ron Tonkin's "Rough Riders" prepares for its first meeting April 10, the new National Automobile Dealers Association president is cranking up his crusade against what he considers factory injustices.

In a fiery cassette tape distributed last week to dealers nationwide, Tonkin decried the continuing erosion of U.S. dealer profits and discussed suing carmakers that sell to leasing companies in competition with franchised dealers.

Tonkin

The rousing eight-minute cassette also warns of NADA's readiness to take the factory subsidy issue to Congress if the automakers don't heed the dealers' mounting protests.

Tonkin's challenge to the automakers comes at a time when he says his initial group of 200 Rough Riders has grown to 400 dealer members, although some of his original appointees refused to serve. And NADA's chief staff member says the association is getting masses of mail supporting Tonkin's crusade.

"As your president, I am confident that we could have legislation introduced that would stand better than a 50-50 chance of becoming law," Tonkin said on the tape, which went to all 20,000 NADA dealer-members and an additional 4,500 non-member dealers.

Spokesmen for each of the Big 3 said they had not heard the tape and declined to comment on Tonkin's remarks on fleet subsidies and falling dealer profits.

"Every fleet sale that Chrysler Corp. makes goes through a dealer," a Chrysler spokesman said. "But, Mr. Tonkin never gets around to saying that. Mr. Tonkin has decided he's going to ride his horse for a while, I guess."

A spokesman for General Motors said, "We are in constant contact with NADA. If he (Tonkin) has something he wants to talk to us about, we're always willing to meet with him."

A Ford spokesman also expressed surprise when told of the NADA tape. "We've always gotten along very well with our dealers. We will deal with any problems our dealers have the same way we always have, through our national dealers' council," he said.

In 1985, NADA failed in an effort to get congressional support on the fleet subsidy issue. An Iowa

see TONKIN, page 60

Ford-Soviet plant deal collapses

By David Versical and Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTERS

Ford Motor Co. has withdrawn from a group of U.S. companies working together to set up joint ventures in the Soviet Union.

The announcement marked an abrupt — and perhaps temporary — halt to Ford's efforts to break into the Soviet auto market. A year ago, Ford helped form the American Trade Consortium, a group of seven companies attempting to remove a thicket of economic and political issues that have blocked business opportunity in the Soviet Union.

Ford declined join the other companies in signing a general trade agreement with a Soviet consortium last week. The agreement was seen as a necessary step for each company to pursue its own ventures. Ford, the only automotive company in the group, said the understanding did not offer enough assurances to support a project as large and as complex as it had planned.

The company said it withdrew because it did not want to slow the progress of the other firms, whose projects are quite different from the automaker's.

Ford envisioned a two-stage strategy that would have seen it exporting European-built Scorpios and later building the cars in a Soviet plant.

"We are disappointed," said Philip E. Benton Jr., president of the Ford automotive group, in a statement. "The Ford project included a substantial initial investment for a major new automotive complex. To succeed, it would have required that the Soviets adopt new and innovative financial arrangements."

Ford Werke sources in Cologne, West Germany, said the deal collapsed over a requirement that Ford invest heavily in a new production complex in Gorky. The Soviets made a multi-faceted proposal for compensation that Ford found unacceptable, sources said. Ford reportedly decided the investment was risky without assured means of early repayment.

Benton said Ford is still interested in a joint venture, and it feels it made definite progress in the negotiations. A major project could still be completed if conditions for doing business in the Soviet Union become "better defined," he said.

Ford's interest in a venture was triggered in 1987, when the Soviet Union invited Ford to look into business opportunities there. In April 1988, Ford announced that it had joined the consortium. The other members are Chevron Corp., Eastman Kodak Co., Mercator Corp., Johnson & Johnson, Archer Daniels Midland Co. and RJR Nabisco.

Questions over legal matters, work permits, taxation and ownership rules were among the issues that had to be resolved, a Ford spokesman said. Another was currency.

The Soviets first offered to pay Ford in oil, sources said. Negotiations were held between Ford and Chevron, a consortium member that will seek oil and gas exploration sites in the Soviet Union. Oil and gas are thought to offer the best prospects for generating hard currency revenue for the country.

However, Ford and Chevron could not reach an agreement, sources in Europe said. They said the talks with Chevron broke down because Ford would have had to wait roughly five years for repayment because of depressed world oil prices. As an alternative, the Soviets offered to pay Ford in gold. But once again, low world prices would have required Ford to wait too long for compensation.

A company source said discussions between Ford and the Soviets will continue on a much smaller scale outside the framework of the consortium.

California emission rules urged for New York

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Health and environmental groups are pressing New York and other Northeastern states to adopt California's stricter air pollution standards.

"We want to apply existing technologies that the manufacturers already have," said Russell Hinz, a spokesman for the American Lung Association of New York State in Albany.

He said proposed legislation banning cars that don't meet the California standards is expected to be submitted to the New York Legislature within three months.

Manufacturers would have to be given at least two years' notice of the impending change, so the new rules would not take effect until the 1992 model year or 1993, he said.

"So far, only California benefits from the advanced clean-car technology available today," said a statement issued by the New York Acid Rain Coalition, which includes the Lung Association and such groups as the Sierra Club and the Appalachian Mountain Club.

"By adopting the California auto emissions program now — including the more stringent standards California plans to adopt this spring — New York can reduce carbon monoxide and hydrocarbon emissions from motor vehicles by 2010 as much as 50 percent, and nitrogen oxide by 36 percent," the coalition said.

California's emission control standards are tighter on some pollutants, but are more lenient on carbon monoxide. The federal standards are 0.41 grams per mile for hydrocarbons, 3.4 gpm for carbon monoxide and 1.0 gpm for nitrogen oxides. California allows only 0.39 gpm for hydrocarbons and 0.4 gpm for nitrogen oxide, but 7.0 gpm for carbon monoxide.

William Sessa, a spokesman for the California Air Resources Board in Sacramento, said last week that California is expected to adopt the tougher standards by early this summer.

The tighter requirements, if adopted, would go into effect in 1993 and limit hydrocarbons to 0.25 gpm, carbon monoxide to the federal 3.4 gpm and keep nitrogen oxides at 0.4 gpm.

Sessa cautioned, however, that the California standards were devised to address "some of California's unique air quality problems. Whether they would help other states is up to the judgment of the other states."

Sessa said most cars already meet California standards without having to be modified mechanically, though they may have to be "recalibrated" to pass the California regulations.

Marcel Halberstadt, a spokesman for the Motor Vehicle Manufacturers Association, agreed with that assessment. "Clearly, it is technically feasible for the manufacturers to make cars that would measure up in California to be sold in states other than California," he said. "However, if the idea is to achieve cleaner air, we're not at all sure that doing it this way is going to achieve that end," he said, noting that the California standards were designed for conditions specific to that state.

Hinz said such a move would "not place any undue burden on the consumer." He estimated that equipping cars with California-style emissions packages would cost manufacturers a maximum of about $100 per car.

The California Association of Governments and the South Coast Air Quality Management District recently endorsed a radical anti-pollution plan that would ban gasoline-powered cars in Southern California by 2007.

Hinz said if New York adopts the present California guidelines now, New York could avoid having to consider such radical measures.

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Dealership bonuses rank high in Infiniti program

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

CARSON, Calif. — As Nissan's Infiniti Division prepares to enter the luxury segment of the U.S. market this fall, it has placed high priority on developing dealer sales and service programs that it feels are the best in the business.

To do that, Rick Lueders, national parts and service manager, said Infiniti talked to such successful "best-in-practice" retailing companies as Mercedes-Benz, McDonald's restaurants and the Nordstrom department store chain and studied their training and retail programs.

Lueders said the first step was to develop a policies and procedures manual on how they want Infiniti dealers to perform parts, service and sales.

"The next thing we are going to do is design a computer system that will integrate all in-dealership departments and programs," he said. "It will help run service, parts and sales. It also will do finance and insurance, scheduling and loading, parts cataloging, parts ordering and inventory management. Everything the dealer needs to operate the dealership."

The final step, according to Lueders, is the creation of a marketing fund for the dealers. He said the fund is currently coded, not too coincidentally, CSI — Customer Satisfaction Index. However, a committee is working on a permanent name for the fund.

Lueders said the division-generated fund will be used to pay bonuses to all dealership personnel based on the kind of performance they actually deliver at the contact level with the customer.

Lueders said Infiniti is developing a measuring system to determine the amount of the bonuses for the employees. The marketing fund is viewed as additional compensation that will be used to reduce personnel turnover at dealerships. He said payments likely will be made to employees quarterly.

All of the policies and procedures, the computer system and marketing fund, will be an important phase of the dealer training program Infiniti will conduct at its new national training center in Scottsdale, Ariz.

The $5 million, two-story, 27,000-square-foot building will serve as the headquarters for the company's comprehensive training program, incorporating all dealer sales, service parts and management functions.

As the model for all future Infiniti dealerships across the United States, the Scottsdale facility will be used to test and fine-tune dealership design and operations.

Lueders said the training center also will have a feature called Dedicated Delivery — a night depository system for 24-hour delivery of parts.

Approximately 65 Infiniti dealerships will be built prior to the introduction of the cars. Each dealership will be based on the training center's design and concept.

After the training sessions are completed and shortly before introduction of the cars, the training center will be converted into a functional dealership and sold to Herbert C. Pell III and Michael J. Heims, the Infiniti dealers in Scottsdale.

This $5 million dealer training facility will become the Scottsdale, Ariz., Infiniti dealership

Training sessions for dealers will begin shortly after construction is completed in early May, according to Lueders. The dealer training sessions will consist of facility and marketing presentations and a ride-and-drive of the new cars.

Lueders said training for technicians will begin about Sept. 18 in shifts of two classes of 12 each for two weeks.

He said Infiniti expects to train an average of one or two technicians per dealership in the first wave of phase of franchise appointments.

"We are recommending the dealer select general technicians rather than specialists for Infiniti training," Lueders said. "We are looking for guys with all-around service experience."

While the dealers must have trained technicians at start up, Lueders recognizes that there probably won't be much work for them in the initial stages, hence the bonus fund.

"We know, as anyone else in the industry — and you can check with the Acura dealers — the technicians are not going to be very busy on day one, unless the dealer goes in with a good used-car operation and predelivery inspection," Lueders said. "Our best guess tells us that each dealership on day one will have one or two technicians."

"What we have decided to do is encourage our dealers to have used-car operations. We think that for the health of the store and the health of the franchise, it is almost a necessity from day one," he said.

Asked whether a technician could live on that quarterly payment if there were no service work in the dealership for a few weeks, Lueders said, "Flat-rate day one for the average general technician is not going to work at our dealerships. We are going to have to come up with a different kind of pay plan and a pay system. We are going to recommend that to our dealers, but we are not yet quite there with such a plan. In the next month or two, we should have that finalized.

"But from day one, the dealer is not going to be able to have a technician on the typical flat-rate pay plan. There is no way to keep a guy. It's just impossible," he said.

"What we are trying to do, and it is a big involved process, is trying to figure out day one what is the minimum head count the dealer has to have to open up," Lueders said, "and then take a snapshot of that one year down the road."

SERVICE INDEX
102.6*

	Dec., '88 vs. Dec., '87	12 mos., '88 vs. 12 mos., '87
Gross Profit on All Labor and P&A Sales	+3.7%	+5.1%
Repair Orders Written	−0.3%	−0.6%
Total Labor Sales (Customer & Warranty)........	+2.4%	−2.6%
Shop Parts Sales (Customer & Warranty)........	+4.9%	+4.4%
Sales of All P&A...........	+2.3%	+4.3%

* Survey by Automotive News shows that dealers' service and parts business in December 1988 was 102.6 percent of business in December 1987. Service business in the 12 months of 1988 was 102.1 percent of business in the corresponding period in 1987.

SERVICE INDEX
109.8*

	Jan., '89 vs. Jan., '88
Gross Profit on All Labor and P&A Sales	+10.2%
Repair Orders Written	+ 5.8%
Total Labor Sales (Customer & Warranty)........	+11.4%
Shop Parts Sales (Customer & Warranty)........	+11.3%
Sales of All P&A...........	+10.2%

* Survey by Automotive News shows that dealers' service and parts business in January 1989 was 109.8 percent of business in January 1988.

Shop volume rises for '88, makes strong start in '89

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Service and parts business at new-car dealerships in December rebounded from declines in November and continued to expand after the first of the year.

In January, shop volume rose 9.8 percent over January 1988, according to the Automotive News Service Index.

That gain followed a shop volume increase of 2.6 percent in December, which boosted total 1988 shop volume 2.1 percent above 1987 totals.

The December advance, followed by an even better performance in January, capped a string of mixed results in the second half of 1988. While shop volume increased each month in the first half of last year, as well as in August and September, it was off slightly in July, October and November.

Parts and accessories sales to off-premises customers in December were 0.5 percent above the year-earlier total, although for all of 1988 the total rose 4.2 percent above 1987.

In January 1989, off-premises parts and accessories sales were 9.5 percent above January 1988 sales.

Gross profit on all labor, parts and accessories sales was the fastest growing segment of the shop index in 1988, as business in that category outpaced 1987 by 5.1 percent.

However, for December, customer and warranty shop parts sales, up 4.9 percent, posted the largest gain.

In December, the only category showing a decline from the year before was repair orders written, off 0.3 percent, although for the entire year, repair orders written declined 0.6 percent and total labor sales declined 2.6 percent.

In January, all categories posted year-to-year gains over 1988. In fact, repair orders written, up 5.8 percent, was the only category not to post a double-digit gain.

Schools respond to dealer needs

Automotive courses also include computer, interpersonal skills

By John Wisely
SPECIAL CORRESPONDENT

The quest for customer satisfaction and a high customer satisfaction index rating has not only affected the way dealerships are operated, it has also changed the way technical education is conducted.

Jack Richards, head of automotive studies at Ferris State University in Big Rapids, Mich., said that hiring practices indicate the attribute dealers want most in technical people is the ability to "handle driveability problems and relate with the customer."

Technical schools are responding to those needs by supplementing their traditional automotive curricula with more computer courses and with other courses intended to improve the interpersonal skills of the students.

Many of the schools that are affiliated with universities or community colleges are expanding their liberal arts requirements, such as English, speech, psychology and human relations to make the mechanic more responsive to customers' needs.

Typically, a technical school that is part of a college or university will have a two-year program leading to an associate's degree in applied science and then will offer an optional two-year program leading to a bachelor's degree in management.

The liberal arts courses are usually standard at most schools, but computer diagnostics courses can present a dilemma for educators. Because computer diagnostics are changing constantly and each manufacturer has its own system, the schools must decide which systems to teach and how to teach them.

Although all systems are different, they are beginning to show some similarities. "Everybody went their own route for emissions standards in the 1970s, but things are just now starting to look alike," Richards said. He added, however, that the systems are a long way from being interchangeable.

Students currently employed in the industry can be taught the system used by their employers. But students not yet employed do not know which system their future employer will use, so they must be ready for just about anything.

Richards said it is impractical to try to teach all systems on campus, so his school offers a comprehensive diagnostic program and some programs from specific manufacturers. He also said that good basic technical training is transferable and will make it easier to learn any kind of computer system.

The technology changes have also increased the need for hands-on training and, again, the schools have had to respond. Bob Henrickson, director of Mo-Tech Automotive Educational Center in Livonia, Mich., said, "Our courses are about 50 percent hands-on training in the classroom and 100 percent hands-on in the shop."

One way to get additional hands-on training is through internships. Harold Rockwell, dean of automotive studies at Northwood Institute in Midland, Mich., said that more and more of the students do not come from automotive backgrounds and the reasons for internships have changed.

In the past, the students came from automotive families and were looking for money in a summer job instead of getting experience. "Now, they are looking for something that is going to help them when they get out in the business," Rockwell said.

In other words, the learning experience that comes from working at a dealership or for a manufacturer is worth more to the student than the income that could be earned elsewhere. Rockwell also said it is important for students to express themselves well and to be prepared for interviews. Northwood students appear before a panel of dealers to answer questions before they can be certified, he said.

Internships traditionally are served at a dealership or manufacturer to give the students experience in their field. But some schools now provide that type of work environment on campus.

Shoreline Community College in Seattle has its own model dealership on campus. It is run by students. The students perform all the duties of a dealership staff, from repairs to paperwork, except actually selling cars.

Jim Hammond, executive director of the Puget Sound Automobile Dealers Association, which helped fund the model dealership, said it is an innovation in technical education because its teaching is twofold.

"The model dealership teaches them not only how to handle the cars they will be working on, but how to handle the customers as well," Hammond said.

The dealership cost $2.3 million and was funded by several businesses in the Seattle area and by the state of Washington. That price puts it out of range of most schools but others are using the same concept to a different degree.

Oklahoma State University Technical Branch at Okmulgee also has students working in a real-world atmosphere on campus. Steve Doede, head of the automotive technology department, said students work at the on-campus National Automotive Parts Association store and serve all the body shops on campus as well as the students' needs.

Videotape assures new-car buyer that dealership CAREs

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The new Chevrolet Nova had been sitting in the parking space outside Jacqueline Steinhart's apartment in Alexandria, Va., for nearly two weeks. Her infatuation with the shiny new car she bought was just about wearing off when a videotape called "Because we CARE" arrived in the mail last fall.

Steinhart's first reaction was, "What in the world is this?"

To Steinhart's surprise, the key employees of Pallone Chevrolet, Springfield, Va., where she had bought the Nova, appeared on her television screen, thanking her for the purchase and telling her about the dealership's hours and services.

The tape provided special telephone numbers, outlined how she could drop off her car at night for service the next day, and talked about maintenance schedules.

Steinhart was impressed: "There is a great deal I don't know about the maintenance and repair of my car — that can be a very scary feeling. The video gave me a comfortable feeling in that I could call Pallone and they would take care of my needs."

And when her Nova hit 5,000 miles she popped the tape back into her VCR and was reminded it was time for an oil change.

Steinhart is one of thousands of new car buyers in the Washington area who has received a videotape from a new-car dealer. The tape was prepared by VSI Productions, a Virginia-based company.

VSI is the brainchild of an unlikely duo: Keith Johnson, a former drummer for rock bands like Kiss, who professes to love cars but knows little about them, and Ron Poland, a car buff and 22-year veteran of the car business who has done everything from sell cars to manage a dealership.

Johnson and Poland joined forces two years ago to produce television ads called Video Car Lot, which featured dealers selling used cars. It was through exposure to the retail car business that Johnson realized dealers had unjustly gained a bad image.

"I could go up to anyone on the street and say, 'Give me your first reaction to these two words — car dealer' and the reaction would be negative," Johnson said. "If I asked them to react to the words 'used car dealer,' I'd usually get an expletive as the first word."

Poland suggested that he and Johnson put their skills to work at developing a video product that could help dealers shake this negative image.

Johnson was hesitant: "I just didn't see it."

But Poland persisted. "Many dealers are community-minded and involved . . . but the only thing that the public hears is about dealers turning back mileage and dealers who falsify contracts for new cars."

Johnson was persuaded a video program would work, provided the tapes were short enough to keep a customer's attention. They named the product Because We CARE (short for customer awareness and reassurance of excellence). The tapes are designed for each dealer and are about 12 minutes long.

An interested dealer is sent a script that suggests which employees could be shown on camera and what kind of message they could deliver. In addition to providing information, the videotape can help a dealer focus on problem areas, reinforce a dealership's commitment to correct errors and attempt to leave the customer satisfied with his selection of that dealership.

"Some put on their service managers and (they) say, 'We're not perfect. If we make a mistake, let us try to fix it.' " He said this kind of approach has helped some dealers improve their customer satisfaction rating.

Other dealers use the videotape to say their service department is just as competitive as the neighborhood garage for a new muffler or brake job, the kind of work some car owners wouldn't think of having performed at a dealership.

The tape is also a "hassle-free" form of advertising. After the initial taping session, the dealer just provides VSI with the names and addresses of new-car buyers, and VSI ships the videotapes.

VSI's fees are based on the dealership's annual sales. Fees range from $5,650 for producing the tape and $14 per tape (for the dealer who sells 360 or fewer vehicles annually) to no charge for production and $7.65 per tape for dealers whose sales volume exceeds 4,800 vehicles annually.

Dealers say the cost is worth the investment.

Mary Brandis, secretary/treasurer of Jennings Springfield Toyota in Springfield, Va., said her customers are pleased with the tape. Brandis said she couldn't say yet whether the tape has boosted sales, but she doesn't regret the investment. "They did a good job," she said.

Barry Drain, general manager of Pollone Chevrolet, said the dealership is pleased with the program. "We got good response. The videos did extremely well."

But Poland warns the videotape is no substitute for good service. "Creating the proper image will get the customer back the first time. But if you treat him like dirt, I don't care what kind of image you have, he'll never be back," he said.

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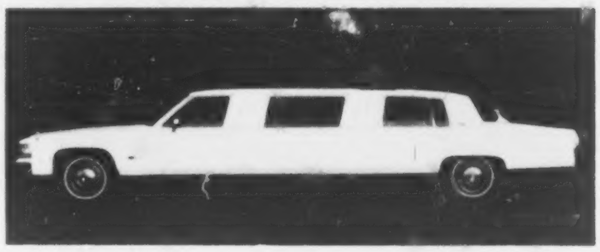

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California tightens gray-market air rules

By Tom Lankard
SPECIAL CORRESPONDENT

SACRAMENTO, Calif. — Emissions standards for used gray-market cars have been tightened in California.

Under the state's rules, recently approved by the EPA, gray-market cars more than two model years old must be equipped with an emissions control system previously approved by the state's Air Resources Board for that car and its engine.

Also, the car must meet the state's standards for the year of its original manufacture. Previously, used gray-market cars had to meet only the less-stringent federal standards.

The state's regulations for new gray-market cars, adopted in 1987 and covering cars two model years old or less, require that a car meet the emissions standards for the year it is first licensed in the state.

Any company that wants to modify direct imports for sale in California must now meet three basic requirements to obtain the state Air Resources Board's approval.

- It must use an emissions control system that meets the board's requirements.
- It must have a recall and warranty program.
- It must have insurance or post a bond with the board to cover the costs of a recall in the event the board orders one and the manufacturer is no longer in business.

Prior to the change, meeting federal standards for used gray-market cars meant nothing more than having a car's emissions control system altered to the extent necessary to get the car past a federally prescribed test on a dynamometer. That was the extent of the modifier's legal responsibilities to the car's buyer and government clean-air agencies.

In mid-1988, however, the EPA began its own phase-in of stricter rules for direct imports in all states except California. Generally, the federal rules for cars less than six model years old are similar to California's.

For cars between six and 20 model years old, EPA-licensed modifiers may use the dynamometer test to prove the effectiveness of their emissions control system.

In all cases, though, the modifier must have a recall and warranty program to cover any failures.

EPA's rules exempt cars more than 20 model years old.

NEW IMPORT CAR REGISTRATIONS

1988			1987		
Place	Make	Total	Place	Make	Total
1	Honda	662,136	1	Toyota	618,641
2	Toyota	644,763	2	Honda	613,221
3	Nissan	471,981	3	Nissan	516,649
4	Hyundai	263,248	4	Hyundai	261,800
5	Mazda	253,272	5	Mazda	214,938
6	Volkswagen	166,344	6	Volkswagen	178,868
7	Subaru	159,894	7	Subaru	172,564
8	Acura	129,589	8	Acura	104,715
9	Volvo	98,672	9	Volvo	101,008
10	Mercedes-Benz	84,557	10	Mercedes-Benz	93,176
Total all others		774,536	Total all others		778,758
Grand total import cars		3,708,996	Grand total import cars		3,654,138

SOURCE: R. L. Polk & Co.

NEW IMPORT LIGHT TRUCK REGISTRATIONS

1988			1987		
Place	Make	Total	Place	Make	Total
1	Toyota	280,166	1	Toyota	347,548
2	Nissan	168,856	2	Nissan	219,952
3	Mazda	99,020	3	Mazda	129,651
4	Isuzu	86,369	4	Isuzu	89,704
Total all others		217,440	Total all others		270,320
Grand total import trucks		851,853	Grand total import trucks		1,057,175

SOURCE: R. L. Polk & Co.

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April 5 — Columbus Fair Auto Auction, Obetz, Ohio, and Minneapolis Auto Auction, Plymouth, Minn.

April 6 — Fredericksburg Auto Auction, Fredericksburg, Va.; Salt Lake Auto Auction, Salt Lake City, and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

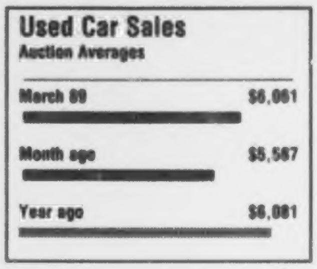
April 7 — St. Louis Auto Auction, Bridgeton, Mo.

Ford Motor Co.

April 4 — Newburgh Auto Auction, Newburgh, N.Y.

April 5 — Clanton's Auto Auction, Darlington, S.C.; Fort Worth Auto Auction, Fort Worth, Texas; Mississippi Auto Auction, Hattiesburg, Miss.; Southern California Auto Auction, Fontana, Calif.; Omaha Auto Auction, Omaha, Neb., and Salt Lake Auto Auction, Salt Lake City.

April 6 — Manheim Auto Auction, Manheim, Pa.; and St. Louis Auto Auction, Bridgeton, Mo.



Used Car Sales
Auction Averages

March 89	$6,061
Month ago	$5,567
Year ago	$6,081

Model Breakdown
Auction Averages

Year	MAR. 1989	FEB. 1989	JAN. 1989
1989 ...	$12,197	$13,118	$12,189
1988 ...	$8,751	$8,235	$8,612
1987 ...	$7,338	$7,289	$7,136
1986 ...	$5,975	$6,014	$5,944
1985 ...	$4,978	$4,764	$4,873
1984 ...	$3,942	$3,840	$3,790
1983 ...	$2,867	$2,683	$2,795
1982 ...	$2,612	$2,187	$2,246
Overall Average	$6,061	$5,676	$5,545

General Motors

April 4 — A.D.E. of Birmingham, Moody, Ala.; Harrisonburg Auto Auction, Harrisonburg, Va.; National Auto Dealer Exchange, Bordentown, N.J., and Florida Auto Auction of Orlando, Ocoee, Fla.

April 5 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn., and Golden Gate Auto Auction, Fremont, Calif.

April 6 — Southwest Auto Auction, Phoenix, Ariz.; Aptco Auto Auction, Taylor, Mich.; Butler Auto Auction, Gibsonia, Pa.; Big H Auto Auction, Houston, and Nashville Auto Auction, Nashville, Tenn.

April 7 — St. Louis Auto Auction, Bridgeton, Mo.

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Fort Worth Auto Auction (div. of GECAA); 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Tuesday. Contact: George Horton, 817-626-5494.

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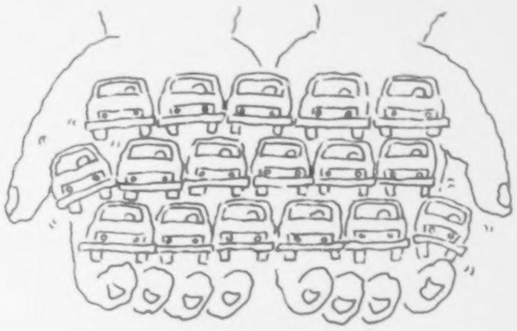

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L.A. auction adds inspection plan

"My Mechanic Dealer Protection Plan," an inspection service for customers, has been added at the Los Angeles Dealer Auto Auction.

"The program offers dealers the chance to evaluate the mechanical condition of their purchases with on-site, third-party inspections," said John Duca, auction manager.

My Mechanic Corp., a Massachusetts-based company offering diagnostic services to the automotive industry, backs its inspections with a seven-day warranty on the engine, transmission, drive axle, air conditioning and frame.

Cost of the inspection and warranty is $35. The fee is split between My Mechanic and the auction.

The program operates as an after-sale inspection but a spokeswoman said eventually it will be converted to a pre-inspection program.

Dealers make their purchases, then bring the vehicles to My Mechanic's on-site facility for evaluation. A seven-day warranty is issued on all vehicles that pass inspection.

If the vehicle doesn't pass, the My Mechanic inspection report can help a buyer reach a quicker and more equitable settlement with the seller through arbitration, said Bob Wolfsen, auction operations manger.

All mechanics are certified by the National Institute for Automotive Service Excellence.

"Dealers are just like consumers," Wolfsen said. "They worry about ending up with somebody else's problem, too. And unlike consumers, lemon laws don't protect them."

The auction is a subsidiary of GE Capital Auto Auctions.

AUCTION BRIEFS

CHARLES THOMAS

Prep center opens

Omaha Auto Auction has opened a $1.5 million vehicle reconditioning center that can recondition up to 1,200 vehicles per week.

Staffed by 40 reconditioning specialists, the 35,000-square-foot facility is on the auction's 47 acres in Omaha, Neb.

The facility can recondition up to 150 vehicles per eight-hour shift and can complete body work on about 240 vehicles a week.

"Omaha Auto Auction has been one of the most efficient and profitable auctions in our system," said Michael J. Richardson, president and chief executive officer of Anglo American Auto Auctions.

The auction, one of 21 owned by the company in the United States, has five lanes and 47 acres of blacktop storage space for vehicles.

Record truck sale

Anglo American Truck Auctions' Atlanta subsidiary, Southern States Vehicle Auction, had a record sale in February selling 212 of 302 trucks consigned, or 71 percent, for a total of $1.2 million.

The consignment, sales percentage and value of trucks sold were all records for Southern States Vehicle Auction.

"Trucks are in short supply in the South and demand is heavy," said Carl Miskotten, president of truck services for Indiana-based Anglo American Truck Auctions.

Included in the record sale were 80 Ford U-Haul trucks; 40 beverage-carrying Ford, Chevrolet, GMC and International trucks from the Coca-Cola fleet; 44 GMC Brigadiers; 27 new Chevrolet Tiltmasters that were untitled 1987 models, and a wide variety of dealer-consigned trucks and trailers.

Sales reach peak

Minneapolis Auto Auction, a GE Capital Auto Auction, set a volume record by selling more than 10,000 vehicles for Chrysler Motors in 1988.

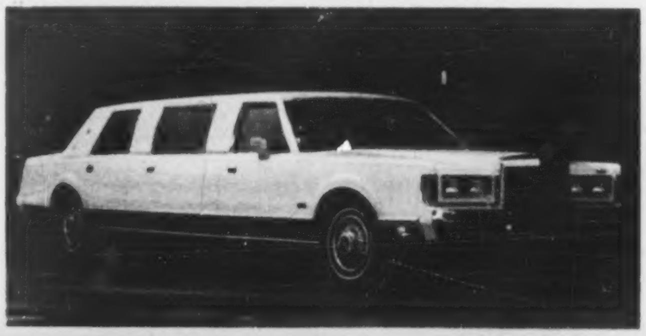
Bill Rambow, assistant general manager of the auction, attributed the increase to a strong joint marketing effort by the auction and Chrysler.

"Both groups worked very hard. It was a consistent effort throughout the year," he said. "One of our goals was to increase dealer attendance and unit sales."

Wayne Snyder, used-vehicle sales and marketing manager for Chrysler, said the number of Chrysler dealers supporting closed dealer auctions is growing.

Only franchised Chrysler dealers are permitted to buy cars at closed auctions. The cars are program vehicles from rental companies and executive vehicles.

GE Capital Auto Auctions, based in Barrington, Ill., operates 18 auto auctions nationally.



64-inch stretch
American Custom Coachworks, Beverly Hills, Calif., has unveiled a 64-inch stretch of the 1989 Lincoln Town Car. Approximately 250 will be built. The five-door conversion retails for $64,000; the regular Town Car starts at $25,562.

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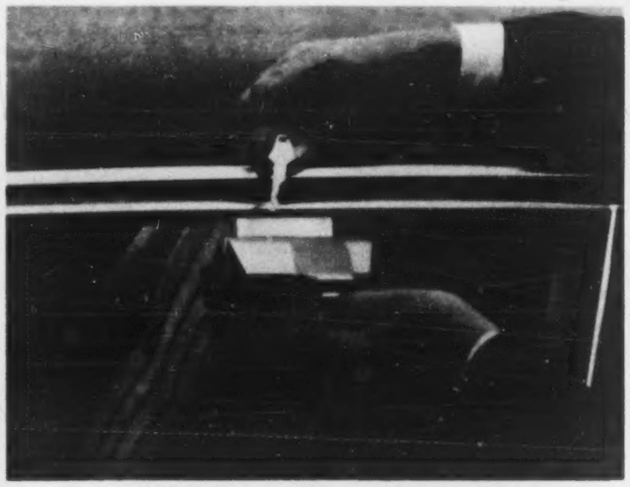

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DEALERS

FROM PAGE 1

try that the annual spring rebound — which traditionally begins in mid-March — "just is not happening" this year.

An NADA study showed that the average pre-tax profit for an import dealership in 1988 was 1.6 percent of dollar sales, the same as for domestic dealerships, but below the average import store pre-tax profit of 2.2 percent in 1987.

Pre-tax profits for domestic dealerships dropped slightly to 1.6 percent of sales in 1988 compared with 1.7 percent of sales in 1987, according to the NADA study.

Import franchises in the NADA study were Honda, Toyota, Nissan, Mazda, Mercedes-Benz and Volvo. Domestic lines were Ford Motor Co. (Ford Division and Lincoln-Mercury combined), Chrysler Motors (Chrysler-Plymouth and Dodge combined), Buick, Cadillac, Chevrolet, Oldsmobile and Pontiac.

Jeep-Eagle was not included in the Chrysler Motors report.

Total dealership pre-tax profits — all makes — totaled $4.7 billion in 1988, down from $5.0 billion in 1987. The decline in total dealership profits occurred despite a 4 percent increase in the number of vehicles sold and a 9 percent increase in total dollar sales.

Total dollar sales reached a record $293.1 billion in 1988.

Dealership profits in 1988 were hurt by lower new-vehicle profits and higher expenses. Import-make dealerships were hit the hardest in 1988 as they experienced sharp price increases from their manufacturers, lower demand for luxury vehicles and a rise in floorplanning expenses, especially among European luxury-make dealerships. Kelderman said European-make dealerships reported the highest increase in floorplanning costs because dealers were not moving the higher-priced cars as quickly as in the past.

Both Japanese- and European-make dealerships relied heavily on income from their service and parts business in 1988. NADA said the parts and service departments contributed 67 percent of the total pre-tax profits for Japanese-make dealerships and 97 percent of the profits for all European-make dealerships. That compares with 11 percent of total profits from parts and service for domestic dealerships.

On the sales side, domestic dealerships as a whole received 61 percent of their pre-tax profits from their new-vehicle sales compared with 6 percent for Japanese-make dealerships and losses for European make dealerships. Kelderman said European-make dealerships suffered greater sales declines than Japanese-make dealerships on a percentage basis.

The remainder of the profits were from used-car sales.

Honda dealers reported an average pre-tax profit of 2.3 percent of sales — the highest for any franchise in the survey — compared with 2.7 percent in 1987.

Among the domestics, Ford Division and Lincoln-Mercury dealers recorded the highest average pre-tax profit as a percentage of sales — 2 percent of sales.

Cadillac and Buick dealers both reported average pre-tax profit margins of 1.1 percent in 1987 and 1988. Pontiac was the only GM franchise to see a decline in average dealership profits: 1.4 percent of sales in 1988, down from 1.7 percent in 1987.

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Output rises in another 4-day week

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Domestic automakers scheduled production of 132,420 units last week, 3.86 percent more than the previous week's 127,502 and 4.50 percent more than the year-ago week's 126,723.

All three were four-day weeks. Production was affected by the shutdowns for Good Friday and Martin Luther King Jr. Day.

So far this year, 1,905,785 cars have been assembled, 14.04 percent more than the 1,671,175 completed last year at this point.

Companies split last week's scheduled output as follows: General Motors, 46.41 percent; Ford Motor Co., 25.37 percent; Chrysler Motors, 12.69 percent; Honda of America Manufacturing, 5.85 percent; New United Motor Manufacturing Inc., 3.02 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 2.81 percent; Nissan Motor Manufacturing Corp. U.S.A., 1.59 percent; Toyota Motor Manufacturing U.S.A., 1.46 percent; and Diamond-Star Motors, 0.80 percent.

Truck production was slated at 74,132 units last week, 2.16 percent more than the prior week's 72,562 and 10.46 percent more than the year-ago week's 67,113.

Year-to-date, 1,157,110 trucks have been built, 7.03 percent more than the 1,081,081 assembled last year at this time.

Toyota announced that it has reached full production of 400 cars a day on the first shift at its plant in Georgetown, Ky.

GM's Linden, N.J., plant was closed last week for inventory adjustment. The plant was expected to reopen today.

As reported earlier, GM's Janesville, Wis., truck plant is idle until late July for model changeover. About 1,000 workers are laid off.

Overtime was slated last Saturday at GM's Lordstown, Ohio; Arlington, Texas; and Oklahoma City plants.

Chrysler scheduled overtime last Saturday at Newark, Del.; St. Louis (No. 2) and Toledo, Ohio.

Ford scheduled overtime last Saturday at its Lorain, Ohio; Wixom, Mich.; and Twin Cities, Mo., plants.

Full week hikes Canadian totals

Canadian automakers planned to build 21,312 units last week, 24.28 percent more than the previous week's 17,148 but 1.42 percent below the year-ago week's 21,619.

Production in the previous week and the year-ago week was affected by the Good Friday holiday.

So far this year, 254,397 cars have been assembled, 11.33 percent below the 286,896 produced last year at this point.

Truckmakers targeted 21,057 units last week, 32.20 percent more than the prior week's 15,928 and 38.42 percent more than the year-ago week's 15,212.

Year-to-date, 261,742 trucks have been assembled, 6.54 percent more than the 245,679 built last year at this time.

U.S. CAR	Week Ended Apr. 1, 1989	Week Ended Apr. 2, 1988	Week Ended Mar. 25, 1989	Mar. Est.	Jan. 1 to Apr. 1, 1989	Jan. 1 to Apr. 2, 1988
Horizon	400	1,518	211	611	611	21,985
Sundance	1,800	1,987	1,944	9,691	29,923	27,237
Reliant	0	1,991	0	0	0	22,337
Acclaim	2,900	0	2,342	13,730	29,985	0
Caravelle	0	537	0	0	0	4,856
Gran Fury	0	169	0	0	0	2,678
Total Plymouth	5,100	6,202	4,497	24,032	60,519	79,093
LeBaron K	0	400	0	0	0	4,082
LeBaron J	1,700	1,542	1,833	9,005	28,413	14,025
LeBaron GTS	0	190	0	262	2,946	2,137
N. Yorker C-Class	1,800	1,852	1,885	10,904	32,528	22,217
Fifth Avenue	0	158	0	0	0	11,182
Total Chrysler	3,500	4,142	3,718	20,261	63,887	57,694
Omni	400	1,521	308	708	708	21,610
Daytona	1,700	1,557	1,829	9,021	28,459	13,405
Shadow	1,800	1,577	1,888	9,673	30,353	28,279
Aries	0	1,766	0	0	0	18,413
Dodge 600	0	359	0	0	0	4,201
Dynasty	2,100	2,140	2,386	13,222	40,669	28,961
Lancer	0	126	0	32	1,528	2,947
Spirit	2,200	0	1,955	10,887	27,425	0
Diplomat	0	457	0	0	0	5,572
Total Dodge	8,200	9,503	8,366	43,544	129,142	123,368
CHRYSLER MOTORS	16,800	19,847	16,581	87,837	253,548	260,175
Escort	6,039	3,885	5,856	28,995	92,788	85,186
Mustang	3,459	3,634	3,451	17,862	53,300	57,447
Tempo	2,983	3,072	2,411	13,684	43,039	52,770
Taurus	6,569	6,536	6,277	33,725	100,630	101,767
Thunderbird	3,962	2,755	3,088	16,467	47,111	41,908
Total Ford Div.	23,012	19,882	20,883	110,734	336,868	339,080
Topaz	730	1,377	1,197	5,169	16,341	19,817
Cougar	2,649	1,825	2,280	14,394	39,596	31,910
Sable	2,640	2,378	3,103	13,633	35,300	32,378
Total Mercury	6,019	5,580	6,580	33,196	91,237	84,105
Continental	1,371	749	1,145	6,604	19,191	11,358
Mark VII	456	374	379	2,198	7,646	6,774
Lincoln	2,741	2,237	2,284	13,200	34,519	38,284
Total Lincoln	4,568	3,360	3,808	22,002	61,356	56,416
Total L-M Division	10,587	8,940	10,388	55,197	152,593	140,521
FORD MOTOR CO.	33,599	28,822	31,271	165,931	489,461	479,601
Skyhawk	274	875	153	6,126	8,992	9,070
Skylark/Somerset	1,044	291	1,054	5,520	13,553	6,029
Century	2,248	2,368	1,858	10,481	32,247	18,172
Riviera	430	88	420	2,364	7,459	1,827
Electra	1,561	1,125	1,557	5,864	21,243	17,574
LeSabre (fwd)	3,857	2,315	3,829	17,810	26,701	32,231
LeSabre (rwd)	165	172	128	809	2,484	1,860
Reatta	162	107	162	628	1,797	1,008
Total Buick	9,741	7,341	9,161	49,603	114,476	87,771
Cimmaron	0	117	0	0	0	3,049
Eldorado	753	707	790	3,823	9,782	9,165
Seville	466	425	478	2,468	7,217	6,014
Brougham (rwd)	710	1,121	543	3,309	11,817	639
Deville (fwd)	3,808	3,203	3,921	20,357	57,400	50,047
Allante	56	52	60	309	924	583
Total Cadillac	5,793	5,625	5,792	30,266	87,140	69,497
Cavalier	6,250	5,575	4,992	27,416	96,168	84,483
Camaro	2,424	1,923	2,239	11,191	31,376	15,681
Celebrity	2,145	2,816	1,859	10,820	41,640	39,303
Corsica/Beretta	3,744	7,302	7,443	35,152	109,669	100,913
Caprice	4,670	2,602	3,572	21,438	52,444	50,106
Corvette	560	380	504	2,535	6,708	5,546
Total Chevrolet	19,793	20,578	20,609	108,553	340,005	296,034
Calais	1,836	1,544	1,864	9,671	23,332	26,372
Firenza	0	401	0	0	0	4,452
Cutlass Ciera	1,080	0	1,455	7,271	21,370	0
Cutlass Supreme	2,676	9,137	2,869	5,545	27,113	25,127
Toronado	143	283	160	692	2,930	4,565
88 (fwd)	2,756	3,562	2,739	9,122	41,283	39,829
88 (rwd)	125	211	87	542	1,936	3,297
Olds 98	1,741	1,536	1,736	7,267	24,215	23,073
Total Oldsmobile	10,357	16,674	10,910	40,110	142,179	125,981
Sunbird	2,804	1,756	2,898	15,604	37,567	27,466
Grand Am	4,155	3,891	4,163	23,104	64,036	61,403
Firebird	1,052	1,345	1,054	6,288	18,933	13,299
Grand Prix	3,476	2,602	2,978	14,454	34,455	26,389
Pontiac 6000	1,825	2,207	1,460	8,365	23,807	15,939
Bonneville	2,352	1,686	2,342	6,065	23,299	23,849
Safari/Parisienne	105	168	76	486	1,375	1,837
Fiero	0	450	0	0	0	4,735
Total Pontiac	15,769	14,105	14,971	74,386	203,474	165,807
GENERAL MOTORS	61,453	64,323	61,443	302,918	887,274	745,090
DIAMOND-STAR	1,056	0	876	4,373	9,336	0
HONDA	7,750	5,861	6,144	34,130	100,112	91,475
Civic	2,460	1,641	2,054	11,044	33,324	22,583
Accord	5,290	4,220	4,090	23,085	66,788	68,892
MAZDA†	3,725	1,571	3,837	20,700	61,499	16,361
NISSAN	2,109	2,366	2,058	10,265	29,598	20,554
NUMMI	4,000	2,640	3,218	18,901	49,963	40,793
Corolla	1,600	968	1,312	7,696	21,125	14,486
Geo Prizm/Nova	2,400	1,672	1,906	11,204	28,838	26,307
TOYOTA	1,928	0	2,074	9,243	24,995	0
VOLKSWAGEN	0	1,291	0	0	0	17,126
Golf/GTI	0	946	0	0	0	11,831
Jetta	0	345	0	0	0	5,295
Total Cars, U.S.	132,420	126,723	127,502	654,298	1,905,785	1,671,175
Total Cars, Canada	21,312	21,619	17,148	90,470	254,397	286,896
U.S., Canada Cars	153,732	148,342	144,650	744,768	2,160,182	1,958,071
U.S., Canada Cars and Trucks	248,921	230,667	233,140	1,224,546	3,579,034	3,284,831

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended Apr. 1, 1989	Week Ended Apr. 2, 1988	Week Ended Mar. 25, 1989	Mar. Est.	Jan. 1 to Apr. 1, 1989	Jan. 1 to Apr. 2, 1988
Premier	1,275	1,370	1,010	3,050	12,570	17,456
CHRYSLER MOTORS	1,275	1,370	1,010	3,050	12,570	17,456
Tempo	3,345	3,698	2,682	14,842	45,586	53,545
Topaz	1,455	1,116	1,139	6,387	18,301	18,742
Crown Victoria	2,904	2,387	2,410	12,800	34,820	36,282
Grand Marquis	2,856	2,380	2,401	12,655	36,309	35,642
FORD MOTOR CO.	10,560	9,581	8,632	46,684	135,016	144,211
Celebrity	213	288	140	841	2,488	4,644
Cutlass Ciera	4,059	5,951	3,025	16,421	47,869	60,165
Lumina	2,685	0	1,206	6,100	9,266	0
Pontiac 6000	0	893	0	0	0	11,913
Regal	595	2,838	1,367	7,996	22,301	38,871
GENERAL MOTORS	7,552	9,970	5,738	31,418	81,924	115,593
HONDA	1,465	548	1,414	7,468	21,060	8,070
TOYOTA	260	0	210	1,058	1,614	0
VOLVO	180	150	144	792	2,213	1,567
Total Cars, Canada	21,312	21,619	17,148	90,470	254,397	286,896

U.S. TRUCK☆	Week Ended Apr. 1, 1989	Week Ended Apr. 2, 1988	Week Ended Mar. 24, 1989	Mar. Est.	Jan. 1 to Apr. 1, 1989	Jan. 1 to Apr. 2, 1988
Caravan	2,000	1,481	1,685	9,569	28,916	25,765
Dakota	1,800	2,272	1,959	10,365	28,493	30,631
Mini-Ram Van	100	277	155	759	2,486	3,907
Pickups	1,800	1,116	1,967	10,373	28,477	14,971
Total Dodge	5,700	5,146	5,766	31,067	88,372	75,274
Cherokee	4,100	2,512	3,614	20,740	57,901	45,691
Commanche	500	720	493	2,708	8,966	12,513
Grand Wagoneer	200	280	280	1,374	4,229	3,392
Wagoneer	200	184	137	911	2,621	3,469
Total Jeep	5,000	3,696	4,524	25,732	73,737	65,065
Voyager	1,900	1,322	1,580	9,039	27,863	23,723
Total Plymouth	1,900	1,322	1,580	9,039	27,863	23,723
CHRYSLER MOTORS	12,600	10,164	11,870	65,838	189,972	164,062
Aerostar	3,975	3,600	3,990	21,136	61,453	59,052
Bronco	1,442	967	1,450	8,009	24,176	16,119
Bronco II	2,328	2,442	2,278	12,181	35,975	39,024
Econoline	4,167	4,160	4,159	21,806	64,204	65,720
Heavy trucks	1,173	1,114	1,151	6,407	17,625	17,247
Light trucks	9,309	8,303	9,027	47,874	141,133	131,806
Ranger	6,558	5,886	6,145	32,393	94,924	93,973
Total Ford Div.	28,952	26,472	28,200	149,807	439,490	422,741
FORD MOTOR CO.	28,952	26,472	28,200	149,807	439,490	422,741
Astro	2,591	2,467	2,933	15,168	44,319	45,180
Blazer	530	401	564	2,584	7,331	6,954
Mediums/Heavies	0	232	0	0	0	6,286
P-Model	618	707	684	3,369	7,854	10,100
Pickups	6,528	5,126	6,999	36,197	114,336	81,342
S-10	4,160	5,315	4,257	23,865	74,978	70,809
S-10 Blazer	3,289	2,797	3,313	18,070	50,239	39,293
Sportsvan/Van	1,893	1,699	1,691	9,371	24,506	18,846
Suburban	1,368	1,078	1,153	6,747	20,088	18,401
Total Chevrolet	20,977	19,822	21,594	115,370	343,651	297,211
Jimmy	111	131	148	745	2,242	2,318
Mediums/Heavies	0	777	0	0	0	11,731
P-Model	11	113	29	224	1,030	989
Pickups	1,019	1,401	817	7,372	31,128	27,413
S-15	679	306	1,156	6,020	17,784	19,331
S-15 Jimmy	932	732	1,041	5,275	14,347	9,806
Safari	550	724	649	3,677	11,111	11,532
Suburban	463	518	450	2,604	7,969	9,467
Vandura/Rally Vans	475	316	420	2,343	6,417	10,803
Total GMC	4,440	5,018	4,710	26,260	92,028	103,392
GENERAL MOTORS	25,417	24,840	26,304	143,630	435,679	400,603
NAVISTAR	1,920	1,400	1,534	8,144	22,299	22,339
NISSAN	2,493	1,487	2,454	12,164	35,020	35,586
AM GENERAL	450	450	300	1,980	5,670	5,850
MISCELLANEOUS	2,300	2,300	·1,840	10,120	28,980	29,900
Total Trucks, U.S.	74,132	67,113	72,562	391,683	1,157,110	1,081,081

CANADIAN TRUCK	Week Ended Apr. 1, 1989	Week Ended Apr. 2, 1988	Week Ended Mar. 24, 1989	Mar. Est.	Jan. 1 to Apr. 1, 1989	Jan. 1 to Apr. 2, 1988
Caravan	3,137	2,139	2,097	13,452	40,121	38,700
Mini-Ram Van	193	231	149	865	2,558	3,430
Ram Wagon	708	470	534	2,278	7,863	5,939
Ram Van	1,642	1,101	1,403	5,830	20,196	14,864
Total Dodge	5,680	3,941	4,183	22,426	70,758	62,933
Voyager	2,814	1,866	1,943	12,281	35,219	36,078
Total Plymouth	2,814	1,866	1,943	12,281	35,219	36,078
Wrangler	1,700	865	1,492	8,015	20,356	13,005
Total Jeep	1,700	865	1,492	8,015	20,356	13,005
CHRYSLER MOTORS	10,194	6,672	7,618	42,722	126,333	112,016
FORD MTR. (lt. trks.)	3,648	3,094	3,054	15,793	44,260	45,993
Light trucks	3,947	2,185	2,925	14,627	43,389	40,578
Vans	1,560	871	990	6,097	18,008	15,897
Total Chevrolet	5,507	3,056	3,915	20,724	61,397	56,475
Light trucks	853	1,532	531	4,583	18,023	20,078
Vans	585	677	593	3,080	8,582	8,239
Total GMC	1,438	2,209	1,124	7,663	26,605	28,317
GENERAL MOTORS	6,945	5,265	5,039	28,387	88,002	84,792
NAVISTAR	270	181	217	1,193	3,147	2,878
Total Trks., Canada	21,057	15,212	15,928	88,095	261,742	245,679
U.S., Canada Trks.	95,189	82,325	88,490	479,778	1,418,852	1,326,760

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

Automotive News®

April 10, 1989

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Subaru upheld on franchising

Race not issue, Fla. court says

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

A Florida used-car dealer lost his bid for a Subaru franchise after failing to convince a Dade County Circuit Court judge to restrain Subaru from giving the franchise to someone else.

Don Lloyd, owner of Don L Motors, had charged that Subaru of America denied him a franchise because his business is in a predominantly black area of Miami.

"The judge said race played no role in our cancellation of the franchise," said Philip Lustbader, Subaru of America group vice president and general counsel.

Circuit Judge Gerald Wetherington ruled last week that Subaru had the right to cancel its letter of intent with Lloyd because he failed to fully disclose that he was investigated by U.S. Customs for importing gray-market cars.

Subaru had maintained all along that it canceled the franchise because of the criminal investigation by Customs. The investigation is over and no charges have been filed against him so far, the dealer said. He said he had informed Subaru of the investigation.

Wetherington had separated Lloyd's suit against Subaru into three parts — redlining, breach of contract and negligence.

Last week's arguments centered on whether Subaru should sign a dealership agreement with Lloyd. He sought an injunction restraining Subaru from giving the franchise to someone else.

According to Subaru's Lustbader, the ruling also nullifies the negligence charge.

Arlene Muenz, Lloyd's attorney, said the court will be asked to rehear the case on procedural grounds. The judge must deny a rehearing before it can be appealed to the Florida appellate court.

Meanwhile, both Subaru Credit Corp. and Marine Midland Automotive Financial Corp. — also named in Lloyd's suit — have asked for dismissal of the redlining charge. Marine Midland is a partner with Subaru in Subaru Credit Corp., the importer's captive finance company.

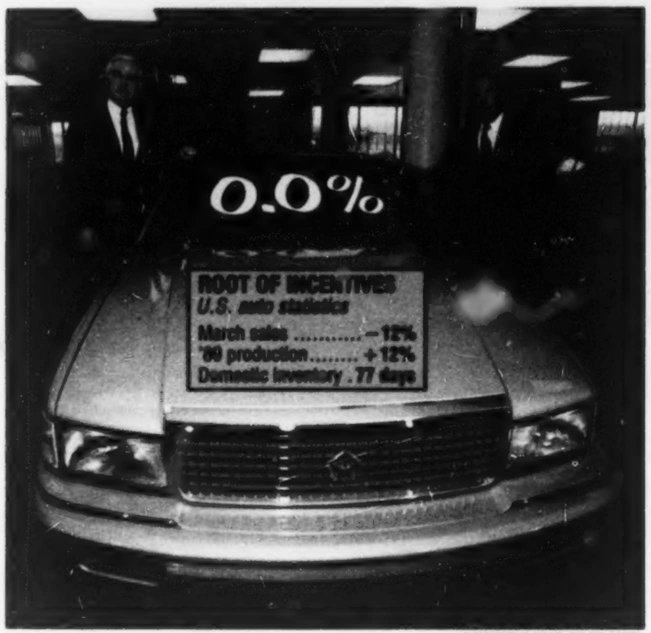
Lloyd said he will probably drop the redlining charge unless a civil rights group comes forward to pursue it.

Whether Lloyd can prevail on his redlining charge on his own is doubtful because none of his customers were actually denied credit by Subaru Credit or Marine Midland. Lloyd is white.

Lloyd's redlining charge was rooted in the location of his dealership, in a 78 percent black area of Miami.

"The whole race issue was subterfuge," said Subaru's Lustbader.

see SUBARU, page 55


0.0%
ROOT OF INCENTIVES
U.S. auto statistics
March sales .... −12%
'89 production........ +12%
Domestic inventory . 77 days

AUTOMOTIVE NEWS/JOE WILSSENS

Lutz, left, and Bidwell announce Chrysler's new incentive program

Dealers reduce build-out orders

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — While automakers continue to express optimism that bold incentive campaigns will resuscitate a sagging market, domestic-car dealers throughout the country report they are reducing 1989 model year build-out orders due in late April and early May.

If the trend continues, domestic automakers will face production cuts or extended model changeovers this summer as their aggressive production schedules collide with mounting dealer wariness that the market cannot rebound to 1988 levels.

Big 3 dealers interviewed by Automotive News said that despite the latest round of incentives, they are not ordering as many build-out units as they did one year ago.

Chrysler Motors last week became the third Detroit automaker to offer aggressive, wide-ranging incentives. It began offering 24-month loans at zero interest for all new 1988- and 1989-model cars and selected trucks. Chrysler also sweetened rebates and offered additional low-interest loan rates in response to the programs announced at the end of March by General Motors and Ford Motor Co.

Details of new incentive programs, Page 53

Import companies also re-

see BUILD-OUT, page 52

Changes slow GM's F

Camaro/Firebird may be delayed until '93

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors' next-generation Pontiac Firebird and Chevrolet Camaro — now scheduled for introduction as 1992½ models — may actually end up 1993 models because of last-minute changes in the program.

Economic considerations and new technologies have sent GM engineers and designers back to the drawing boards, sources familiar with the project said.

Meanwhile, the current generation Firebird/Camaro will be freshened up in the spring of 1990, though the changes are minor, and labeled 1991 models.

The next-generation Firebird and Camaro, planned for a 1992½ or 1993 launch, will be rear-wheel-drive cars, just like today's models. But they will be built on a space-frame chassis, a bird-cage like structure to which body panels are attached. Originally, all of the body panels were to be composite plastics, but now GM is considering a combination of plastic and steel panels because of costs. Those decisions will be made within a couple of months.

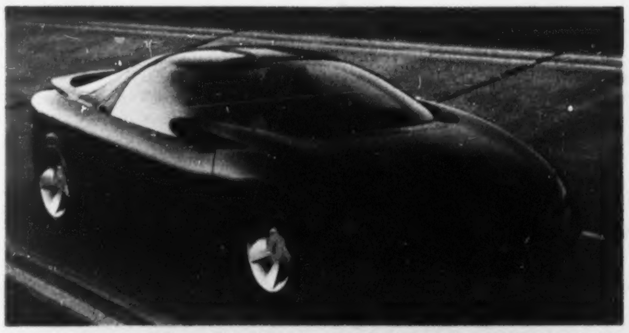
Also to be decided in that time-frame are details of the engines for the new Firebird and Camaro. The current base engine in the Firebird and Camaro is a 2.8-liter V-6 with multi-port fuel injection. The base engine in the next generation will be an upgraded version of the same engine. It will feature new technology and likely will have a larger displacement.

The Series 3400 engine, GM's new dual-overhead cam, 3.4-liter, high-performance V-6 has been ruled out.

The high-performance versions of Firebird and Camaro will be powered by a V-8. An all-new V-8 is being considered to replace the 5-liter V-8 in today's F-cars, as they are known within GM.

The new V-8 slated for the Fire-

see F-CAR, page 51



The new Camaro styling will be based on the California Camaro Concept 1990

AUTOMOTIVE NEWS/JOE WILSSENS

The next-generation Firebird styling will be similar to the Banshee concept car

Reaching high

Truck industry on road to powerful 1989

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

ORLANDO, Fla. — As medium- and heavy-truck dealers gather for TRX-89, the 26th annual American Truck Dealers convention and exposition, their financial health and the industry's market outlook are the best they have been in years.

In most dealerships, sales and profits are up strongly, according to ATD's most recent 20 Group surveys. ATD is a division of the National Automobile Dealers Association.

At the same time, medium- and heavy-truck manufacturers have been producing at full capacity. In contrast to plant shutdowns and capacity cutbacks of recent years, a number of companies — Kenworth Truck Co., Volvo GM Heavy Truck Corp. and Freightliner Corp. — are adding facilities.

Industry forecasters are looking for 1989 to emulate last year, which was the best in a decade. Some feel 1990 will bring record sales. In the short and long terms, however, there are still worrisome clouds on the horizon.

Rising interest rates, for example, could take their toll on sales. And 1991 emission standards promise to drive prices up sharply, with a potentially big impact on sales.

But for the time being, the industry is enjoying some welcome prosperity.

"I haven't been as optimistic as far as the dealers are concerned for some time," said Bob Young, manager of ATD Consulting Services, McLean, Va.

He pointed to a "lot of good stuff" in the average truck dealer's financial results last year, as represented by ATD's 20 Groups. The 20 Groups — which organize about 20 dealers with similarly sized dealerships and products into regular meetings to discuss all facets of their business — include more than 200 medium- and heavy-truck dealers.

The data indicate dealers are doing a somewhat better job of managing their businesses. Their unit sales have increased, but the real key to their improved before-tax profits is in management — particularly in used-truck operations.

The medium- and heavy-truck dealers' average monthly pre-tax profit as a percent of sales was 2.2 percent in 1988, up from 1.8 percent the previous year. By comparison, car dealers averaged 1.6 percent in 1988 and 1.9 percent in 1987, according to NADA.

see ATD, page 28

Toyota U.S. elevates 8 to VP posts

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — Toyota Motor Sales U.S.A. promoted eight managers to vice president in what was described as a "youth movement" to prepare for future growth.

"Our goal by the mid-1990s is to sell 1.5 million vehicles in the United States," said Robert B. McCurry, Toyota's executive vice president of sales and operations. "To do that, we have to have more senior people."

While Toyota referred to the changes as a reorganization, few duties or reporting relationships changed.

An exception is George Borst, 40, the youngest of the new vice presidents. He was promoted from corporate marketing manager to vice president of marketing and strategic planning. His new duties include strategic planning and product planning in addition to marketing, merchandising, advertising and sales training.

Borst

Illingworth

Olson

Pitts

Other promotions include: J. Davis Illingworth, 45, vice president and general manager of Lexus Division, from general manager; James R. Olson, 47, vice president of public affairs, from corporate public affairs manager; and Robert Pitts, 41, vice president and gen-

see TOYOTA, page 51

Show stopper
This Cadillac Seville Ultra, developed by the General Motors Advanced Concept Center in California, was designed as a "what if . . ." project car to explore the outer regions of Cadillac performance. Unveiled at the 1989 Arizona Auto Show last week, the Seville Ultra sports a 275-horsepower, 4.5-liter engine built by Jack Rousch Racing that is said to be capable of propelling the car to speeds up to 150 mph. A Cadillac spokesman said there is no plan to put this car in production.

Ford gives nod to Gilmour; Ross, Trotman to new jobs

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. will shuffle three key executives in a series of moves to be announced today.

Ford is expected to reveal in its annual proxy statement that Allan D. Gilmour, 54, will become executive vice president of corporate staffs. In addition, Gilmour — whom many observers believe is destined to head Ford someday — will return to the four-man office of the chief executive after an 18-month absence.

Louis R. Ross, 57, will replace Gilmour as executive vice president in charge of international operations. Ross will be succeeded by Alexander J. Trotman, 55.

The changes, which have been approved by Ford's board of directors, take effect May 1.

Gilmour will assume a title that has not been used for nearly a decade. Vice Chairman Harold Poling was executive vice president of operating staffs in 1979, before he was put in charge of North American Automotive Operations. What Gilmour's duties will be is unclear.

The vacancy in the office of chief executive was created by the April 1 retirement of William Clay Ford.

Gilmour had served in that office as Ford's chief financial officer until October 1987, when he was named head of international automotive operations. Although the move was a step down on paper, it gave Gilmour an opportunity to run an automotive operation and experience on the international scene. Both are viewed as essential rungs on the ladder to the top.

Poling is due to retire in 1990; Chairman Donald Petersen turns 65 in 1991.

Ross, in a lateral move, takes over on the international side after more than four years as head of NAAO. He oversaw the launch of the Ford Taurus/Mercury Sable as well as some significant gains in market share in North America.

Gilmour

Ross will continue to report to Philip E. Benton Jr., 60, president of the Ford Automotive Group.

Trotman's ascension will give him his fourth job in 14 months. Early last year he was promoted from president of Ford of Europe to chairman. On Feb. 1, 1989, he moved to the United States as an executive vice president, reporting to Ross.

Although the arrangement was not without precedent, it was peculiar. It appears to have been a vehicle to get Trotman reacquainted with the North American market.

Iacocca takes cut

Compensation fell below $4 million

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — Chrysler Corp. Chairman Lee Iacocca, who took home $17.9 million in compensation in 1987, received compensation totaling $3.66 million in 1988.

In 1988, Iacocca exercised stock options valued at less than $2.03 million compared to the $13.45 million in options he exercized in 1987, according to the company's proxy statement mailed to shareholders on Friday.

General Motors and Ford Motor Co. are expected to release proxy statements this week.

Chrysler Motors Chairman Bennett Bidwell was the only other executive to exercise warrants among the five highest-paid Chrysler employees. As a result, the compensation of Chrysler's top-five executives dropped sharply in 1988.

Iacocca's other 1988 compensation included a salary of $865,673, a $600,000 cash bonus, a $159,254 stock bonus and a $12,000 company contribution to the employee savings plan.

Iacocca's compensation reached a high of $20.6 million in 1986 and totaled $17.9 in 1987. He was the highest-paid automotive executive both years.

Iacocca's compensation in recent years has been a red flag to UAW officials, which again criticized it this year.

According to the proxy, the Chrysler chairman will receive an additional 191,250 shares of common stock Nov. 2, 1990, and 63,750 shares Dec. 8, 1991. He also has an option to purchase 540,000 shares exercisable Dec. 8, 1990 and 180,000 shares exercisable Dec. 8, 1991 at $33.50 per share.

According to the proxy, the five top Chrysler executives received the following 1988 compensation:

- Gerald Greenwald, Chrysler Corp. vice chairman: total compensation of $1,207,929. In 1987, Greenwald's compensation totaled $6.60 million, including $5.28 million from exercised stock options.
- Bennett E. Bidwell, Chrysler Motors chairman: total compensation of $1,210,143, including the $159,235 realized from exercised stock options. In 1987, Bidwell's compensation totaled $2.45 million, including $1.33 million from exercised stock options.
- Robert A. Lutz, Chrysler Motors president: total compensation of $979,256. Lutz' 1987 earnings were not detailed in last year's proxy.
- R.S. Miller Jr., Chrysler Corp. executive vice president: total compensation of $902,453. His 1987 compensation was $1.27 million, when he exercised stock options totaling $377,960. Miller did not exercise any stock options in 1988.

Chrysler stockholders will vote on two proposals at the May 18 annual meeting in San Francisco. One calls for cumulative voting in the election of directors. The other would require each company director to hold at least 2,000 common or preferred Chrysler shares.

CHRYSLER COMPENSATION

	1988 Salary	1988* Cash/stock bonus	Options exercised Jan. 1-Dec. 31, 1988	Total** compensation
Lee A. Iacocca, Chrysler Corp. chairman	$865,673	$759,254	$2,026,650	$3,663,577
Gerald Greenwald, Chrysler Corp. vice chairman	633,851	565,378	0	1,207,929
Bennett E. Bidwell, Chrysler Motors chairman	544,281	499,127	159,235	1,210,143
Robert A. Lutz Chrysler Motors, president	484,629	487,752	0	979,256
R.S. Miller Jr. Chrysler Corp., executive vice president	444,951	451,377	0	902,453

*—Cash/stock bonus paid in 1988 from 1987 earnings.
**—Includes corporate contributions in 1988 to employee savings plan.

Ex-dealer to pay customers $2.1 million

By Helen Kahn
SENIOR CORRESPONDENT

WASHINGTON — A former Maryland dealer has agreed to pay customers $2.1 million to settle consumer fraud charges brought by a county agency.

Dennis L. Spencer, who owned two dealerships in Silver Springs, agreed to the settlement with the Montgomery County office of consumer affairs. The two dealerships, Astro Chevrolet and Metro Ford, are in bankruptcy proceedings.

It is the largest consumer protection cash settlement in the state's history, county officials said.

The money collected from Spencer — who denies all charges of fraud and deception — comes from assets frozen by a court order obtained by the county. Those assets include proceeds from the sale of two Virginia dealerships owned by Spencer — S&R Chevrolet-Oldsmobile in Leesburg and Imperial Dodge-Chrysler in Warrenton.

John Koons Jr., a Washington-area megadealer, bought those points. Spencer's last Virginia dealership, M&M Pontiac in Springfield, was sold recently to David Perno.

The settlement also prohibits Spencer from owning, operating, managing or working in any dealership in Montgomery County for at least 10 years.

The consumer affairs office filed suit in September 1987 and for the first time authorized the hiring of an outside law firm to handle the complicated case. In addition to the customer payments, Spencer agreed to pay $650,000 in legal fees for the outside counsel's investigation, which was handled by the Washington law firm of Arent, Fox, Kintner, Plotkin and Kahn.

The consumer office acted on 400 consumer complaints and said it will now send letters and claim forms to 7,000 to 8,000 Spencer customers who bought cars between 1985 and 1988. The dealerships were closed in 1988. Using records seized from Spencer, the county can supplement what may be inadequate consumer records.

Payouts are expected to start by early fall. The restitution does not cover any fraud complaints on repairs or service. Any money not paid back to customers will go to the county to pay the expenses of the investigation.

Last October, a state court moved to preserve Spencer's assets and shortly afterward enjoined him from engaging in any of the allegedly deceptive practices. The Maryland dealerships then went into bankruptcy proceedings. Included in charges made of Spencer:

- Selling used cars, demonstrators, wrecked cars or repossessed cars as new.
- Selling "dealer-installed accessories" at "unconscionable" prices even though some were factory installed and thus included in the sticker.
- Failing to disclose prices for certain items and for additional dealer markup.
- Rejecting liability for repairs despite sale of extended-warranty and service contracts.
- Offering to sell at a certain percentage over "factory invoice" but failing to have such vehicles in stock unless "dealer-installed options" also were purchased.
- Falsely advertising that buyers would "get back in trade every dollar you paid for your car when new toward the purchase of any in-stock" new car.

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European makers face soft sales, new rivals in Canada

By Alex Law
STAFF CORRESPONDENT

TORONTO — Import firms competing in Canada's luxury market admit demand is soft and think it may get even softer.

The luxury market, $30,000 Canadian ($25,000) and up, accounts for about one sale out of every 20 in Canada, about half the U.S. rate.

Despite the smaller market, the number of competitors is no less and the sharply competitive nature of the Canadian market may foreshadow a shakeout south of the border. Canada's population and car sales are about one-tenth the size of that in the United States.

Import sales in Canada were down 9.5 percent in 1988. Luxury imports suffered losses ranging from 4 percent at Mercedes-Benz to 33 percent for Volvo. BMW was the sole exception in the luxury group, posting a 3 percent gain.

March sales for most in the European group are down anywhere from 10 percent for BMW to more than 37 percent for Audi. While sales held their own in the first two months of this year, first quarter results show declines ranging from 1.7 percent for BMW to about 13.5 percent for both Jaguar and Volvo.

"I don't see it (the downturn) as a disaster," said Dennis DesRosiers, president of DesRosiers Automotive Research. But the softness is "a serious concern."

Adding pressure to luxury-import sales is higher interest rates — the prime rate now stands at 13.5 percent in Canada — a weak Canadian dollar, domestic competition undercutting prices and the specter of upscale Japanese competition.

Also, recent changes in the Canadian tax structure, similar to changes in the United States, limit a car's write-off status to $20,000 ($16,760).

And the launch of Toyota's Lexus and Nissan's Infiniti next year could make things even tighter for Europeans.

"Everything I see says we're going after BMW and Mercedes," said F. David Stone, Toyota Canada's director of public affairs. He figures Lexus might develop another niche: "A high-quality product at a better price."

As a percentage of total sales, several long-standing factors have kept the imported luxury-car segment below that in the United States. That is because:

Mackie: "I believe consumers are poised to re-enter the luxury car sector"

- Imported cars are subject to a 9.2 percent duty and a 10.71 percent sales tax.
- Provincial taxes generally are higher than taxes in the United States, leaving less disposable income.
- Canadians, among the world's biggest savers per capita, are not inclined to spend money on luxury cars.

Most manufacturers are reigning in their operations and holding fast or reducing the number of dealers in an effort to ride out the storm.

The major exception is BMW, which just boosted its dealer network to 48, up from 41 points in 1987. The company hopes to double its 1988 sales pace and sell more than 10,000 units.

CANADIAN LUXURY MARKET

March Sales

	1989	1988	% Change
Audi	129	207	−37.7
BMW	401	450	−10.8
Jaguar	151	190	−20.5
Mercedes-Benz	345	433	−20.3
Porsche	90	66	+36.0
Saab	116	161	−27.9
Volvo	565	510	+ 8.8

Vic Doolan, president of BMW Canada, has led the move to increase sales. He has brought more dealers on board, opened a BMW gallery in the heart of Toronto's business-financial district, and unveiled new leasing programs.

Other luxury importers imply that BMW's strategy for a growing dealer network is the wrong way to go.

"That's a Band-Aid solution to a problem you have. In the long term it'll haunt you," said Dieter Scharf, general manager of marketing, planning and services for Mercedes-Benz Canada. "We don't believe in just opening new dealers."

While Mercedes is making no changes, others are paring back their dealer networks. Audi is in the final stages of a dealer-trimming program (from 92 to 60) that left some ex-Audi dealers unhappy.

Audi sales in 1988 were about 2,500 units, down from 7,000 in 1986.

Max Finestone, manager of Volkswagen Canada's Audi division, characterizes that performance as "not too bad, but not great."

VW Canada calls the 1986 performance an aberration.

"The boom of the early 1980s cannot and should not be used as an accurate barometer for our present policies and market strategies," said then VW Canada President Detlef Witting during the marque's new model launch last August. Wittig has since replaced Hans-Jorg Hungerland, now president of Volkswagen of America, as VW AG's export manager.

He said Audi is "not a 10,000- or even a 6,000-car Canadian franchise, nor should it be. More appropriately, more correctly, Audi will strive toward stable new-car sales of between 4,000 and 5,000 per year."

Fred Dubee, general manager of VW Canada's Porsche division, said his division's sales "will be up in 1989," to about 700 units, but still off from the "heady volume days with the 924" in 1986 when the company told 1,200 units.

Barratt: Volvo sales are increasing due to "better availability of product"

Last year, VW Canada sold 630 Porsche cars, down from 918 the year earlier.

"The luxury sports car market had a rough last 12 to 16 months," he said.

Porsche has 16 dealers in Canada. Originally, all 315 Canadian VW dealers sold and serviced Porsche models, but that number was "rationalized to 16 several years ago," Dubee said.

In recent years, Jaguar Canada has seen double-digit sales increases through its 23 dealers. That ended last year for the Brampton, Ontario-based importer.

Instead of the 3,000 units projected, the reality was 2,154, down 19 percent from 1987's record 2,660. Still, it was Jaguar Canada's second best year.

Company President John Mackie said that in Canada, "the political uncertainty of an election year, combined with the economic anxiety caused by the debate over free trade with the United States, seemed to have a numbing effect on consumer confidence.

"I believe consumers are poised to re-enter the luxury car sector," he said.

Jaguar has been especially hard hit by federal tax changes that limit the write-off for a company car, since 30 percent of existing Jaguars have company-car status.

Volvo Canada sales have been off, but Ken Barratt, the company's public affairs director, said sales by the company's 68 dealers are increasing.

He attributed that to "better availability of product" now that the company's Halifax assembly plant is turning out 36 units a day of the 740-series.

Saab-Scania Canada is struggling in its long-term goal to sell 3,000 units a year. Last year Saab sold 1,369 cars.

"Saab is unknown to people," said Ulf Bundell, the firm's president. He said studies show that Saab's competition is "five to six times better known."

The 32 Saab dealers are selling a greater number of 900-series models than the 9000-series, but Bundell would like to see the breakdown change in favor of the more expensive series. The immediate sales goal for Saab in 1989 is 1,800 cars, Bundell said.

Meanwhile, a Canadian distributor handling Maserati recently entered the market, hoping to sell about 500 cars a year. Autolion Distribution is setting up 30 dealers across Canada to sell the Peugeot 405. There also is talk that Sterling may be sold in Canada.

But the big question is the impact of the Japanese luxury divisions that launch their cars in the fall of 1990.

European importers vary on how direct the Japanese competition will be.

BMW's Doolan says his cars — particularly the 5- and 7-series — will not be at much risk from the less expensive Japanese luxury cars. He believes consumers will not put BMWs and the Japanese cars on the same plateau.

Wayne Jefferey, general manager of Toyota Canada's Lexus division and an ex-BMW executive, believes the Europeans will lose sales to Lexus. His first target group, however, are buyers moving upscale from the Toyota Cressida to European models.

His second target group is domestic luxury car owners. The third is European car owners. He admits the latter group are less likely to cross over.

Other car company spokesmen admit to concern over Lexus and Infiniti. Audi's Finestone said, "We'll be competitively priced, plus we'll have our warranty. We're worried but not terrified."

John Arnone, Jaguar's director of public affairs, said "with all due respect, they're green. It'll take them a long time to settle in and by then we'll have new product."

Canada car sales dip

Feb. sales slip 6% but trucks rise 5%

By Bill Vance
SPECIAL CORRESPONDENT

TORONTO — Canadian sales of domestic and imported cars slipped again in February, but the 6.4 percent drop was not as high as the 8.6 percent decline in January. Trucks sales, however, increased 4.6 percent.

Domestic cars led the slide, dropping 8.94 percent, while imports stayed virtually even, logging 21,709 sales compared with 21,945 in February 1988. There was one less selling day in February versus the year-earlier month.

"Sales are holding up reasonably well despite the growing concern with regard to higher borrowing costs," said William Atkinson, GM of Canada's vice president, sales, service and marketing. "We are hopeful that the inflationary pressures will soon ease and interest rates will begin to fall."

Ford suffered the most of the domestic makers, both on a percentage and unit basis. The company's car sales were down 19.71 percent from a year ago.

Udo Kaul, Ford of Canada's vice president, general sales, said the steep decline was attributed to unusually high sales a year earlier.

"Car sales are down mainly because of the contrast with high Tempo and Topaz catchup sales recorded last year after a three-month plant shutdown," he said. Comparing last month's result "to those inflated sales numbers accounts for 13 of our 19 percentage point decline."

In other segments, "Ford did very well. Escort sales were up 19.9 percent. Thunderbird and Cougar sales were up 21.1 percent, and before we've even officially introduced it, we've (taken orders for) nearly a quarter of available Festiva minicars," Kaul said.

While car sales slipped, light trucks were up, a segment showing continuing strength.

Imports led the monthly gain, rising 37.24 percent, strongly paced by Mazda and its new MPV. Mazda's sales jumped 115 percent to 1,459 units in February, up from 678 a year earlier.

Domestic truck sales held about even at 28,646, compared with 28,490 a year earlier.

Chrysler's light truck, van and Jeep sales increased 6.5 percent. In spite of having five major competitors (GM, Ford, Mazda, Nissan and Toyota), Chrysler's minivan continues to command close to 60 percent of that segment.

Ford managed to post a small gain of 387 units, due to strong Aerostar sales, especially the long wheelbase version. GM's light-truck sales slipped 6.32 percent.

Overall, domestic and imported truck sales posted a combined sales gain of 4.59 percent for the month and 3.34 percent year-to-date.

Total vehicle sales are down 2.95 percent for the month and 3.96 percent year-to-date.

CANADIAN CAR AND TRUCK SALES

Domestic cars	Feb. 1989	Feb. 1988	2 mos., 1989	2 mos., 1988
General Motors	21,170	23,246	38,473	42,157
Ford	11,103	13,829	21,612	25,481
Chrysler	8,053	9,461	14,326	17,395
Honda	2,385	553	4,764	943
Volvo	300	143	556	262
Domestic car total	**43,011**	**47,232**	**79,731**	**86,238**
Import cars				
Toyota	4,946	4,357	8,870	8,580
Honda	3,031	3,870	5,352	7,504
Hyundai	2,256	2,011	4,203	4,206
Mazda	1,961	2,433	3,335	3,912
Nissan	1,685	1,621	3,123	3,102
General Motors	1,767	1,444	3,235	[illegible]
Volkswagen	1,714	2,593	3,395	[illegible]
Chrysler	1,594	873	2,616	1,677
Suzuki	502	516	933	865
Ford	429	402	722	822
Subaru	370	465	771	945
BMW	330	303	694	665
Jaguar	246	255	372	415
Mercedes-Benz	240	262	519	493
Volvo	211	320	422	619
Saab	129	96	245	188
Lada	63	76	114	157
Skoda	27	45	46	[illegible]
Peugeot	8	3	27	12
Import car total	**21,709**	**21,945**	**38,994**	**41,983**
TOTAL — ALL CARS	**64,720**	**69,177**	**118,725**	**128,221**
Domestic trucks (including vans)				
GM	10,458	11,163	20,303	21,092
Ford	10,429	10,042	19,338	19,256
Chrysler	7,759	7,285	13,956	13,669
Domestic truck total	**28,646**	**28,490**	**53,597**	**54,017**
Import trucks (including vans)				
Mazda	1,459	678	2,288	1,103
Toyota	1,056	1,001	2,093	1,936
Nissan	903	982	1,725	1,855
GM	660	100	1,264	161
Suzuki	509	441	980	757
Chrysler	207	220	453	525
Volkswagen	28	91	59	123
Lada	13	10	34	18
Import truck total	**4,835**	**3,523**	**8,916**	**6,478**
TOTAL — ALL TRUCKS	**33,481**	**32,013**	**62,513**	**60,495**
TOTAL — CARS, TRUCKS	**98,201**	**101,190**	**181,238**	**188,716**

LEGAL BRIEFS

Service contract buyers sue National Warranty

A class action filed in a North Carolina state court seeks refunds for thousands who bought extended warranty coverage on used cars from National Warranty Corp.

In 1985 and 1986, some 30,000 persons paid a total of $7 million for National Warranty Corp. policies designed to cover repairs for up to five years. The company operated in North Carolina, South Carolina, Virginia, West Virginia, Georgia, Alabama and Texas.

The lawsuit was filed by the law firm of Moore and Brown, which has offices in Washington and Winston-Salem, N.C. It seeks unspecified compensatory and punitive damages, charging breach of contract, breach of "service contract" as defined in the 1974 Magnuson-Moss Warranty Act, unfair and deceptive trade practices and fraud.

The suit charges that in September 1986, the company, based in Kinston, N.C., canceled the service contracts without making refunds for the time remaining on the agreements and without reimbursing many policyholders for repairs made before cancellation.

National Warranty had told dealers they would be free of liability because either it or its underwriter, Interstate Casualty Insurance Co., would cover the repairs.

Interstate and its owner, William C. Shackelford, who also owns National, are also named in the suit.

In 1986, North Carolina's insurance department warned National Warranty that because it was not licensed to sell insurance, its service contracts may have violated state law.

The suit charges that instead of obtaining the necessary licenses and putting up reserves to cover potential liability, Shackelford changed the contracts to make dealers liable for the repairs if National Warranty did not pay valid claims. The suit said new dealer contract sales then fell off sharply.

In August and September 1986, according to the suit, National Warranty, referring only to "underwriter request," canceled all policies and gave only a few refunds. The suit charges Shackelford with preventing National Warranty from getting any funds from Interstate to pay for refunds.

After receiving hundreds of consumer complaints about policy cancellations, the state moved against National Warranty and obtained an agreement from the company last February whereby National will pay the state $122,429 for all remaining consumer claims.

That agreement covers only 2,000 persons who complained to the state, the suit said. It added that 10,000 to 20,000 others, including purchasers, dealers and repair shops, may be eligible for refunds.

— Helen Kahn

Alabama dealer fights $225,000 fraud award

A jury has awarded $224,000 in punitive damages and $1,000 in compensatory damages to a customer in a fraud case brought against Sunbelt Chrysler-Plymouth in Mobile, Ala.

Vincent F. Kilborn, an attorney for the dealership owned by Allen Holzhauer, said two post-trial motions have been filed, one seeking a new trial and the other to reduce damages. If both are rejected, an appeal is planned, he said.

The customer, Roosevelt Davis, entered an agreement to buy a 1987 Dodge B-250 van for almost $30,000 if Davis could get the loan approved by his credit union. Davis' trade-in was valued at $1,000. The credit union refused financing, and Davis said the dealer would not tear up the retail contract and cancel Davis' order. Davis sued for fraud and converting his trade-in as a dealer sale.

Holzhauer said Davis first accepted the van, which the dealer had financed through a bank, but then turned down the deal.

Kilborn, the dealer's attorney, said the verdict — with punitive damages 224 times the compensatory damages — is a record for Alabama.

— Helen Kahn

Judge refuses GM plea on second collision

A Florida appellate judge has refused a motion by General Motors to dismiss a suit charging that a 1985 Corvette was defective because it did not have air bags or restraints to protect its occupant in a secondary collision.

GM argued there is no cause of action under Florida law for failure to install air bags and that the federal government's 1966 vehicle safety law pre-empts such action.

Palm Beach Circuit Judge Jack H. Cook disagreed, siding with the plaintiff, Betty E. Seemann, who was wearing the car's seat belt during the accident.

"As plaintiff notes, she is not claiming that General Motors was negligent because it chose to equip the Corvette with a seat-belt restraint system as opposed to an air-bag restraint system," Cook said in his opinion.

"Rather, she is alleging that the vehicle as equipped is designed defectively because it did not impose some restraint system that would protect her from the secondary collision." He found those charges sufficient for a cause of action under Florida law.

Cook also said that the law states that compliance with a federal safety standard "does not exempt any person from liability under common law."

— Helen Kahn

Court says lemon owner can recover loan fees

A U.S. District Court judge has ruled that finance charges are recoverable under Pennsylvania's lemon law.

General Motors brought the case to clarify the state law after a consumer, who won an arbitration case, sought reimbursement of finance charges.

GM said the Pennsylvania law does not specifically mention finance charges, and those charges, unlike lien fees, sales tax, license and document fees, are not part of the "collateral" fees related to the purchase of the car.

GM said finance charges are separated from "collateral charges" in the lemon laws of Connecticut, Kentucky, Ohio and North Carolina, whereas in Virginia and Florida collateral charges specifically include finance charges.

U.S. District Judge Charles R. Weiner ruled that by not defining "collateral charges," Pennsylvania meant to construe the phrase "liberally as to allow the innocent purchaser to recover all possible charges."

Weiner said there were two earlier opinions by the federal District Court for the eastern district of Pennsylvania that said finance charges are recoverable under the state's lemon law.

— Helen Kahn

ATD

FROM PAGE 1

The truck dealers in ATD's 20 Groups averaged $33,400 a month in profit before taxes, based on the 2.2 percent rate of return and average sales of $1,518,200 a month. Dealers' average monthly gross profit rose to $216,500 from $188,600 in 1987. Their average monthly expenses also rose to $190,900 from $178,800 in 1987, reflecting increased business.

Expenses as a percent of sales rose to 13.6 percent from 13.1 percent in 1987. However, expenses as a percent of gross profit dropped to 93.8 percent from 94.8 percent in 1987. That is a particularly positive indicator because gross profit went up while the percent of the gross to cover expenses declined.

Dealers' parts, labor and warranty sales declined 1.79 percent in 1988 to an average of $390,000 a month compared to $397,000 in 1987.

Their warranty receivables from factories for labor and parts were up sharply — another indication that they did more warranty business.

Warranty receivables as a percent of warranty sales increased to 304.1 percent from 282.1 percent in 1987. That means for every $100 in warranty work a dealer did, he carried on his books $304.10 owed by the factories.

"That number is terrible," Young said, calling it both a major and a complex industry problem for which both the factories and dealers share some of the blame.

The problem is chiefly due to extra administrative costs that have been imposed on dealers by the new super warranties, along with slow payments by factories and, in some instances, dealers being required to install parts without a markup, Young said. Super warranties include components that used to be warrantied for 100,000 miles, for example, and now have 500,000-mile coverage.

TRUCK DEALERS' PROFITS CLIMB

Average monthly results for medium- and heavy-truck dealerships

	1988	1987	Percent change
Total sales	$1,518,200	$1,362,500	+11.43
New trucks	959,300	824,500	+16.35
Used trucks	153,000	133,300	+14.78
Parts	272,500	268,300	+ 1.57
Labor	90,300	104,800	−13.84
Warranty	27,500	23,900	+15.06
Expenses*	190,900	178,800	+ 6.77
As % of sales	13.6%	13.1%	—
As % of gross profits	93.8%	94.8%	—
Gross profit	216,500	188,600	+14.79
New-truck gross	59,500	46,997	+26.60
As % of new-truck sales	6.2%	5.7%	—
Used-truck gross	12,100	9,064	+33.50
As % of used-truck sales	7.9%	6.8%	—
Pre-tax profit	33,400	24,500	+36.33
As % of sales	2.2%	1.8%	—
Assets	4,783,800	4,499,100	+ 6.33
Return on assets	8.7%	6.6%	—
Net Worth	1,318,100	1,190,600	+10.71
Return on net worth	30.4%	24.9%	—

SOURCE: American Truck Dealers division, NADA

*Does not include cost of goods sold

Dealers' gross profit on new-truck sales increased to 6.2 percent from 5.7 percent in 1987. Young didn't consider the 1988 number very good, but called it a "move in the right direction."

Dealers averaged $153,000 a month in used-truck sales, compared to $133,300 in 1987. Their gross profit as a percent of such sales increased to 7.9 percent from 6.8 percent in 1987.

Meanwhile, heavy-truck manufacturers are generally looking for U.S. sales this year to be equal to or slightly below calendar 1988's total of 148,361.

In the medium-duty Classes 4-7 market, where General Motors, Ford Motor Co. and Navistar International Corp. account for about 90 percent of the sales, manufacturers are looking for U.S. sales to stay roughly in the same, 186,000-unit, range as last year.

Forecasts for U.S. heavy-truck sales range from a low of 137,000 Class 8 trucks by Freightliner to a medium-range forecast of 142,000 by Navistar to a bullish 149,000 projected by Volvo GM Heavy Truck.

Supplier Eaton Corp. is probably the most bullish about future sales, though. It is projecting 1989 North American factory sales of 175,000 to 180,000 heavy trucks — roughly comparable to 1988's 177,000. Factory sales to dealers for the heavy-truck market are very close, if not identical to, retail sales since heavy trucks are generally built to order.

Eaton expects North American Class 8 sales to be in the 205,000 to 210,000 range by 1993, based on its perception of how the market has adjusted to deregulation and replacement cycles.

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AUCTION DATES

Chrysler Motors

April 11 — American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Hatfield Auto Auction, Hatfield, Pa.; Nashville Auto Auction, Nashville, Tenn.; Florida Auto Auction of Orlando, Ocoee, Fla.; Portland Auto Auction, Portland, Ore.; Riverside Auto Auction, Riverside, Calif.; and Greensboro Auto Auction, Greensboro, N.C.

April 12 — A.D.E. of Birmingham, Birmingham, Ala., and Butler Auto Auction, Gibsonia, Pa.

April 13 — Northway Exchange, Clifton Park, N.Y.; Aptco Auto Auction, Taylor, Mich.; Indianapolis Auto Auction, Indianapolis; Omaha Auto Auction, Omaha, Neb.; Southwest Auto Auction, Phoenix, Ariz.; Ark-La-Tex Auto Auction, Shreveport, La.; and Amarillo Auto Auction, Amarillo, Texas

April 14 — Manheim Auto Auction, Manheim, Pa.

April 18 — Clanton's Auto Auction, Darlington, S.C.; Denver Auto Auction, Aurora, Colo.; Southern Auto Auction, Warehouse Point, Conn.; Hatfield Auto Auction, Hatfield, Pa.; South Seattle Auto Auction, Kent, Wash.; Golden Gate Auto Auction, Fremont, Calif.; and Dallas Auto Auction, Grand Prairie, Texas

Used Car Sales
Auction Averages

April 89	$6,157
Month ago	$5,678
Year ago	$5,997

Ford Motor Co.

April 11 — Greater Chicago Auto Auction, Chicago; Harrisonburg Auto Auction, Harrisonburg, Va.; Bay Cities Auto Auction, Hayward, Calif., and South Seattle Auto Auction, Kent, Wash.

April 12 — Concord Auto Auction, Acton, Mass.; Aptco Auto Auction, Taylor, Mich.; and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

April 13 — Auto Auction of Billings, Billings, Mont.; Greensboro Auto Auction, Greensboro, N.C.; Texas Hobby Auto Auction, Houston; and Skyline Auto Exchange, Fairfield, N.J.

Model Breakdown
Auction Averages

Year	APR 1989	MAR 1988	FEB 1988
1989 ...	$10,878	$12,197	$13,118
1988 ...	$9,041	$8,751	$8,235
1987 ...	$7,164	$7,338	$7,289
1986 ...	$6,804	$5,975	$6,014
1985 ...	$5,132	$4,978	$4,764
1984 ...	$4,170	$3,942	$3,840
1983 ...	$3,323	$2,867	$2,683
1982 ...	$2,219	$2,612	$2,187
Overall Average	$6,157	$6,061	$5,678

General Motors

April 11 — Southern Auto Auction, Warehouse Point, Conn.; Dallas Auto Auction, Grand Prairie, Texas; Manheim Auto Auction, Manheim, Pa.; and Florida Auto Auction of Orlando, Ocoee, Fla.

April 12 — Atlanta Auto Auction, Atlanta; Puget Auto Auction, Auburn, Wash.; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Mississippi Auto Auction, Hattiesburg, Miss.; Omaha Auto Auction, Omaha, Neb.; and Southern California Auto Auction, Fontana, Calif.

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Florida Auto Auction Of Orlando Florida (407) 656-6200	Apr. 13	**Florida Auto Auction Of Orlando** Florida (407) 656-6200	June 8
Southwest Auto Auction Arizona (602) 894-2211	Apr. 18	**Manheim Auto Auction** Pennsylvania (717) 665-3571	June 15
Manheim Auto Auction Pennsylvania (717) 665-3571	Apr. 20	**Atlanta Auto Auction** Georgia (404) 762-9211	June 28
Atlanta Auto Auction Georgia (404) 762-9211	May 3	**Manheim Auto Auction** Pennsylvania (717) 665-3571	July 13
California Auto Dealers Exchange California (714) 996-2400	May 16	**California Auto Dealers Exchange** California (714) 996-2400	July 18
Manheim Auto Auction Pennsylvania (717) 665-3571	May 18	**Florida Auto Auction Of Orlando** Florida (407) 656-6200	July 20

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Honda U.S. stock split part of world strategy

By Marcia Parker
CRAIN NEWS SERVICE

Honda Motor Co.'s recent five-for-one split of its American Depositary Receipt shares traded on the New York Stock Exchange is part of a larger attempt to rely less on cash flow for investment and more on global capital markets.

After purposely avoiding capital markets in recent years, Honda in March raised more than $700 million in the Euromarket. On April 3, it split its ADRs to make their trading price more attractive to U.S. investors.

Honda is striving to diversify its investor base, especially in the United States and Europe. About 8 percent of Honda is owned by foreign investors, including U.S. investors. This is on the high side for a Japanese company. The majority of its investors are Japanese financial institutions and corporations.

Foreign investors will be the key buyers of the bonds Honda issued in Europe to finance expansion of Japanese production facilities. The automobile manufacturer issued in the United Kingdom $500 million worth of bonds with warrants to subscribe for shares of common stock. Honda also issued in the Netherlands about $200 million worth of bonds with warrants.

In the past, Honda executives have been reluctant to float debt to finance capital projects, preferring to use cash, according to Fumihiko Ike, assistant to the senior vice president of Honda North America. Honda hasn't been in the market since 1985.

Honda, however, has made raising its profile in the global financial community a key objective, which is one catalyst for the new debt financings.

While the weak dollar and fierce competition among the world's automakers have put pressure on Honda, the company was able to boost sales and net income in calendar 1988.

Benjamin Moyer, who follows Honda for Merrill Lynch Capital markets, said in a report last month that because of its high dependence on North America, Honda should have been hit more than other Japanese automakers by the yen's rise. But he said profitability was sustained on volume growth, cost cuts, mix improvement and price hikes.

Honda is concentrating on expanding production in Japan, as well as the United States, Canada and Mexico.

The company is not planning to make big investments in Europe because it fears that when a unified European market is created in 1992, the barriers to foreigners will be high, said Wendy Beale, an auto analyst for Smith Barney, Harris Upham & Co., in a recent report.

Beale projects a 23 percent rise in operating income in the fiscal fourth quarter ended March 31, but expects ADR earnings to fall sharply because huge currency gains boosted year-earlier earnings per share. However, non-operating items should be less of a factor in fiscal 1990 and ADR earnings growth should be 10.1 percent, she said.

She said Honda, which is selling at 16.7 times Smith Barney's fiscal 1990 estimate, is a cheap stock by Japanese standards but an expensive one by U.S. levels, which might keep some U.S. investors at bay. It is selling at 47 percent premium to the Standard & Poor's 500 Stock Index, which Beale said fairly reflects the company's earnings prospects, but it also is dependent on the vagaries of both the yen and the Nikkei 225 stock exchange.

The April 3 change in Honda's basis of issuance of its ADRs to two common shares per ADR from 10 common shares was the second split since it first issued ADRs in 1962.

Prior to the split, the 52-week high and low for Honda's ADRs was $187.75 and $124.50, respectively. The ADR traded for $146.75 on March 31. Following the split, the ADR closed at $29.875 on April 3 and $30.25 on April 4.

Turbo long-wheelbase minivan debuts at Chrysler St. Louis plant

HIGHLAND PARK, Mich. — Chrysler Motors began production April 3 of its first turbo-powered long-wheelbase minivan at its St. Louis assembly plant No. 2.

Dodge Grand Caravan and Plymouth Grand Voyager LE and SE models are now available with an optional 2.5-liter turbocharged four-cylinder engine with three-speed automatic transmission. The engine-transmission package carries a discount of $510 from the manufacturer's suggested retail price.

The base price of the Dodge Grand Caravan and Plymouth Grand Voyager LE models is $16,462; the SE models are $14,526. The 3-liter V-6 with Ultradrive four-speed electronic automatic transmission is standard on those models.

The turbocharged 2.5-liter four-cylinder delivers 150 horsepower at 4,800 rpm and a net torque of 180 pounds-feet at 2,000 rpm.

Chrysler did not specify why the four-cylinder engine package is being offered. However, availability of the V-6, which is imported from Mitsubishi Motors, is limited and Chrysler has acknowledged it is correcting a design defect in the Ultradrive transmission.

Chrysler subsidiary named

WASHINGTON — Chrysler Technologies Airborne Systems is the name for a new subsidiary of Chrysler Technologies Corp. The new unit produces military aircraft products and systems.

Formation of the subsidiary was announced in January. It will be headquartered in Waco, Texas.

The new subsidiary combines military aviation functions of two Chrysler Technologies units: Gulfstream Aerospace Corp. and Electrospace Systems.

The new company will develop airborne electronic systems for both commercial and military aircraft markets. It will also modify large transport aircraft.

Chrysler Technologies is a subsidiary of Chrysler Corp.

DOMESTIC CAR SALES

	Mar. 21, to Mar. 31, 1989	Same Period, 1988	Mar. 1989	Same Month, 1988	Jan. 1, to Mar. 31, 1989	Same Period, 1988
Alliance	0	293	0	730	0	2,893
Eagle	0	79	0	208	0	1,039
Premier	1,884	1,481	4,936	3,020	11,154	7,914
Total Eagle	1,884	1,853	4,936	3,967	11,154	11,846
Horizon	1,072	2,477	2,555	5,109	7,708	11,696
Laser	666	0	1,424	0	2,706	0
Sundance	2,799	3,216	6,797	7,481	20,166	18,331
Turismo	0	82	0	176	0	518
Reliant	1,405	5,634	3,309	13,501	9,838	36,720
Acclaim	3,197	0	7,380	0	13,632	0
Caravelle	40	857	95	2,151	319	6,163
Gran Fury	30	502	166	1,066	1,007	2,977
Total Plymouth	9,218	12,758	21,726	29,504	55,516	76,395
LeBaron K	43	1,502	121	3,262	398	7,760
LeBaron J	3,113	4,422	7,019	12,989	20,086	30,274
LeBaron GTS	193	713	489	1,624	1,511	4,485
Fifth Avenue	775	2,743	1,656	6,659	4,199	18,205
New Yorker C	3,707	2,414	8,453	5,511	25,962	12,924
New Yorker E	12	1,037	25	3,247	61	11,786
Total Chrysler	7,843	12,921	17,763	33,292	52,217	85,434
Omni	1,054	2,271	2,536	4,948	7,689	10,686
Shadow	2,938	3,371	7,139	7,787	20,293	21,529
Charger	0	79	0	207	0	502
Daytona	3,792	3,124	7,474	7,943	16,696	18,397
Aries	1,278	4,877	3,138	11,380	9,561	30,669
Lancer	111	499	287	1,127	924	3,066
Spirit	2,521	0	5,969	0	12,477	0
Diplomat	99	1,104	302	2,347	1,576	4,815
Dynasty	4,670	4,442	12,142	9,397	30,894	16,808
Dodge 600	36	816	92	1,694	304	5,436
Total Dodge	16,499	20,583	39,079	46,830	100,414	111,930
CHRYSLER MOTORS	35,444	48,125	83,504	113,593	219,301	283,491
Escort	11,755	15,290	28,649	34,737	87,918	92,059
Mustang	7,209	9,853	17,319	22,155	46,414	49,347
Tempo	8,914	10,259	19,451	25,164	59,783	72,250
Taurus	12,707	15,452	30,313	39,445	83,275	101,901
Thunderbird	4,438	5,651	13,061	12,973	30,382	33,937
Probe	4,438	1,296	10,879	2,401	29,930	2,401
Crown Victoria	4,631	5,950	10,017	12,685	25,480	30,873
Total Ford Div.	54,092	63,751	129,689	149,560	363,192	382,768
Lynx/Tracer	2,505	2,297	5,001	5,230	12,969	15,711
Topaz	3,700	3,376	8,713	7,579	23,810	20,372
Sable	4,568	4,843	9,902	11,456	25,907	31,160
Cougar	4,197	5,159	11,457	11,994	24,882	28,826
Grand Marquis	4,102	5,500	9,997	11,906	26,869	28,636
Total Mercury	19,072	21,175	45,070	48,165	114,436	124,714
Continental	2,065	2,161	5,184	4,942	14,507	10,500
Lincoln	4,381	5,468	9,866	11,614	25,750	29,839
Mark VII	1,164	1,035	2,556	2,354	6,277	5,724
Total Lincoln	7,610	8,664	17,606	18,910	46,534	46,063
Total L-M Division	26,682	29,839	62,676	67,075	160,970	170,777
FORD MOTOR CO.	80,774	93,590	192,365	216,635	524,162	553,545
Skyhawk	832	1,207	1,989	2,575	4,910	8,636
Somerset/Skylark	2,494	2,296	5,777	4,841	13,625	15,306
Century	5,655	4,819	12,201	9,872	34,978	30,165
Regal	3,088	5,563	6,914	11,203	19,308	30,089
LeSabre	5,031	8,314	10,299	15,996	26,309	43,493
Reatta	306	127	689	242	1,669	517
Electra	3,157	3,942	7,376	7,006	19,243	23,505
Riviera	767	330	1,738	862	4,391	2,959
Total Buick	21,329	26,626	46,993	52,596	124,437	154,749
Cimarron	13	334	46	743	212	1,655
Allante	140	177	331	333	823	809
Seville	1,331	737	2,547	1,805	6,090	4,686
DeVille	5,482	6,904	14,615	14,496	41,055	38,030
Brougham	1,768	2,094	3,932	4,364	9,155	9,551
Eldorado	1,633	1,342	3,516	3,058	8,030	6,278
Total Cadillac	10,367	11,488	24,989	24,599	65,305	61,219
Chevette	0	16	0	43	0	145
Geo Prizm/Nova	1,431	5,816	3,673	12,928	10,861	33,457
Cavalier	10,161	12,646	26,262	27,678	72,892	71,347
Camaro	3,803	4,674	9,417	10,566	24,705	22,922
Celebrity	7,926	11,486	21,906	24,314	56,956	71,299
Corsica/Beretta	13,294	17,653	35,861	38,032	86,767	101,120
Monte Carlo	0	2,011	132	4,432	868	11,680
Caprice	5,662	7,074	14,729	16,277	34,569	40,420
Corvette	692	1,120	1,776	2,642	4,337	8,188
Total Chevrolet	42,969	62,305	113,647	136,909	291,904	358,567
Firenza	2	433	2	631	8	4,222
Calais	3,385	4,526	7,683	9,162	21,741	25,838
Cutlass Ciera	6,743	9,914	16,052	19,835	48,757	59,451
Cutlass Supreme	2,994	6,167	6,403	10,867	27,446	28,458
Olds 88	5,517	8,429	12,828	16,805	34,954	46,919
Olds 98	3,064	3,779	6,829	7,353	17,402	20,979
Toronado	322	644	765	1,455	2,209	3,900
Total Oldsmobile	22,037	33,892	50,562	66,368	152,517	187,774
Fiero	162	883	346	2,529	937	7,888
Pontiac 1000	0	0	0	13	0	113
Sunbird	3,868	2,780	8,665	7,436	20,337	20,443
Firebird	3,362	2,490	7,132	6,948	14,024	15,570
Grand Am	6,561	8,653	16,664	22,022	48,562	60,204
Pontiac 6000	2,631	3,815	6,644	8,173	17,546	24,783
Grand Prix	4,819	2,851	12,111	9,479	36,450	17,236
Bonneville H	3,344	3,505	8,361	9,584	22,051	32,344
Paris./Safari	141	240	393	595	986	1,980
Total Pontiac	24,888	25,217	60,336	66,781	160,883	180,521
GENERAL MOTORS	121,590	159,728	296,527	347,273	795,056	942,830
HONDA	15,993	20,425	33,810	36,191	83,834	86,166
Civic	6,666	5,191	14,809	8,773	37,987	20,878
Accord	9,327	15,234	19,001	27,418	45,847	65,288
MAZDA	2,891	1,511	5,142	2,814	10,677	5,982
MITSUBISHI	838	0	1,831	0	3,878	0
NISSAN	5,789	3,984	10,374	7,784	27,089	17,621
TOYOTA	9,201	2,883	16,078	5,162	38,243	12,938
VOLKSWAGEN	0	2,475	0	4,286	0	11,449
DOMESTIC TOTAL	272,520	332,721	639,631	733,738	1,702,240	1,914,022
IMPORT TOTAL			245,161	269,433	650,417	734,107
INDUSTRY TOTAL			884,792	1,003,171	2,352,657	2,648,129

*—U.S.-built Volkswagen models sold after June 30, 1988, are included in import totals.

Cars, trucks dip for March, year

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

Despite incentives throughout the month, there was little wind in the sails of automotive retailing in March. Deliveries of new cars and trucks stumbled in the month and in the first quarter of the year.

New-car sales were down 11.80 percent for the month and 11.16 percent for the quarter. Sales have shown year-to-year declines in each month since November.

March sales of light trucks, domestic and foreign, eased by 9.79 percent in March and were off 7.06 percent in the quarter.

Combined car and light-truck sales totaled 1,311,664 in March, down 11.15 percent from 1,476,343 last year. For the January-March period, car-truck deliveries were 3,480,732, a decline of 9.87 percent from 3,861,848 in 1987.

Dealers handling cars built in this country saw March retail deliveries slump 12.83 percent to a total of 639,631 units compared to 733,738 a year earlier.

Sales of imported cars dipped 9.01 percent to 245,161 vs. 269,433 in March 1988.

Combined domestic and foreign car sales totaled 884,792 in March, down 11.80 percent from 1,003,171 in March 1988.

In the month's final 10-day period, sales of domestic cars fell to 272,520 units, down 18.09 percent from 332,721 a year ago.

Sales of domestic cars in the first quarter of this year were off 11.06 percent. The total of 1,702,240 compared to 1,914,022 in 1987.

Import sales in 1989's first three months were off 11.40 percent and totaled 650,417 compared to 734,107 in the initial quarter of 1988.

Combined quarterly sales of domestic and imported cars were off 11.16 percent, totaling 2,352,657 against 2,648,129 in 1988.

Year-to-year declines in domestic-car sales for March and the three months were reported by each of the Big 3 and by Honda. Toyota, Mazda and Nissan gained for both periods in sales of U.S.-built cars. Mitsubishi, which had no domestic car sales last year, reported sales of 1,831 units in March this year and 3,878 in the quarter.

Toyota's sales of U.S.-built cars in March were up 211.47 percent with deliveries of 16,078 units vs. 5,162 a year before. Camry models produced at its new Georgetown, Ky., plant sparked the surge. Nissan's deliveries of 10,374 units were up 33.27 percent, from 7,784

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MARKET SHARES, Mar. 1989

	Total Sales	Pct. of Total
SUBCOMPACT	86,930	9.82
COMPACT	158,356	17.90
INTERMEDIATE	279,826	31.62
STANDARD	111,377	12.59
SPECIALITY	3,142	0.36
IMPORT	245,161	27.71
TOTAL	884,792	100.00

IMPORTED CAR SALES

	March 1989	March 1988	3 Mos., 1989	3 Mos., 1988
Acura	11,805	10,470	30,783	28,495
Alfa Romeo	254	545	709	1,308
Audi	1,360	1,843	4,627	5,275
BMW	6,057	6,403	17,476	16,762
Chevrolet	8,194	10,111	23,513	31,118
Chrysler	803	963	1,790	2,405
Daihatsu	1,217	804	3,340	2,587
Dodge	3,814	5,277	9,920	14,179
Ford	6,675	6,894	19,354	18,062
Eagle	3,185	1,624	7,934	6,523
Honda	16,796	18,567	48,895	59,840
Hyundai	20,461	26,166	49,691	71,026
Isuzu	1,749	1,675	4,549	4,684
Jaguar	1,630	1,854	4,483	4,422
Maserati	24	104	67	249
Mazda	18,711	22,430	50,760	58,838
Mercedes-Benz	6,570	7,603	17,148	19,302
Mercury	865	764	2,552	2,267
Mitsubishi	8,026	5,790	18,342	16,273
Nissan	38,906	39,536	98,375	92,163
Peugeot	565	563	1,426	1,247
Plymouth	3,475	4,691	9,006	12,802
Pontiac	4,076	6,843	11,417	13,996
Porsche	667	1,872	1,808	4,426
Saab	2,636	3,996	7,918	9,791
Sterling	384	937	1,784	3,054
Subaru	14,321	13,951	37,778	36,498
Suzuki	480	0	1,586	0
Toyota	39,041	42,734	104,838	127,050
Volkswagen	12,834	12,567	30,688	36,421
Volvo	8,751	8,293	25,400	24,123
Yugo	827	3,563	2,458	8,921
TOTAL	245,161	269,433	650,417	734,107

*—Volkswagen totals include U.S.-built models sold after June 30, 1988. Sales charts compiled by Karen Dzikowski

U.S. CAR SALES BY MARKETING UNITS

	March 1989	Percent Share	March 1988	Percent Share	3 Mos., 1989	Percent Share	3 Mos., 1988	Percent Share
Alfa Romeo	254	0.03	545	0.05	709	0.03	1,308	0.05
American Honda	62,411	7.05	65,226	6.50	163,512	6.95	174,501	6.59
BMW	6,057	0.68	6,403	0.64	17,476	0.74	16,762	0.63
Buick	45,993	5.31	52,596	5.24	124,437	5.29	154,749	5.84
Cadillac	24,989	2.82	24,599	2.45	65,305	2.78	61,219	2.31
Chevrolet	121,841	13.77	147,020	14.66	315,417	13.41	389,685	14.72
Chrysler	18,586	2.10	34,255	3.41	54,007	2.30	87,839	3.32
Daihatsu	1,217	0.14	804	0.08	3,340	0.14	2,587	0.10
Dodge	42,893	4.85	52,107	5.19	110,334	4.69	126,109	4.76
Eagle	8,121	0.92	5,591	0.56	19,088	0.81	16,255	0.61
Ford	136,364	15.41	156,454	15.60	382,546	16.26	400,830	15.14
Hyundai	20,461	2.31	26,166	2.61	49,691	2.11	71,026	2.68
Isuzu	1,749	0.20	1,675	0.17	4,549	0.19	4,684	0.18
Jaguar	1,630	0.18	1,854	0.18	4,483	0.19	4,422	0.17
Lincoln	17,606	1.99	18,910	1.89	46,534	1.98	46,063	1.74
Maserati	24	0.00	104	0.01	67	0.00	249	0.01
Mazda	23,853	2.70	25,244	2.52	61,437	2.61	64,820	2.45
Mercedes	6,570	0.74	7,603	0.76	17,148	0.73	19,302	0.73
Mercury	45,935	5.19	48,929	4.88	116,968	4.97	126,981	4.80
Mitsubishi	9,857	1.11	5,790	0.58	22,220	0.94	16,273	0.61
Nissan	49,280	5.57	47,320	4.72	125,464	5.33	109,784	4.15
Oldsmobile	50,562	5.71	66,368	6.62	152,517	6.48	187,774	7.09
Peugeot	565	0.06	563	0.06	1,426	0.06	1,247	0.05
Plymouth	25,201	2.85	34,195	3.41	64,524	2.74	89,107	3.37
Pontiac	64,412	7.28	73,624	7.34	172,310	7.32	194,517	7.35
Porsche	667	0.08	1,872	0.19	1,808	0.08	4,426	0.17
Saab	2,636	0.30	3,996	0.40	7,918	0.34	9,791	0.37
Sterling	384	0.04	937	0.09	1,784	0.08	3,054	0.12
Subaru	14,321	1.62	13,951	1.39	37,778	1.61	36,498	1.38
Suzuki	480	0.05	0	0.00	1,586	0.07	0	0.00
Toyota	55,119	6.23	47,896	4.77	143,081	6.08	139,988	5.29
Volvo	8,751	0.99	8,293	0.83	25,400	1.08	24,123	0.91
VWoA	14,194	1.60	18,696	1.86	35,315	1.50	53,145	2.01
Yugo	827	0.09	3,563	0.36	2,458	0.10	8,921	0.34
TOTAL	884,792	100.00	1,003,171	100.00	2,352,657	100.00	2,648,129	100.00
TOTAL GM	306,797	34.91	364,227	36.30	829,986	35.28	987,944	37.31
TOTAL FORD	199,905	22.59	224,293	22.36	546,068	23.21	573,874	21.67
TOTAL CHRYSLER	94,781	10.71	126,148	12.57	247,953	10.54	319,400	12.06
TOTAL JAPANESE	218,287	24.67	207,908	20.73	562,967	23.93	549,135	20.74
TOTAL EUROPEAN	42,561	4.81	54,429	5.43	115,992	4.93	146,750	5.54
TOTAL KOREAN	20,461	2.31	26,166	2.61	49,691	2.11	71,026	2.68

Big 3 totals include their captive imports. Percent share may contain error of one or two points due to rounding.

LIGHT-DUTY TRUCK SALES

	Mar. 1989	Mar. 1988	3 Mos. 1989	3 Mos. 1988
Vans	19,207	21,287	41,136	49,004
Aerostar	18,749	19,219	47,351	48,767
Club Wagon	2,721	3,049	6,153	7,279
Ranger	23,027	29,447	[illegible]	74,686
Bronco	6,079	5,402	16,071	13,658
Bronco II	8,911	10,818	27,390	30,178
Pickups	53,145	61,319	141,892	150,701
Ford	[illegible]	[illegible]	[illegible]	372,[illegible]
Vans	10,257	12,739	24,001	28,357
Sportvan	1,089	2,090	2,594	4,249
Geo Tracker	796	[illegible]	2,161	0
Astro	11,950	16,086	31,369	41,647
S-10	29,315	30,480	53,496	61,063
S-10 Blazer	14,745	12,138	42,299	38,036
El Camino	0	82	0	353
Blazer	2,082	2,576	5,667	7,977
Suburban	5,575	6,056	14,857	15,649
Pickups	51,980	48,676	125,167	128,924
Chevrolet	118,[illegible]	121,4[illegible]	[illegible]	[illegible]
Vans	5,709	6,365	15,532	16,000
Ram Wagon	2,271	2,517	5,902	6,590
Voyager	16,772	17,474	44,522	44,067
Caravan	18,497	19,942	49,782	48,909
Mini Ram Van	1,523	1,839	4,089	4,321
Ram 50	2,694	6,292	7,606	15,873
Raider	436	482	1,457	2,057
Ramcharger	1,887	2,6[illegible]	6,093	5,969
Dakota	8,706	[illegible]	24,969	23,994
Pickups	8,602	8,306	23,063	21,749
Chrysler	67,344	74,712	182,004	[illegible]
Vans	3,496	5,322	9,201	11,336
Safari	2,613	3,398	7,391	7,804
S-15	4,392	5,496	11,839	13,158
S-15 Jimmy	3,484	3,286	10,234	8,702
Jimmy	623	895	1,749	2,141
Caballero	0	0	0	54
Suburban	1,994	2,359	5,404	5,463
Pickups	14,896	16,387	36,026	38,150
P Model	307	327	1,012	985
W-4	118	143	383	329
GMC	32,091	38,901	92,770	96,314
Wrangler	4,5[illegible]	3,5[illegible]	11,017	8,721
Wagoneer	528	916	1,865	2,410
Cherokee	12,022	13,398	34,509	34,798
Grand Wagoneer	959	1,396	2,778	3,453
Comanche	2,460	3,943	6,456	9,549
J-10/J-20	0	25	0	191
Jeep	20,475	22,927	[illegible]	[illegible]
Toyota	19,176	23,528	49,898	57,728
Nissan	16,997	14,928	46,074	41,688
Mazda	8,411	10,567	21,504	25,981
Isuzu	8,313	6,309	21,812	19,127
Mitsubishi	3,047	4,887	9,310	12,964
Suzuki	3,124	6,406	7,506	16,783
Subaru	0	3	0	7
Range Rover	355	372	1,191	897
Imports	59,323	67,398	157,893	176,189
Industry Total	426,872	473,172	1,128,075	1,213,719

Compiled by Karen [illegible]

SALES

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a year before and Mazda's were up 82.73 percent in the month to total 5,142 against 2,814 in March 1988.

First-quarter sales of U.S.-built cars nearly tripled for Toyota and were up 78.49 percent for Mazda and 53.73 percent for Nissan.

Sales of domestically built Honda cars eased 6.58 percent in March and 2.71 percent in the quarter.

Chrysler Motors dealers delivered 26.49 percent fewer domestic cars in the month and 22.64 percent fewer cars in the 1989 quarter. General Motors dealers delivered 14.61 percent fewer cars in the month and 15.67 percent fewer cars in the first three months of the year compared to the similar 1988 periods. Ford Motor Co. dealers' new-car deliveries were down 11.20 percent in March and 5.31 percent in the quarter.

Although 1989 sales have been generally lackluster, only Ford among the Big 3 has publicly reduced its 1989 car sales forecast.

The sizable plunge in light-duty truck sales in the United States in March reflected a steady, continued softness in the market.

Manufacturers retailed 426,872 light trucks in March, 9.79 percent fewer than in the year-earlier period. In February, truck sales were down 10.75 percent.

With sales of 1,128,075 light trucks for the first three months, 1989 trails last year by 7.06 percent.

Domestic manufacturers continued to gain market share against foreign-based firms, though the latter's market erosion appears to be leveling off.

Domestics grabbed 86.10 percent of the market in March, up from 85.84 percent a year ago.

For three months, they held 86.08 percent of the market compared to 85.48 percent in 1988.

Chevrolet accounted for all the market share gain chalked up by the domestic truck industry in March.

Chevrolet garnered 27.83 percent of the market in March, up from 25.66 percent a year earlier.

Ford's light-truck share dropped to 30.18 percent in March from 31.81 percent last year.

GMC's share dipped to 7.52 percent from 7.73 percent.

Chrysler's share held steady at 15.78 percent vs. 15.79 percent a year ago; while Jeep's share declined slightly to 4.80 percent from 4.85 percent last year.

There were few bright spots in the March truck report.

GM's compact sport-utilities, the Chevrolet S-10/GMC S-15, continued to buck the overall market by showing increases over last year. Sales of the S-10 Blazer were up 21.47 percent in March, while S-15 Jimmy sales were up 6.00 percent.

Sales of the Jeep Wrangler were up 28.33 percent.

Domestic stock rises to 77 days

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Domestic auto companies and their car dealers, awaiting the traditional spring selling season, entered April with inflated inventories of new, unsold cars.

The April 1 stockpile of domestically produced cars equaled a 77-day supply — a full two weeks more than the 63 days' supply the industry averaged on April 1 the past five years.

Car stocks on April 1 totaled 1,822,224, the highest count since the record of 1,900,096 cars in inventory on July 1, 1987.

The April 1 stockpile was more than 25,000 units greater than the March 1 inventory of 1,796,544 unsold cars, which represented a 78-day supply. On April 1, 1988, inventory stood at 1,574,529 — a 58-day supply.

During March 1988, the Big 3 offered retail incentives, and General Motors and Ford Motor Co. sweetened them in the final days of the month.

The need for the new incentives was apparent, with GM at an 83-day supply, or 916,180 cars in stock, Chrysler Motors at an 80-day supply, or 246,599, and Ford with an 81-day supply, or 575,800.

Both GM and Chrysler additionally took the inventory-reduction step of idling plants during the past few months. GM extended some of the shutdowns to two and three weeks instead of the usual one-week closings.

By company on April 1, domestic inventory shares were as follows: GM, 50.28 percent; Ford, 31.60 percent; Chrysler, 13.53 percent; Honda, 2.02 percent; Nissan, 1.11 percent; Toyota, 0.82 percent; Mazda, 0.54 percent; and Mitsubishi, 0.10 percent.

The year-earlier the shares were: GM, 51.35 percent; Ford, 28.71 percent; Chrysler, 15.55 percent; VW, 1.53 percent; Nissan, 1.15 percent; Honda, 0.97 percent; Toyota, 0.41 percent; and Mazda, 0.33 percent.

There were several models with inventory in excess of 100 days' supply on April 1.

A number of car lines showed substantial month-to-month increases March 1 to April 1: Geo Prizm/Nova, 246 vs. 180; Cutlass Supreme, 150 vs. 81; Monte Carlo, 121 vs. 42; and Regal, 124 vs. 105.

The uneven inventories mean some dealers may find themselves short of some models. Although overall stocks were glutted, car lines with less than a two-month supply included: Honda, 29 days; Toyota, 25 days; Mitsubishi Eclipse, 26 days; Dynasty, 44 days; Celebrity, 46 days; Continental, 55, Laser, 57 days; and Plymouth Acclaim, 59.

Shares by market classification on April 1 were: intermediate, 43.88 percent; compact, 23.35 percent; standard, 18.06 percent; subcompact, 13.91 percent; and speciality, 0.80 percent.

On April 1, 1988 the segment shares were: intermediate, 42.90 percent; compact, 24.26 percent; standard, 18.79 percent; subcompact, 12.78 percent; and specialty, 1.27 percent.

DOMESTIC DAYS' SUPPLIES

	Apr. 1, 1989	Mar. 1, 1989	Apr. 1, 1988
Alliance	—	—	73
Eagle	—	—	65
Premier	111	199	133
Total Eagle	111	199	117
Horizon	91	119	71
Laser	57	61	—
Sundance	92	78	68
Turismo	—	—	92
Reliant	78	89	46
Acclaim	59	72	—
Caravelle	118	139	50
Gran Fury	71	43	82
Total Plymouth	78	83	54
LeBaron K	87	114	84
LeBaron J	106	99	43
LeBaron GTS	253	240	147
Fifth Avenue	117	217	47
New Yorker C	89	69	82
New Yorker E	106	437	29
Total Chrysler	93	91	56
Omni	97	121	78
Shadow	75	69	67
Charger	—	—	69
Daytona	91	136	46
Aries	77	89	47
Lancer	308	328	109
Spirit	71	72	—
Diplomat	67	62	71
Dynasty	44	48	36
Dodge 600	146	162	61
Total Dodge	71	79	56
CHRYSLER MTRS.	80	87	56
Escort	67	69	60
Mustang	62	69	44
Tempo	86	89	59
Taurus	73	71	47
Thunderbird	73	93	61
Probe	85	64	60
Crown Victoria	94	96	47
Total Ford Div.	80	79	55
Lynx/Tracer	132	147	101
Topaz	76	81	66
Sable	91	87	62
Cougar	86	90	74
Grand Marquis	69	73	40
Total Mercury	79	80	62
Continental	55	54	10
Lincoln	70	71	67
Mark VII	108	139	57
Total Lincoln	71	74	51
Total L-M Division	77	85	59
FORD MOTOR CO.	81	81	56
Skyhawk	130	161	118
Somerset/Skylark	78	93	71
Century	86	87	53
Regal	124	105	78
LeSabre	74	58	43
Reatta	155	198	92
Electra	99	99	57
Riviera	114	120	86
Total Buick	95	88	61
Cimarron	7	21	131
Allante	105	122	147
Seville	80	87	89
DeVille	71	89	77
Brougham	71	93	70
Eldorado	75	87	64
Total Cadillac	71	70	78
Chevette	—	—	128
Geo Prizm/Nova	246	180	88
Cavalier	71	67	58
Camaro	96	98	73
Celebrity	46	64	66
Corsica/Beretta	81	103	63
Monte Carlo	121	42	112
Caprice	85	94	59
Corvette	125	133	75
Total Chevrolet	80	87	67
Firenza	57	75	137
Calais	120	108	74
Cutlass Ciera	89	74	49
Cutlass Supreme	150	81	71
Olds 88	85	83	56
Olds 98	79	87	66
Toronado	149	144	75
Total Oldsmobile	100	85	61
Fiero	80	146	106
Pontiac 1000	—	—	65
Sunbird	71	70	56
Firebird	84	153	51
Grand Am	74	56	48
Pontiac 6000	86	90	59
Grand Prix	77	59	42
Bonneville H	99	97	47
Paris./Safari	127	149	76
Total Pontiac	78	75	52
GENERAL MTRS.	83	83	65
HONDA	29	30	11
MAZDA	52	90	50
MITSUBISHI	26	28	—
NISSAN	63	63	63
TOYOTA*	25	24	34
VOLKSWAGEN	—	—	152
DOM. TOTAL	77	78	58
Subcompact	67	67	45
Compact	73	70	53
Intermediate	77	81	59
Standard	80	82	58
Speciality	125	141	94

*[illegible]

Raider hits Toyota affiliate

Pickens buys 20% of Japan supplier

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Corporate raider T. Boone Pickens Jr. revealed last week that he has purchased 20 percent of a Toyota affiliate.

The Texas-based investor acquired stock in Koito Manufacturing Co., an auto light maker and major Toyota supplier. Toyota owns 19.1 percent of the company.

Pickens denied he purchased the stock in an effort to "greenmail" Toyota into buying out his shares.

If greenmail is Pickens' aim, the market is signaling him that it won't work, according to analyst Stephen Usher, Kleinwort Benson International, Tokyo. Not only might Toyota not respond, but other Japanese firms might refuse to trade Koito stock in a united front against an unfriendly takeover.

Analysts say Pickens is eyeing Toyota's 1.3 trillion yen ($10 billion) in cash and liquid assets.

In 1987, a domestic investor bought up 7 percent of the Toyota Automatic Loom Works, the founding company of the Toyota group. Within two months, a settlement was reached, and Toyota bought back the shares for 30 billion yen ($230 million).

But there was undoubtedly some emotional factor involving the founding company.

Koito has been subject to frequent speculative moves, pushing up the stock price from 700 yen ($5.38) a few years ago to 5,470 yen ($42.07) — double most auto issues — a few days before Pickens' announcement. The stock dropped 14 percent when Pickens' interest was revealed.

SUBARU

FROM PAGE 1

"He was using it for personal gain, knowing it was an inflammatory issue."

Lloyd said the ruling means he won't recover his $700,000 investment in the Subaru dealership that he operated for four days.

He had acquired the franchise from Warren Henry Subaru, which is about three miles from his dealership. Lloyd said he will probably drop Warren Henry Subaru from the suit. Lloyd cited a longtime friendship with the owner as the reason. Lloyd had paid $339,000 to the owner for the inventory and parts.

Lloyd built a showroom, created advertising and participated in a Florida auto show as a Subaru dealer. But four days after he obtained the franchise from Warren Henry Subaru, Subaru said it was canceling the letter of intent. Lloyd sold three cars from the inventory he acquired before the company took down his signs.

"I am very disappointed in the ruling," said Lloyd. "I just lost $700,000, but I'm still the largest used-car dealer in Miami."

Lustbader said Subaru has several black dealers. The company is searching for a dealer for Warren Henry Subaru's franchise, he said.

PRODUCTION

Truck output sets record for quarter

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

U.S. truckmakers built more trucks in the first quarter of this year than in any other first quarter.

Truck output reached 1,158,338 units, 7.26 percent higher than the previous first-quarter record of 1,079,887, set in 1988. The total was 12.22 percent more than the last year's fourth-quarter build of 1,032,183.

In March, truck production totaled 396,020, 3.93 percent more than February's 381,046 but slightly (0.25 percent) below the year-ago month's 396,997.

Last week's targeted truck output of 89,040 was 15.67 percent above the prior week's 76,977 and 18.45 percent higher than the year-ago week's 75,171.

Auto output for the first quarter was 1,899,299, a bit above (0.99 percent) the 1988 fourth-quarter total of 1,880,687 and 11.70 percent more than the year-ago quarter's 1,700,404.

March car assembly of 652,146 was 7.08 percent above the February total of 609,024 but was 1.16 percent below the year-ago month's 659,793.

Scheduled auto output last week totaled 160,166, 22.81 percent more than the previous week's 130,416 and 18.96 percent more than the year-ago week's 134,637.

Companies split last week's estimated build as follows: General Motors, 47.56 percent; Ford Motor Co., 26.36 percent; Chrysler Motors, 12.05 percent; Honda of America Manufacturing, 4.84 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.19 percent; New United Motor Manufacturing Inc., 2.50 percent; Nissan Motor Manufacturing Co. U.S.A., 1.46 percent; Toyota Motor Manufacturing U.S.A., 1.25 percent; and Diamond-Star Motors, 0.79 percent.

GM's Doraville, Ga., plant and its Reatta Craft Centre in Lansing, Mich., are idle until April 17 for inventory adjustment.

The Jeep Grand Wagoneer line in Toledo, Ohio, is shut down until April 17 to adjust inventory.

Canada trucks climb to peak

Canadian truckmakers set a quarterly production record with first-quarter assembly of 260,430.

The total surpassed the prior first-quarter peak of 245,463 built in 1988 and also beat the 1988 fourth quarter's 247,025, which had been highest quarter ever.

Last month's truck assembly totaled 87,379, slightly above (0.70 percent) the February build of 86,770 but 4.62 percent below the year-ago month's 91,612.

Auto production for the first quarter was 252,834, 12.15 percent more than the 1988 fourth-quarter build of 225,433 but 12.36 percent below the year-ago quarter's 288,485.

March's auto assembly of 88,681 increased 5.54 percent over the February total of 84,028 but dropped 19.49 percent from the year-ago month's 110,143.

U.S. CAR	Week Ended Apr. 8, 1989	Week Ended Apr. 9, 1988	Week Ended Apr. 1, 1989	Mar. Total	Jan. 1 to Apr. 8, 1989	Jan. 1 to Apr. 9, 1988
Horizon	800	2,071	492	709	1,303	24,021
Sundance	2,300	1,825	1,872	9,911	32,365	29,410
Reliant	0	1,975	0	0	0	24,220
Acclaim	2,700	0	2,691	13,018	31,932	0
Caravelle	0	350	0	0	0	5,908
Gran Fury	0	247	0	0	0	3,016
Total Plymouth	5,800	6,468	5,065	23,632	65,630	86,175
LeBaron K	0	437	0	0	0	4,580
LeBaron J	2,800	1,561	1,809	9,170	31,322	15,761
LeBaron GTS	0	108	0	298	2,846	2,417
N. Yorker C-Class	1,400	2,152	1,725	10,863	33,953	30,172
Fifth Avenue	0	276	0	0	0	11,540
Total Chrysler	4,200	4,534	3,534	20,249	68,121	62,700
Omni	700	2,051	380	698	1,598	23,652
Daytona	1,800	1,514	1,840	8,141	30,380	15,016
Shadow	2,400	1,743	1,913	9,647	32,866	29,833
Aries	0	1,816	0	0	0	20,483
Dodge 600	0	383	0	0	0	4,588
Dynasty	2,000	1,750	2,472	13,920	40,041	30,941
Lancer	0	216	0	5	1,528	3,040
Spirit	2,600	0	2,380	10,600	29,785	0
Diplomat	0	810	0	0	0	6,180
Total Dodge	9,500	10,093	9,205	44,210	139,218	133,702
CHRYSLER MOTORS	19,300	21,115	17,834	88,091	272,969	282,580
Escort	8,668	6,371	6,007	17,507	69,042	92,324
Mustang	4,572	3,230	3,104	29,099	69,096	60,676
Tempo	3,316	3,190	2,722	13,368	46,104	55,468
Taurus	9,621	7,010	9,327	33,705	110,009	108,798
Thunderbird	4,072	2,775	3,186	15,898	50,337	44,667
Total Ford Div.	30,249	22,576	21,336	109,536	385,441	361,927
Topaz	2,157	1,128	986	5,416	18,754	21,221
Cougar	2,733	1,841	2,099	14,089	41,784	33,799
Sable	1,498	2,825	2,552	13,674	36,701	35,208
Total Mercury	6,384	5,792	5,637	33,149	97,239	90,158
Continental	1,692	890	1,082	6,402	20,594	12,264
Mark VII	540	452	360	2,131	8,089	7,225
Lincoln	3,347	2,690	2,166	12,802	37,291	40,960
Total Lincoln	5,588	4,032	3,608	21,335	65,984	60,449
Total L-M Division	11,972	9,824	9,245	54,483	163,223	150,638
FORD MOTOR CO.	42,221	32,400	30,581	164,089	528,664	5[illegible],565
Skyhawk	392	877	252	1,234	4,474	10,017
Skylark/Somerset	1,305	522	1,042	5,521	14,855	6,627
Century	2,020	2,986	2,167	10,208	33,876	20,660
Riviera	586	123	433	2,382	8,028	1,927
Electra	2,100	2,230	1,414	5,733	23,205	19,827
LeSabre (fwd)	4,383	2,710	3,760	17,841	31,567	36,061
LeSabre (rwd)	210	222	161	810	2,880	2,019
Reatta	289	100	146	615	1,989	1,176
Total Buick	11,774	9,749	9,374	44,339	120,704	97,314
Cimmaron	0	90	0	0	0	3,148
Eldorado	1,002	975	727	3,780	10,758	9,981
Seville	609	579	458	2,473	7,818	6,507
Brougham (rwd)	710	1,121	646	3,159	12,359	8,698
Deville (fwd)	4,950	2,816	3,802	20,280	62,363	62,885
Allante	75	52	60	313	1,003	670
Total Cadillac	7,355	5,636	5,693	30,015	94,291	91,889
Cavalier	8,526	5,629	6,590	32,100	111,565	92,758
Camaro	2,735	1,865	2,239	10,984	33,924	18,974
Celebrity	2,175	2,789	2,241	10,737	43,487	42,555
Corsica/Beretta	7,490	7,165	3,746	35,205	117,150	108,308
Caprice	4,830	3,290	4,356	20,986	56,492	53,354
Corvette	580	367	508	2,490	7,208	5,914
Total Chevrolet	[illegible]6,317	21,126	19,680	112,513	369,827	321,861
Calais	2,295	1,190	1,828	9,062	25,617	27,524
Firenza	0	316	0	0	0	4,740
Cutlass Ciera	1,550	0	1,482	7,634	23,239	0
Cutlass Supreme	0	9,137	2,831	5,700	27,265	60,210
Toronado	187	405	139	687	3,113	4,690
88 (fwd)	3,384	2,629	2,831	9,174	43,765	43,263
88 (rwd)	200	259	117	519	2,107	3,593
Olds 98	2,088	1,296	1,849	6,898	25,971	24,358
Total Oldsmobile	9,704	15,232	11,075	40,274	161,097	158,387
Sunbird	4,049	1,880	3,110	15,455	41,584	29,310
Grand Am	6,240	3,506	5,106	23,333	70,263	65,345
Firebird	1,386	1,404	1,098	6,328	20,342	15,239
Grand Prix	4,080	2,708	3,388	14,376	38,437	28,238
Pontiac 6000	2,220	2,278	1,751	3,128	25,664	17,930
Bonneville	2,941	2,024	1,152	6,100	26,245	25,967
Safari/Parisienne	126	218	108	491	1,503	2,021
Fiero	0	512	0	0	0	5,253
Total Pontiac	21,022	14,509	15,680	74,209	224,038	187,303
GENERAL MOTORS	76,172	66,282	61,512	301,350	959,957	846,754
DIAMOND-STAR	1,271	0	1,075	4,412	10,625	0
HONDA	7,750	7,907	7,614	34,371	107,666	99,972
Civic	2,700	2,159	2,539	11,244	36,133	25,305
Accord	5,050	5,748	5,075	23,127	71,533	74,667
MAZDA†	5,102	2,033	3,727	21,046	66,603	18,502
NISSAN	2,340	2,261	2,094	10,240	31,897	22,702
NUMMI	4,000	2,659	4,041	19,287	54,034	44,378
Corolla	1,600	1,020	1,664	7,886	22,783	16,326
Geo Prizm/Nova	2,400	1,639	2,377	11,401	31,251	28,052
TOYOTA	2,010	0	1,948	9,280	27,060	0
VOLKSWAGEN	0	0	0	0	0	17,284
Golf/GTI	0	0	0	0	0	11,731
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	160,166	134,637	130,416	652,146	2,059,465	1,844,817
Total Cars, Canada	24,146	26,610	20,629	88,681	276,297	315,171
U.S., Canada Cars	184,312	161,247	151,045	740,827	2,335,762	2,159,988
U.S., Canada Cars and Trucks	294,489	256,181	247,940	1,224,226	3,866,413	3,581,378

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended Apr. 8, 1989	Week Ended Apr. 9, 1988	Week Ended Apr. 1, 1989	Mar. Total	Jan. 1 to Apr. 8, 1989	Jan. 1 to Apr. 9, 1988
Premier	1,275	1,870	1,285	3,080	13,065	19,305
CHRYSLER MOTORS	1,275	1,870	1,285	3,080	13,065	19,305
Tempo	3,360	4,291	3,370	12,546	46,654	57,873
Topaz	1,446	1,363	1,428	3,339	19,670	19,228
Crown Victoria	2,582	2,917	2,801	12,785	37,379	39,170
Grand Marquis	3,178	2,886	2,877	14,873	41,851	38,440
FORD MOTOR CO.	10,560	11,457	10,566	46,623	145,554	154,717
Celebrity	196	348	230	845	2,716	5,007
Cutlass Ciera	3,720	7,325	4,112	15,840	51,358	67,274
Lumina	3,505	0	2,428	5,718	12,256	0
Pontiac 6000	0	1,378	0	0	0	13,307
Regal	2,800	3,683	42	7,486	23,541	45,031
GENERAL MOTORS	10,221	12,734	6,822	29,889	89,871	130,619
HONDA	1,850	980	1,[illegible]	7,[illegible]	22,797	8,941
TOYOTA	250	0	[illegible]	924	1,831	0
VOLVO	180	153	[illegible]	792	2,379	1,080
Total Cars, Canada	24,146	26,610	20,629	88,681	276,297	315,171

U.S. TRUCK*	Week Ended Apr. 8, 1989	Week Ended Apr. 9, 1988	Week Ended Apr. 1, 1989	Mar. Total	Jan. 1 to Apr. 8, 1989	Jan. 1 to Apr. 9, 1988
Caravan	2,320	1,931	2,083	9,244	30,921	27,577
Dakota	2,400	2,279	1,911	10,498	31,116	32,975
Mini-Ram Van	200	341	191	819	2,829	4,261
Pickups	2,400	1,100	1,909	10,497	31,036	16,259
Total Dodge	7,300	5,651	6,104	31,059	96,009	81,088
Cherokee	5,200	3,127	4,340	23,491	62,789	49,015
Commancho	600	668	546	2,737	9,565	13,409
Grand Wagoneer	0	280	277	1,451	4,169	3,835
Wagoneer	200	237	190	868	2,779	3,604
Total Jeep	6,000	4,532	5,365	25,527	79,517	69,867
Voyager	1,800	1,600	2,048	8,740	29,521	25,547
Total Plymouth	1,800	1,600	2,048	8,740	29,521	25,547
CHRYSLER MOTORS	15,100	11,783	13,517	65,334	205,047	176,476
Aerostar	5,750	3,535	4,015	21,488	69,283	62,587
Bronco	1,898	1,009	1,207	7,976	25,552	17,133
Bronco II	2,920	2,082	2,309	12,176	39,857	41,066
Econoline	5,111	4,161	4,096	21,732	69,173	63,630
Heavy trucks	1,305	1,180	1,176	6,408	18,936	18,382
Light trucks	12,052	8,541	9,138	47,498	152,584	141,101
Ranger	7,671	6,209	6,581	31,903	102,225	100,298
Total Ford Div.	36,405	27,757	28,602	149,181	474,590	450,346
FORD MOTOR CO.	36,405	27,757	28,602	149,181	474,590	450,346
Astro	3,387	3,257	3,102	15,706	48,728	48,084
Blazer	540	487	554	2,477	7,728	7,495
Mediums/Heavies	0	275	0	0	1,312	4,721
P-Model	747	703	704	3,498	8,674	10,819
Pickups	6,842	6,553	6,610	36,215	117,436	88,816
S-10	4,310	5,757	4,591	25,021	80,954	77,711
S-10 Blazer	3,426	2,971	3,331	18,377	53,748	42,122
Sportsvan/Van	2,237	1,869	1,906	9,124	25,778	20,893
Suburban	1,432	1,367	1,500	6,819	21,571	19,690
Total Chevrolet	22,920	23,239	22,298	117,205	366,928	320,310
Jimmy	112	175	146	714	2,354	2,474
Mediums/Heavies	0	761	0	0	1,496	12,497
P-Model	52	81	53	264	1,166	956
Pickups	2,548	1,934	1,129	7,434	32,961	29,176
S-15	1,049	924	910	6,070	18,895	19,253
S-15 Jimmy	848	580	955	5,398	15,240	10,842
Safari	575	827	473	3,602	11,532	12,500
Suburban	462	314	592	2,733	8,649	10,139
Vandura/Rally Vans	749	540	438	2,252	7,144	11,537
Total GMC	6,395	6,416	4,696	28,435	99,437	109,377
GENERAL MOTORS	29,315	29,655	26,994	145,640	466,365	429,687
NAVISTAR	1,920	1,724	1,912	8,133	24,203	24,109
NISSAN	2,760	1,502	2,502	12,212	37,798	36,878
AM GENERAL	450	450	450	1,980	6,120	6,210
MISCELLANEOUS	3,000	2,300	3,000	13,540	36,100	31,740
Total Trucks, U.S.	89,040	75,171	76,977	396,020	1,250,223	1,156,438

CANADIAN TRUCK	Week Ended Apr. 8, 1989	Week Ended Apr. 9, 1988	Week Ended Apr. 1, 1989	Mar. Total	Jan. 1 to Apr. 8, 1989	Jan. 1 to Apr. 9, 1988
Caravan	3,060	3,013	[illegible]	13,254	42,430	41,968
Mini-Ram Van	336	338	177	830	2,882	3,776
Ram Wagon	660	572	680	2,254	8,467	6,501
Ram Van	1,699	1,372	1,754	5,921	22,110	16,308
Total Dodge	5,746	5,295	5,373	22,289	75,889	68,553
Voyager	2,748	2,785	2,278	11,960	36,896	38,868
Total Plymouth	2,748	2,785	2,278	11,960	36,896	38,868
Wrangler	1,700	1,051	1,763	8,073	22,182	14,141
Total Jeep	1,700	1,051	1,763	8,073	22,182	14,141
CHRYSLER MOTORS	10,194	9,131	9,414	42,322	134,967	121,562
FORD MTR. (lt. trks.)	3,646	3,618	3,578	15,660	47,775	40,751
Light trucks	3,330	3,277	3,812	14,639	46,449	43,308
Vans	1,580	1,279	1,429	5,888	19,200	16,756
Total Chevrolet	4,910	4,556	5,241	20,527	65,649	60,064
Light trucks	1,550	1,414	737	4,501	19,341	22,047
Vans	565	821	677	3,164	9,277	9,502
Total GMC	2,115	2,235	1,414	7,665	28,618	31,549
GENERAL MOTORS	7,025	6,791	6,655	28,192	94,267	91,613
NAVISTAR	270	223	271	1,186	3,419	3,005
Total Trks., Canada	21,137	19,763	19,918	87,379	280,426	265,951
U.S., Canada Trks.	110,177	94,934	96,895	483,399	1,530,651	1,421,390

*—Includes window van production. †—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain [illegible] of one or two units due to rounding.

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Automotive News

April 17, 1989

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Japanese drive for fleet sales

Bigger car supply opens fat market

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Japanese car importers are worrying domestic automakers again, this time by flinging down the gauntlet for a share of the lucrative U.S. fleet market that consists of about six million vehicles.

Japanese cars accounted for 18.5 percent of all fleets in the 1988 model year, up from 14.4 percent in 1984, according to Ford Motor Co. figures. Most of the inroads made by Japanese imports into the total fleet market have been on the rental-car side of the industry.

But now the Japanese makers are eyeing corporate and government fleets. Currently, imports account for less than 1 percent of the corporate sales, service, executive, government and utility fleets nationally, according to a survey of members by the National Association of Fleet Administrators. The association pegs this market at roughly 3 million vehicles.

And the Japanese want a part of it.

For the first time, several fleet-leasing companies have included Japanese cars in their fleet selector lists to customers.

"They have become very competitive," said Harold Barton, Chrysler Motors general manager of fleet operations. "Now they have availability. Their docks are loaded with cars. They're knocking on doors they never knocked on before."

Barton characterized the types of deals being offered to fleet managers by Japanese importers as unbelievable. "I could almost say they are dumping cars or trying to dump cars on the fleet market," he said.

In the past, companies like Nissan and Subaru ignored the fleet market because they didn't have enough vehicles available to bother with it, particularly earlier in the decade when they were retailing as many vehicles as quotas would allow them to import.

Besides, their cars were so popular in the retail end that fleet managers, who weigh incentives before buying, were edged out by retail customers who were willing to pay premiums over sticker prices in many cases. If a fleet wanted Japanese imports, it had to buy them out of dealer stock, just like a retail customer.

But that has changed now that the devalued dollar has increased Japanese-car prices and Japanese automakers have built assembly

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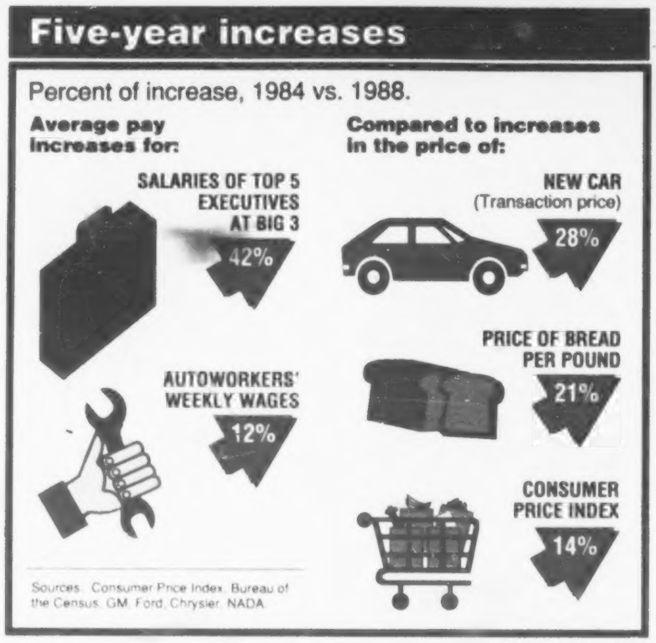

Sources: Consumer Price Index, Bureau of the Census, GM, Ford, Chrysler, NADA

AUTOMOTIVE NEWS / C. BEEVER

Executive income off

Big 3 leaders make less on stock options

By David Versical and Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — The top five executives at each of the Big 3 automakers saw their collective compensation fall 36 percent in 1988 as income from stock options declined dramatically.

But the salaries and bonuses of those 15 executives rose as the Big 3 recorded their best combined profits ever. The average 1988 salary was $656,600 — 15 percent above the previous year. Average bonus payments rose 1 percent to $1.07 million.

Combined income from stock options dropped more than half, however, chiefly because of a severe drop at Chrysler Corp. Three of the top executives at Chrysler, two at General Motors and one at Ford Motor Co. exercised no stock options last year, the automakers revealed in their 1988 proxy statements.

GM's top executives took home more in 1988 than in 1987.

Ford Chairman Donald E. Petersen took home more than twice as much as any of his peers in the executive elite. His $10.5 million compensation was boosted by $7.1 million in stock options last year.

Although the total payouts were down, the UAW again criticized the Big 3 chiefs. It lambasted Ford, for example, for indulging in what the union called "Detroit's annual executive pigout."

Salaries of the Big 3 chiefs — excluding bonuses and stock options — have risen 42 percent in the last five years. That's about triple the rate of increases in the con-

see PROXIES, page 58

Saturn runs race for 1990 intro

By Al Fleming and Michelle Krebs
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AUTOMOTIVE NEWS STAFF REPORTERS

LeFauve

Smith

Fourteen months before the much-publicized target date for Job One, Saturn Corp. President Richard G. "Skip" LeFauve acknowledges that some participants might find Saturn's development chaotic.

But he says General Motors' new car channel is on schedule — although the schedule has become a little fluid.

GM Chairman Roger B. Smith has vowed repeatedly that he will drive the first Saturn car off the assembly line in Spring Hill, Tenn., before he retires in July 1990.

LeFauve told Automotive News, "At this point we would be very ambitious talking about summer 1990 (production startup) with introduction in the fall. We're talking June, July, August in terms of actual vehicle start."

Asked whether November 1990 is still Saturn's market debut target, LeFauve said: "That's a good guess, but it's not formalized. We think it's important that dealers get involved in that decision."

Meanwhile, a number of sources within Saturn, GM and the supplier community say body engineering snags may delay public introduction of the car, possibly into 1991. Newly hired engineers are joining engineers from other GM divisions and suppliers to work on Saturn.

Friday in Spring Hill, GM Chairman Roger Smith was emphatic that Saturn is on schedule and then some.

"I've seen just-in-time inventory, but this is the first time I've seen just-in-time investment," Smith told Automotive News. "They've got everything running just right and they're coming along great.

"Everything I've seen is ahead of schedule and under budget. Everything is coming into place just in time. The biggest problem was lost foam casting (for engines). That is now in hand.

"Just-in-time investment is helping to get the car off the line on time."

In an interview a week earlier, LeFauve said some suppliers may be having trouble meeting ambitious deadlines, but he said the schedule will be met.

see SATURN, page 60

POPULAR MECHANICS-[illegible]

Saturn prototype takes a spin as maker races clock to meet target date

Pontiac tackles fraud, revs up fix-it program

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Although Pontiac apparently has eliminated system flaws that allowed zone employees to bilk the division of as much as $1 million, the division continues a policy of reimbursing car owners for product defects not covered under warranty.

Dealers report Pontiac has increased non-warranty reimbursements — to maintain high customer satisfaction — since criminal abuses by division employees in at least four zones were discovered more than two years ago.

"They are more lenient now than ever with trustworthy, CSI-conscious dealers," one dealer said last week. "Pontiac changed the system that allowed dishonest employees to steal, but they give dealers more leeway to take care of their customers."

Pontiac last week again declined to go beyond its previous responses to inquiries about the non-warranty fraud and related matters.

"We consider it a private business matter," a Pontiac spokesperson said last week. "We have investigated it, we've taken appropriate disciplinary action, and we are cooperating with the authorities."

Since the February sentencing of the final Detroit zone employee involved in the scams, two more former Pontiac aides have pleaded guilty to mail fraud and have been sentenced in connection with a type of non-warranty fraud that plagued Pontiac zone offices in Detroit, Buffalo, Chicago and Dallas.

The latest guilty pleas bring the number of former Pontiac employees convicted in the scams to eight, with fraud losses to Pontiac of more than $225,000 from 1981 to 1987, according to federal criminal indictments.

But the total could be much higher, according to one federal government source who asked not to be identified.

"It would be very foolish to think they uncovered it all," he said. "You never do in this kind of a fraud."

One dealer whose dealership was used in the scam said he was told by Pontiac officials that losses in just the Detroit and Buffalo zones surpassed $250,000 each. Another dealer said that based on the checks he saw, he believes total fraud losses to Pontiac could approach $1 million.

A former Pontiac official who was familiar with the series of frauds told Automotive News last week that even $1 million is probably too low an estimate.

see PONTIAC, page 58

NEWSPAPER

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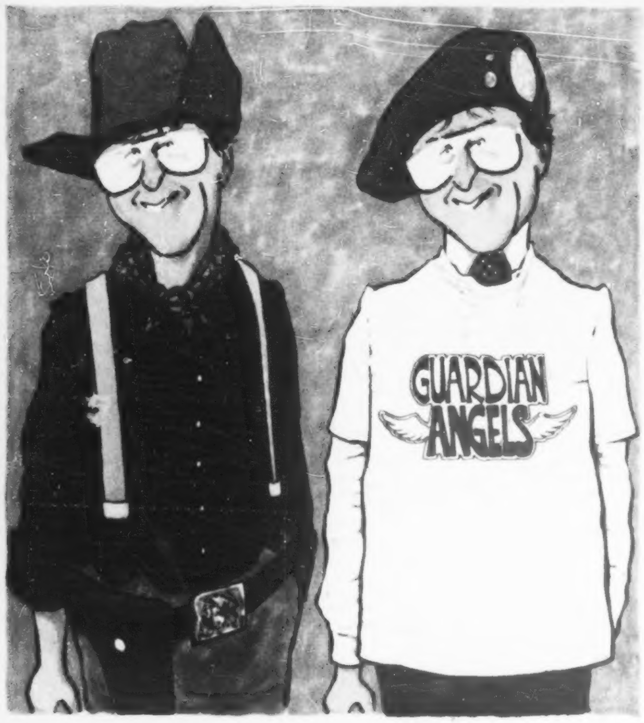

Baker to direct kinder, gentler Rough Riders

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

ORLANDO, Fla. — While reaffirming a get-tough policy with automakers on fleet subsidies, the steering committee of Ron Tonkin's Rough Rider dealer group is seeking to soften its adversarial image to build greater dealer support.

The group is so concerned about its image that it considered a name change from Rough Riders to the Franchised Dealer Guardian Angels. The motion was defeated during the five-hour meeting.

During that first official meeting last week, the committee elected Robert H. Baker chairman. He is president of Bob Baker Enterprises of San Diego, which holds nine franchises in Southern California.

The committee and Rough Riders were formed by Tonkin, the fiery president of the National Automobile Dealers Association.

"We want to emphasize that we are not an adversarial group and we are not out to run roughshod over the manufacturers, as the name 'Rough Rider' has suggested to some people," said Baker. "We are out to correct a situation that we see as an erosion of the franchised dealer's position, and we will do whatever is necessary to protect ourselves. But we believe we can accomplish that without getting into a fight with the factories."

Baker's election as point man for the group signaled Tonkin's move to the background.

Tonkin said he was extremely pleased with the group's first meeting, but deferred comments on the details to Baker, who will now serve as the group's spokesman.

"For me to sit there and watch the group come together was a dream come true," Tonkin said. "It was one of the happiest moments of my life."

He said the committee's first order of business at the meeting was to seek assurances from NADA officials present that the Rough Rider group will continue

see TONKIN, page 58

EC official wants to dump quotas

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — The European Commission heard a proposal that existing national restrictions on Japanese cars be lifted and not replaced by a single Europe-wide quota after 1992 market unification.

It was also recommended, in a message delivered by Martin Bangemann, the EC's new industry commissioner, that rigid local-content rules for Japanese transplants be softened somewhat and that EC producers must become more competitive in the post-1992 era.

Bangemann's new, less-protectionist posture was aired at a meeting of the 12 EC industry ministers in San Sebastian, Spain.

While the commission has always opposed quotas and local-content targets in principle, it has seemed willing in the past to find a compromise between the differing views of member states. The most recent comments signal a change that is deemed likely to touch off a lively debate.

"This is going to be a very difficult debate," said a commission official, who requested anonymity.

The official said the commission will almost certainly develop definitive car industry proposals to take to member states before the end of summer.

Auto execs from outside view post-1992 Europe, Page 30

Bangemann, who is West German, received a mixed initial reaction from the his colleagues. The French, Italian and Spanish governments support stronger protectionist measures than West Germany, Britain and others.

Europe's Committee of Common Market Automobile Constructors did not respond formally to the remarks, a committee source said, because member companies could not agree on a common position. Peugeot and Fiat have taken a much harder line regarding Japanese imports and transplants than West German makers.

A commission source in Brussels, Belgium, said Bangemann's proposal was based on various studies showing that Europe's car industry trails Japan's in productivity, quality and financial resources and must concentrate on improving competitiveness rather than invoking protectionism.

Bangemann said he opposed rigid requirements for local content that have been pushed by French and Italian officials.

The Brussels official predicted that the EC will not adopt specific local-content rules for Japanese transplants.

"We don't like any rules on local content that contain figures," he said. "That can lead to protectionism."

Many industry leaders in Europe regard 80 percent as a critical level because they feel it necessitates production of powertrain and other high-technology components in Europe.

Cesare Romiti, managing director of Fiat S.p.A., recently told the European Parliament that Japanese transplants must be willing to make a full commitment to EC production beyond "pure assembly lines of obsolete models."

Rather than focusing on protectionism, Bangemann's remarks signal a new focus on the international competitiveness of European producers.

He cited an analysis showing that European-owned companies needed 35.9 production hours to build a vehicle in 1987, while Japanese plants in Japan took 19.1 hours. He said Japanese plants in the United States needed just 19.6 hours, American companies in Europe took 30.9 hours and U.S. domestic makers needed 26.5.

Still, Europe's volume carmakers have tightened costs and improved profitability in the buoyant market of recent years. The EC's four largest European-owned companies have all reduced break-even levels drastically since 1980. Since that time, Volkswagen AG has pared its break-even point from 2.5 million units to 1.7 million last year, while Fiat, Peugeot S.A. and Renault have all declined from two million units to 1.2 million.

"But the key issue is how is the car industry in the EC is going to cope when there is a slower rate of growth and new capacities come on stream," said the official. "It will require huge investments to renew models, and the EC carmakers have less financial resources than competitors."

He cited a study showing that EC makers are 65 percent below the Japanese when comparing cash flow as a percentage of needed investment.

AIADA sees threat in European unity

WASHINGTON — Import car dealers are worried that 1992 market unification in Europe could lead to a trade war that would result in quotas on European cars.

Robert McElwaine, president of the American International Automobile Dealers Association, told the U.S. International Trade Commission last week he expects the United States will retaliate against Europe if U.S.-made Hondas are included in European quotas as Japanese cars. Such a trade war would hurt dealer business, he said.

"Our members who sell European makes for their livelihood could well be held hostage in any trade dispute with the European Community," he said.

Honda plans to export 50,000 cars annually from its Marysville, Ohio, plant to Europe, beginning in 1990. McElwaine said inclusion of those cars under European quotas as Japanese vehicles could lead to retaliation in the form of quotas or higher tariffs on BMW, Jaguar, Mercedes-Benz and Volkswagen.

McElwaine said high local-content requirements for Japanese transplants in Europe combined with low import quotas in some countries being expanded across the entire market could cause problems in the United States.

"Low quotas combined with high domestic-content requirements will constitute a virtual ban on cars otherwise destined for Europe," McElwaine said.

As a result, he said, more Japanese cars, built at U.S. transplants and in Japan destined for Europe may be forced on the U.S. market. That, in turn, would put pressure on Japan to reduce export quotas to the United States.

— Diane T. Kurylko

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Hot-shot Taurus meets lukewarm reception

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

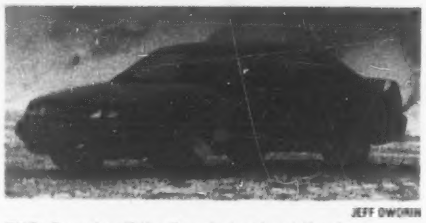
DETROIT — The Taurus SHO — Ford's hot new performance sedan — has been greeted with a lukewarm reception in the marketplace.

Since its introduction last fall, Ford has sold 4,400 SHOs. Ford had planned on about 20,000 sales for the model year — a figure that matched the supply of the 24-valve Yamaha-built V-6 that powers the SHO.

With the model year about half over, the pace will have to pick up considerably to meet the goal. But at the start of production last October, Ford officials gave every indication that the car would sell out the model-year build without a sweat. The optimism stemmed in part from enthusiastic reviews in buff magazines, which were impressed by Ford's efforts at mating 220 horsepower and a front-drive family sedan.

"It has really surprised me," said one engineer who worked on the program. "When the marketplace rejects you, you kind of take it personally."

Ford Division officials acknowledge that the car has not done as well as expected. But they say their sights are set on spring, the traditional peak for performance cars.


JEFF DWORIN

SHO: Speedy off the line, but not out the door

A number of explanations have been offered by those within Ford for the SHO's sluggish start. They include:

- The SHO is available only with a manual transmission, a stiff handicap in the U.S. market. Ford is said to be looking closely at the possibility of adding an automatic.
- Ford dealers aren't used to selling a car like the $19,739 SHO. The division and its dealers are learning as they go. One dealership manager said customers interested in the car know more about it than his people do.
- The car doesn't stand out visually from the standard Taurus. In the words of one insider, it needs "more bells and whistles."

Others argue that the SHO should keep its understated styling cues. A dramatic change might violate the European styling theme embodied by Taurus.

Changes for 1990 won't be readily apparent. The SHO is expected to get anti-lock brakes and driver-side air bags as standard features.

Thomas Wagner, Ford Division general manager, also is upbeat about the car's prospects.

"The market is pretty thin up there with manual transmission and a $20,000 price," said Wagner. "We have done what we wanted. We have a presence there. People who have them are happy. They feel they got a hell of a bargain for $20,000."

Two of the nation's largest Ford dealers, meanwhile, reported sharply different responses to the SHO.

Paul Swerling, general manager at Wilmington Sales in suburban Boston, said he has sold just a few. But Craig Kapson, president of Jordan Ford in Mishawaka, Ind., said the SHO has done very well, particularly with the engineering community in his area.

Ford sold 1,400 SHOs as the car came to market in November and December. In the first quarter of 1989, sales totaled 2,990.

RV makers waiting for sales upturn

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

RV manufacturers started 1989 with strong wholesale shipments, but the industry is still waiting for the traditional spring retail upturn.

One bright spot is Chrysler Motors' recent incentive on full-sized vans. As of April 1, Chrysler began offering $2,000 rebates on full-sized van conversions and $1,000 on unconverted full-sized vans.

Chrysler told dealers a van had to have a conversion package worth a minimum of $2,500 before it could qualify for the $2,000 rebate. Consumers can select low-interest financing in place of the rebate. The Chrysler program runs indefinitely.

Converters like William Snook, president of Coachmen Vans in Elkhart, Ind., and Good Times Van in Bentley, Texas, would like to see Ford and General Motors place incentives on their full-sized vans.

"We all have to get something going. Van converters have been discounting rampantly since mid-February to keep (their wholesale) inventories flowing because we all made commitments to (Detroit manufacturers) to get the chassis," Snook said.

Even dropping prices at the wholesale level hasn't been enough, he said.

Ultimately, it will be up to Detroit manufacturers to stimulate the market.

Part of the problem facing van conversions is that when cars are heavily incentivized, buyers tend to gravitate toward them. Converters believe they need parity with auto incentives for their products to compete equally.

Meanwhile, converters opened 1989 on a strong note, wholesaling 15,300 conversions in January, a 9.30 percent increase over the year-earlier month. Overall, the RV industry wholesaled 32,400 vehicles of all types during the month, a 5.19 percent increase over last year, according to the Recreation Vehicle Industry Association.

That represents a seasonally adjusted annual rate of more than 423,000 deliveries, RVIA noted, representing a very strong start for the industry as a whole.

The association said the average wholesale price of a compact van conversion in January was $15,538. Compact conversions accounted for 27.33 percent of the vans in its price survey.

The average wholesale price of a standard van conversion was $18,642.

Those prices were based on reports by 96 van converters and shipment of 6,630 units — 43.33 percent of the total number of van conversions shipped in the month.

Shipments of seat-delete vans to converters by Chevrolet, GMC, Ford and Chrysler, portending future conversion activity, increased 85.83 percent in January. Detroit manufacturers shipped 22,300 raw chassis to converters during the month, up from 12,000 in the year-earlier period.

Of the January total, 5,100 were compact chassis and 17,200 were full-sized chassis.

Compact chassis shipments were up 50.00 percent from 3,400 a year earlier, while full-sized chassis shipments were up 100.00 percent from the 8,600 units shipped in January 1988.

Recreational Vehicle Wholesale Deliveries

	January 1989	January 1988	% change	1 mos. 1989	1 mos. 1988	% change
Travel trailers	4,900	5,000	− 2.0	4,900	5,000	− 2.0
Park Trailers	700	700	− 0.0	700	700	− 0.0
Travel trailers—fifth wheel	2,700	2,600	+ 3.8	2,700	2,600	+ 3.8
Folding camping trailers	3,000	3,400	−11.8	3,000	3,400	−11.8
Truck campers	600	500	+20.0	600	500	+20.0
Towable RV total	11,900	12,200	− 2.5	11,900	12,200	− 2.5
Conventional (type A)	3,100	2,800	+10.7	3,100	2,800	+10.7
Van Campers (type B)	300	300	− 0.0	300	300	− 0.0
Chopped vans (all)	1,800	1,500	+20.0	1,800	1,500	+20.0
Motor home total	5,200	4,600	+13.0	5,200	4,600	+13.0
Van conversions	15,300	14,000	+ 9.3	15,300	14,000	+ 9.3
TOTAL ALL RVs	32,400	30,800	+ 5.2	32,400	30,800	+ 5.2

Source: Recreation Vehicle Industry Association.

Firm plans standards to judge converters

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Automotive dealers soon will have standards to judge the quality — and customer satisfaction levels — of many major van converters.

Service Marketing Unlimited of Fort Worth, Texas, is developing a program to establish industry standards by which converters can be compared and rated on their vehicle quality, aftersale support and other key criteria.

Many of the industry's biggest firms are involved with the Service Marketing program. They include Mark III Industries of Ocala, Fla.; Starcraft Corp. of Topeka, Ind.; Coachmen Vans of Elkhart, Ind.; Good Time Vans of Bentley, Texas; and U.S. Conversions of Elkhart.

Glaval Inc. of Elkhart previously announced a similar plan to develop customer satisfaction index ratings through J.D. Power and Associates, a market research firm in Agoura Hills, Calif.

Jake Cash, chairman of Service Marketing, said customer surveys have been undertaken for some converters. The companies are expected to use the results in their sales and promotional efforts next fall.

Cash said the program was inspired by one of his clients, James Payton, the 1988 president of the National Automobile Dealer Association and owner of Payton-Wright Ford in Grapevine, Texas.

Payton told Automotive News that he informed Service Marketing, "We were not handling any van conversions because our experience with them had been so bad. By the time the vans were sold and customers drove them 6,000 or 12,000 miles and we filed a claim for warranty, the converter was either out of business or didn't pay the warranty well.

"I said that before we got back *into it, we wanted to talk to a* company that had a track record, not just a salesperson saying how great they were. I wanted them to show me where they stood — in a recognized survey, something similar to what NADA does, something with credibility and validity. And, out of that, Service Marketing developed this program."

Payton added, "I feel there are a lot of dealers who feel the same as I do. They've been burned (by van converters) in the past," and are leery of them.

He has stocked as many as 15 conversions at a time in past years, but he doesn't currently market any.

"If we could find the right company, with the right kind of reputation to back the products, somebody we felt would be there down the line, I would give it (retailing conversions) serious consideration," he added.

Cash's firm has done sales follow-up and customer-satisfaction work for many individual dealers and has worked with Ford Dealer Advertising Fund groups, such as the one in Dallas County, Texas.

The firm isn't large, but it counts a roster of blue-ribbon dealers among its clients.

Beside Payton, they include James Caplinger, 1987 NADA president and owner of Caplinger Chevrolet-Oldsmobile in England, Ark.; Robert Russell, the 1987 Time Magazine Quality Dealer Award winner and owner of Russell Chevrolet-Honda in North Little Rock, Ark.; and Sam Pack, Time's 1988 Quality Dealer and owner of Lee Jarmon Ford in Carrollton, Texas.

Cash said the firm is not interested in promoting itself and also is not interested in publicizing ratings for individual manufacturers as J.D. Power does.

"We're not interested in competing with J.D. Power. We're not going to put out a public list of who is No. 1, 2 or 3," such as Power does in the car market, Cash said.

The company is surveying the purchasers of various brands of van conversions and will turn the survey results over to individual converters.

It will supply industry standards to dealers, and the dealers then will be able to ask converters how they rank compared to the standards.

The survey information also will enable individual converters to determine any weak spots and improve on them, said Derrell Pitcock, president of Service Marketing.

Under a separate program, Pitcock said, the firm is conducting similar surveys and developing data for a number of Ford dealers.

Along with Dallas-Fort Worth Ford dealer groups, his company is also working with a group of dealers in Tulsa, Okla.

It is working with 248 Ford dealers in developing standards by which they can judge their individual performances, Pitcock said.

AWARDS TIME: *RVIA honors Starcraft chief, others at its annual meeting*

RESTON, Va. — Don Cuzzocrea, president of Starcraft Corp., Topeka, Ind., and immediate past president of the Recreation Vehicle Industry Association, has received the association's highest honor, its Distinguished Service to the RV Industry Award.

The award was presented at the association's annual meeting in Maui, Hawaii.

Bill S. Doyle Jr., president of Western Recreational Vehicles, Yakima, Wash., received RVIA's Distinguished Achievements in RV Standards Award. Dave Preston, publisher and editorial director of RV West magazine, Alameda, Calif., received the Distinguished Service in RV Journalism Award.

The meeting was attended by nearly 300 association members and their spouses.

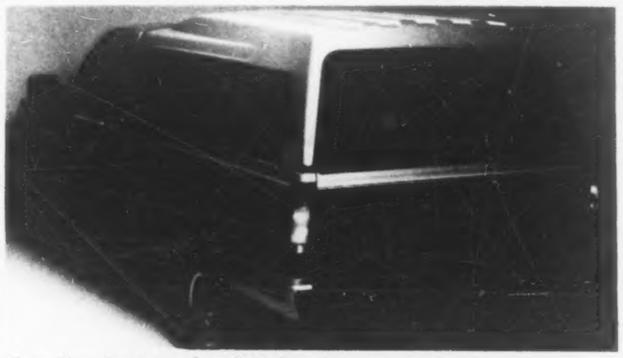
Also at the meeting, Richard T. Curtin, director of the University of Michigan Survey Research Center, announced the results of his 1988 RV consumer survey. Curtin, who has been monitoring consumer reaction to the RV industry since 1980, reported that the growth in the number of households with recreational vehicles has averaged about 100,000 per year since 1984.

Keynote speaker at the meeting was Phillip M. Novell, general marketing manager, Ford Division, who provided association members with an overview of Ford's continued commitment to the RV industry.

In his state of the association address, Allen Yoder Jr., RVIA chairman and president of Jayco Inc., Middlebury, Ind., said, "RV sales are stronger today — with more people involved in the lifestyle — than at any time in our history. Numerically speaking, 1988 was the best year that the industry has experienced in over a decade."

Yoder also presented David J. Humphreys, RVIA president, with a "first and only" RVIA president's ring. Speaking for the association's executive committee, Yoder thanked Humphrey for his "year-in, year-out work to advance the RV industry and recreation."

Over the past 20 years, Yoder told Humphreys, "you've successfully worked to establish a solid RV industry presence on Capitol Hill and have given us and the more than 100 recreation-related trade associations an active voice in government policy making on recreation issues."



Gem Top features insulated caps
Gem Top Manufacturing of Clackamas, Ore., has introduced a new line of polyurethane foam-insulated Navajo and Poly tops. The vacuum-formed polymer caps are available in either textured or high-gloss finish.

RV BRIEFS

Aviator's Street Heat

Aviator Conversions of Nappanee, Ind., has formed Street Heat Automotive Accessories to market dress-up accessories for the sporty pickup market.

The company is marketing the brand-name accessories, including some it manufactures itself, to auto dealers. It is also talking to major mass merchandisers about distribution, according to Larry LaGuardia, Aviator vice president and general manager.

The accessories include dress-up interiors, graphics, mag wheels and "anything you can put on a truck." They are being marketed individually and in kits for Ford, Chevrolet and GMC pickups, LaGuardia said.

Dynasty relocates

Dynasty International, a van and truck conversion company, recently moved into a new facility in Elkhart, Ind. The site houses corporate offices and conversion operations.

"We moved from our Wakarusa (Ind.) plant to be closer to our suppliers and to obtain a larger facility," said Jim Bumgardner, company president.

Oshkosh assembly sites

Oshkosh Truck Corp. of Oshkosh, Wis., selected Oshkosh and Gaffney, S.C. as sites to manufacture two new lines of motor home and commercial step van chassis.

The dominant factor in site selection was proximity to component suppliers.

The company is currently producing a high-capacity chassis in Oshkosh. The new chassis is a low-profile unit designed for the light-weight capacity sector of the market. Most of the major components will come from Chrysler Motors' Acustar distribution center in Beaver Dam, Wis.

The company will produce a medium-capacity chassis, acquired earlier this year from John Deere, at the Gaffney facility.

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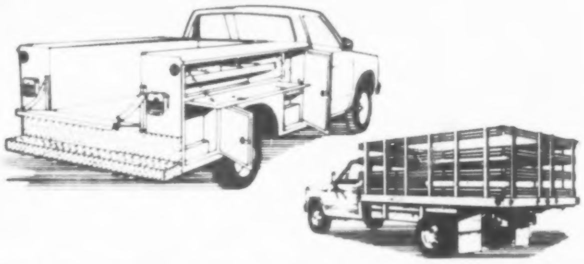

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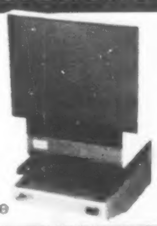

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AUCTION DATES

Chrysler Motors

April 19 — West Palm Beach Auto Auction, West Palm Beach, Fla.; Columbus Fair Auto Auction, Obetz, Ohio; and Minneapolis Auto Auction, Plymouth, Minn.

April 20 — Auto Auction of Billings, Billings, Mont.; Fredericksburg Auto Auction, Fredericksburg, Va.; Salt Lake Auto Auction, Salt Lake City; and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

April 21 — St. Louis Auto Auction, Bridgeton, Mo.

April 25 — American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Hatfield Auto Auction, Hatfield, Pa.; Nashville Auto Auction, Nashville, Tenn.; Florida Auto Auction of Orlando, Ocoee, Fla.; Portland Auto Auction, Portland, Ore.; Riverside Auto Auction, Riverside, Calif.; and Greensboro Auto Auction, Greensboro, N.C.

Ford Motor Co.

April 18 — Newburgh Auto Auction, Newburgh, N.Y.

April 19 — Atlanta Auto Auction, Red Oak, Ga.; Baltimore-Washington Auto Exchange, Baltimore; Fort Worth Auto Auction, Fort Worth, Texas; Lakeland Auto Auction, Lakeland, Fla.; and Southern California Auto Auction, Fontana, Calif.

April 20 — Ohio Auto Auction, Grove City, Ohio; Brasher's Sacramento Auto Auction, Rio Linda, Calif.; and St. Louis Auto Auction, Bridgeton, Mo.

General Motors

April 13 — Mid Ark Auto Auction, North Little Rock, Ark.; Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo., and Utah Auto Auction, West Bountiful, Utah.

April 14 — Minneapolis Northstar Auto Auction, Shakopee, Minn.

April 18 — A.D.E. of Birmingham, Moody, Ala.; Florida Auto Auction of Orlando, Ocoee, Fla.; and Harrisonburg Auto Auction, Harrisonburg, Va.

April 19 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Used Car Sales

Auction Averages

April 89	**$6,204**
Month ago	**$6,029**
Year ago	**$5,970**

Model Breakdown

Auction Averages

Year	APR 1989	MAR 1988	FEB 1988
1989 ...	$13,432	$12,197	$13,118
1988 ...	$9,255	$8,751	$8,235
1987 ...	$7,054	$7,338	$7,289
1986 ...	$6,453	$5,975	$6,014
1985 ...	$5,085	$4,978	$4,764
1984 ...	$4,333	$3,942	$3,840
1983 ...	$3,094	$2,867	$2,683
1982 ...	$2,374	$2,612	$2,187
Overall Average	$6,204	$6,061	$5,678

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Title	Count	Price	Title	Count	Price
Air Conditioning Equipment	12,111	$ 195	New Parts Dealers	60,692	$ 495
Body Shops	68,091	495	Parts — Used Salvage	18,273	225
Body Shop Equip. & Supplies	4,783	120	Parts — Wholesale	15,422	210
Brake Service	34,327	295	Radiator Repair	12,211	195
Customizing	5,613	130	Repair Shops	182,085	875
Detail and Clean Up	5,263	125	Service Stations	115,353	765
Electric Service	8,454	155	Tops/Upholstery	9,573	170
Machine Shops	9,801	170	Transmission Repair	19,202	230
Muffler Repair	18,290	225	Used Car Dealers	73,489	545
New Car Dealers	27,613	325	Wrecking	6,439	135

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Car sales blossom

Early-April climbs 30% over sub-par '88

By Karen Detkowski
SPECIAL CORRESPONDENT

With incentive programs in full bloom, U.S. automakers reported a 30.12 percent sales gain for the first 10 days of April.

Deliveries of U.S.-built cars totaled 188,608, compared to a sub-par 144,954 in the same period of 1988. Last year's early-April total was 24.95 percent below the 1987 figure, despite major incentive programs.

Each of the domestic makers delivered more cars in the April 1-10 period than they did a year ago. It was the first time this year that all makers reported gains for a 10-day period.

The average daily-selling rate was 23,576 vs. 18,119 last year. Both periods had eight selling days.

Ford's sales rose 46.97 percent in the first 10 days of April.

General Motors' total was up 20.80 percent over 1988, and Chrysler Motors' sales increased 12.36 percent.

Honda's transplant car sales rose 44.06 percent, and Nissan's sales jumped 40.73 percent.

Toyota delivered 2,700 domestically produced cars — 1,591 Camrys and 1,109 Corollas — up from 519 units last year when only the Corolla was assembled in the United States.

Mazda reported 977 sales of MX-6 models built at its Flat Rock, Mich., plant. The year-ago total was 230.

Domestic-sales newcomer Mitsubishi delivered 511 Eclipse models. The Eclipse is built by Diamond-Star Motors, the Mitsubishi-Chrysler joint venture in Normal, Ill.

Sales of U.S.-built light trucks nearly matched the percentage gains recorded by cars.

Truck sales rose 24.74 percent to 108,151 units in the first 10 days of April, up from 86,704 last year.

All light-truck producers reported increases this year.

Ford truck sales were up 28.19 percent; GM's light-duty deliveries rose 26.53 percent; Chrysler truck dealers increased sales 14.56 percent, and Nissan domestic light-truck sales rose 62.65 percent.

Combined sales of domestic cars and light trucks were 296,759 for April 1-10, up 28.10 percent from last year's 231,658.

DOMESTIC CAR SALES

	Apr. 1-10, 1989	Apr. 1-10, 1988
Eagle	980	937
Chrysler	6,295	5,784
Plymouth	6,989	6,200
Dodge	11,175	9,719
Chrysler Motors	25,439	22,640
Ford	41,394	29,896
Mercury	15,433	9,656
Lincoln	6,338	3,427
Ford Motor Co.	63,165	42,979
Buick	12,379	8,339
Cadillac	6,183	4,376
Chevrolet	33,971	32,272
Oldsmobile	15,203	12,358
Pontiac	18,374	13,939
General Motors	86,110	71,284
Volkswagen	—	538
Honda	8,082	5,610
Nissan	1,624	1,154
Toyota	2,700	519
Mazda	977	230
Mitsubishi	511	—
U.S. Car Total	188,608	144,954

Import supply eases to still-high 79 days

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

With new-car sales trailing the year-ago pace by nearly 12 percent and inventories above last-year's totals, domestic automakers and importers are watching the sales charts with nail-biting concern.

Unless the hoped-for spring upturn becomes a reality, the solution to the inventory problem may involve production cutbacks and reductions in shipments from overseas in addition to the incentive programs that already are in place.

Early-April sales of domestic cars were encouraging, but it will take a few more periods to tell whether the industry is really making a dent in the domestic and import stockpiles.

Sales of both domestic and imported cars rose last month after a lackluster February, but they were weak compared with March 1988. Domestics were down 12.83 and imports dipped 9.01 percent.

Inventories of both domestic and imported cars are higher than usual for this time of year.

On April 1, the import car inventory declined somewhat from the March 1 level but still was higher than that of April 1, 1988.

There was a 79-day supply of imports on April 1, — 36 days higher than the 43-day average for that date the past five years. The stockpile of U.S.-built cars was 77 days, two weeks more than the domestic five-year average.

The days' supply of import cars dropped from 87 on March 1, but rose from 67 on April 1, 1988.

Import car stocks on April 1 totaled 713,783, down about 6,300 from the March 1 total of 720,056, but up about 43,000 over 670,608 on April 1, 1988.

Combining the domestic and import inventories on April 1, dealers had 2,536,007 cars to sell, a 77-day supply. On March 1, there was an 80-day supply or 2,512.026 cars in stock, indicating that the industry made little headway in reducing the new-car inventory during March. The April 1 total was almost 300,000 units higher than the stockpile of 2,245,137 cars on April 1, 1988, a 60-day supply.

The Big 3 reported sharp increases in their days-supply numbers on April 1 this year compared with the same date in 1988. GM's total car supply, including captive imports, was 88 days on April 1 vs. 66 a year ago. Ford Motor Co.'s numbers were 82 vs. 58, and Chrysler Motors' were 90 vs. 64.

Imported truck inventories were 170,500, compared to 201,420 on April 1, 1988. The days-supply figures were 73 this year and 74 in 1988. Since total inventories were down 15 percent and the days' supply was about the same, the daily selling rate has declined during the past 12 months.

IMPORT CAR SALES BY MODEL

	March 1989	March 1988	3 Mos., 1989	3 Mos., 1988
ACURA	11,805	10,470	30,783	28,495
Integra	6,268	5,033	15,012	12,924
Legend	5,537	5,437	15,771	15,571
ALFA ROMEO	581	545	1,036	1,308
Milano	287	292	511	727
Spider	294	253	525	578
AUDI	1,360	1,843	4,627	5,274
4000S	6	31	12	109
4000CS Quattro	0	11	6	50
5000S	35	328	111	993
5000CS Turbo	0	66	26	243
5000CS Turbo Quattro	0	77	8	411
80	375	625	1,618	1,692
90	508	651	1,489	1,633
100/200	331	0	951	0
100/200 Quattro	102	0	396	0
Coupe GT	3	54	10	143
BMW	6,057	6,403	17,476	16,762
3 Series	2,804	3,579	8,275	9,577
5 Series	1,941	1,221	5,412	3,310
635 CSi	124	169	398	347
7-Series	951	1,179	2,767	2,875
M3	118	165	294	434
M5	49	34	139	92
M6	70	56	191	127
CHEVROLET	8,194	10,111	23,513	31,118
Spectrum	4,239	6,250	12,179	18,273
Sprint	3,955	3,861	11,334	12,845
CHRYSLER MOTORS	11,277	12,555	28,652	0
Colt	6,075	8,270	15,604	22,027
Conquest	677	963	1,531	2,405
Medallion	1,073	1,624	2,108	6,523
Summit	2,112	0	5,826	0
Vista	1,214	1,698	3,324	4,954
TC	126	0	259	0
DAIHATSU	1,217	804	3,340	2,587
FORD Festiva	6,675	6,894	19,354	18,062
HONDA	16,796	18,567	48,895	59,840
Civic/CRX	4,991	12,353	12,893	33,343
Accord	8,215	2,352	26,407	12,773
Prelude	3,590	3,862	9,595	13,724
HYUNDAI	20,461	26,166	49,691	71,026
Excel	17,384	26,166	41,980	71,026
Sonata	3,077	0	7,711	0
ISUZU	1,749	1,675	4,549	4,684
I-Mark	1,326	1,189	3,746	3,064
Impulse	423	486	803	1,620
JAGUAR	1,630	1,854	4,483	4,422
XJ6	1,198	1,411	3,361	3,364
XJS	432	443	1,122	1,058
MASERATI	24	104	90	249
MAZDA	18,711	22,430	50,760	58,838
323	8,010	9,394	20,843	24,409
626	4,057	6,583	11,584	16,690
MX-6	435	1,243	889	4,106
929	1,817	2,352	4,765	6,107
RX-7	1,834	2,858	5,362	7,526
MPV	2,558	0	7,317	0
MERCEDES BENZ	6,570	7,603	17,148	19,302
190	961	1,367	2,790	3,239
260E	452	695	923	1,662
300	2,294	2,059	5,635	5,323
300 SE	600	0	1,658	0
300SDL Turbo	0	9	0	76
300SEL	380	759	911	1,878
420SEL	558	926	1,612	2,470
560SEL	446	478	1,266	1,422
560SL	712	1,132	1,854	2,715
560SEC	125	154	373	449
Tourist	42	24	126	68
MERKUR	865	764	2,552	2,267
XR4Ti	590	400	1,350	1,286
Scorpio	275	364	1,202	981

	Feb. 1989	Feb. 1988	2 Mos., 1989	2 Mos., 1988
MITSUBISHI	7,425	5,790	17,199	16,273
Starion	107	321	403	767
Cordia	7	490	310	1,374
Tredia	5	80	10	283
Mirage	1,175	962	2,604	2,855
Galant	4,491	850	8,670	2,597
Precis	1,479	2,518	4,697	6,867
Van/Wagon	161	569	505	1,530
NISSAN	38,906	39,536	98,375	92,163
Sentra	13,826	17,813	35,287	39,215
Pulsar	2,272	4,322	5,337	10,626
Stanza	3,672	8,410	7,909	16,410
Maxima	10,052	4,837	27,054	15,014
240SX/200SX	7,135	1,195	17,660	3,640
300ZX	1,511	2,175	4,102	6,026
Axxess	192	0	192	0
Hawaii	246	784	834	1,232
PEUGEOT	565	563	1,426	1,247
PONTIAC LeMans	4,076	6,843	11,417	13,996
PORSCHE	667	1,872	1,808	4,426
924S	12	263	54	544
944	95	468	236	1,122
944S	14	87	24	187
944 Turbo	63	251	141	577
911 Coupe	175	349	515	854
911 Turbo	116	120	296	301
911 Cabriolet	140	205	353	458
928S	52	129	189	383
SAAB	2,638	3,996	7,918	9,791
900	439	536	1,221	1,596
900S	690	950	1,690	2,462
900 Turbo	734	851	2,420	2,112
9000S	226	446	779	1,019
9000 CD	395	0	888	0
9000 Turbo	135	1,195	881	2,536
Tourist	19	18	289	66
STERLING	384	937	1,784	3,054
SUBARU	14,321	13,951	37,778	36,498
Hatchback	366	603	1,010	1,754
3-Door	660	691	1,813	1,737
4-Door Sedan	4,966	2,564	14,166	6,281
XT/XT6	1,151	1,396	2,615	3,244
Station Wagon	4,257	5,324	11,366	14,842
Justy	2,921	3,373	6,806	8,640
SUZUKI	480	0	1,586	0
TOYOTA	39,041	42,734	104,838	127,050
Corolla	9,018	9,963	23,242	32,211
Tercel	8,408	6,003	23,241	18,655
Celica	5,003	5,662	13,353	14,586
Supra	1,653	1,962	4,248	5,238
Camry	10,666	13,417	27,819	41,964
Cressida	1,611	1,140	5,299	3,117
Land Cruiser	438	925	1,348	2,073
Van	461	684	1,328	1,762
4Runner SR 5	1,300	1,933	3,705	4,785
MR2	483	1,045	1,255	2,659
VOLKSWAGEN	12,834	12,567	30,688	36,421
Cabriolet	1,119	1,393	2,175	3,224
Jetta	5,409	5,520	12,638	15,645
Golf/GTI	1,986	0	4,842	0
Vanagon	384	569	977	1,658
Quantum	140	242	407	756
Scirocco	167	291	519	861
Fox	3,629	4,552	9,130	14,283
VOLVO	8,751	8,293	25,400	24,123
240 Series	3,627	3,055	10,652	9,643
740 Series	3,653	4,214	11,223	11,516
760 Series	1,290	879	3,088	2,545
780	148	101	358	309
Tourist	33	44	79	110
YUGO	827	3,563	2,458	8,921
IMPORT TOTAL	244,887	269,433	649,624	734,106

*Volkswagen has reported sales of U.S.-built Golf and GTI models as imports after June 30, 1988.

Compiled by Karen Detkowski

IMPORT DAYS' SUPPLIES

	Apr. 1, 1989	Mar. 1, 1989	Apr. 1, 1988
Chevrolet	200	188	153
Chrysler Motors	173	208	126
Acura	79	77	26
Daihatsu	87	89	78
Honda	40	36	10
Isuzu	171	224	154
Mazda	59	62	48
Mitsubishi	71	98	105
Nissan	88	114	96
Subaru	58	24	97
Suzuki	253	119	—
Toyota	28	35	18
JAPAN	73	79	64
Audi	182	146	231
BMW	74	85	85
Mercedes-Benz	51	61	34
Merkur	100	166	206
Porsche	170	180	80
VW	121	156	92
GERMANY	98	115	87
Alfa Romeo	166	124	65
Festiva	119	125	102
Hyundai	52	71	45
Jaguar	63	42	55
Peugeot	97	99	83
Pontiac	161	133	86
Eagle/Renault	144	219	49
Saab	88	63	61
Sterling	124	92	81
Volvo	76	70	76
Yugo	242	428	127
Other Countries	87	99	67
Total Import Cars	79	87	67
Geo Tracker	185	198	—
Isuzu	115	126	123
Mazda	62	79	58
Mitsubishi	90	69	62
Nissan*	38	41	110
Range Rover	34	22	30
Suzuki	114	88	95
Toyota	54	52	31
Chrysler	206	201	114
Total Imp. Trucks	73	74	74
Total Imp. Vehicles	77	84	69

*Includes domestic vehicles.

1988 GM COMPENSATION

	1988 Salary	1988* cash/stock bonus	Options exercised Jan. 1-Dec. 31, 1988	Total compensation
Roger B. Smith, chairman	$983,000	$1,700,000	$1,006,949	$3,689,949
Robert C. Stempel, president	633,000	1,220,000	11,261	1,864,261
Donald J. Atwood, vice chairman	625,000	1,110,000	0	1,735,000
F. Alan Smith, executive vice president	533,000	904,000	194,463	1,098,463
Lloyd E. Reuss, executive vice president	500,000	1,006,000	0	1,506,000

*—Includes awards made under the stock incentive plan and the performance achievement plan.

1988 FORD COMPENSATION

	1988 Salary	1988 bonus	Options exercised Jan. 1-Dec. 31, 1988	Total compensation
Donald E. Petersen, chairman	$1,139,790	$2,200,000	$7,151,030	$10,490,820
Harold A. Poling, vice chairman	951,281	1,600,000	1,517,342	4,068,623
Louis R. Ross, executive vice president North American Automotive Operations	2,138	1,100,000	1,848,607	3,470,745
Philip E. Benton Jr., president, Ford Automotive Group	534,785	1,300,000	1,159,312	2,994,097
Allan D. Gilmour, executive vice president, International Automotive Operations	453,687	1,200,000	0	1,653,687

PROXIES

FROM PAGE 1

sumer price index and more than three times the rise in the average autoworker's wage.

The profit trend lines for each maker have varied over that five-year span. Ford earned 82 percent more last year than it did in 1984. GM was up 7.5 percent. Chrysler's net income was down 55 percent from 1984.

In all, the 15 chiefs took in an average of $2.7 million each last year in salary, bonuses and stock options. That compares to $4.2 million the previous year.

Ford and GM released their proxy statements last week. Chrysler announced the previous week that salaries for its top five executives rose an average of 10 percent, bonuses fell 22.5 percent, and income from stock options declined 90 percent.

Here are summaries of GM' and Ford's proxy statements.

Ford Motor Co.

Ford disclosed that its top five officers shared $11.00 million in salaries and bonuses last year.

The five also exercised $11.68 million in stock options, bringing their total payout to $22.68 million. That compares to a record $23.06 million shared the previous year.

Petersen nearly tripled his 1987 income of $3.73 million. Last year's $10.49 million payout included $7.15 million from stock options. Petersen exercised no options in 1987 while taking home a $929,934 salary and a $2.8 million bonus.

Vice Chairman Harold A. Poling, meanwhile, saw his compensation fall from $10.87 million in 1987 to $4.07 million last year. Poling's 1987 income was boosted by $8.06 million from stock options. Other compensation that year included an $808,697 salary and $2 million bonus.

Total compensation for Executive Vice Presidents Philip E. Benton Jr. and Allan D. Gilmour also fell last year.

Gilmour exercised no stock options in 1988 after taking in $999,937 the previous year. His 1988 salary was higher than the $379,918 in 1987, while his bonus fell from $1.37 million to $1.20 million.

Benton's income from stock options fell more than $300,000 from the $1.48 million he collected in 1987. His bonus dropped by $70,000 to $1.30 million, while his salary climbed to $534,785, an increase of more than $121,000 from the previous year.

Executive Vice President Louis R. Ross saw his income climb by more than $1 million. His $1.85 million in stock options tripled his 1987 take. Ross's salary increased nearly $70,000 from 1987's $452,568; his bonus fell from $1.37 million to $1.1 million.

General Motors

Total compensation for the top five GM executives rose 38.91 percent in 1988, to $9,893,673 from $7,122,420, according to GM's annual proxy statement, mailed to shareholders last Friday.

Total compensation for Chairman Roger B. Smith increased 55.04 percent in 1988 to $3.69 million from $2.38 million in 1987.

Total compensation for President Robert C. Stempel rose 41.98 percent last year to $1.86 million from $1.31 million in 1987, when he served just four months as president.

Compensation for Vice Chairman Donald J. Atwood rose 35.94 percent last year. The 1988 total was $1.74 million vs. $1.28 million in 1987.

F. Alan Smith, GM executive vice president for operating and public affairs staff groups, saw his total compensation decline 20.86 percent last year to $1.10 million from $1.39 million because of less stock-option activity.

Lloyd E. Reuss, executive vice president for North American automotive operations, joined the ranks of the five top-earning executives in 1988. Reuss' total compensation last year was $1.5 million. His 1987 compensation was not reported.

The proxy disclosed that three directors will not seek re-election at the company's May 19 annual meeting in Detroit.

They are Atwood, who has been nominated as deputy secretary of defense by the Bush administration; Walter A. Fallon, former Eastman Kodak Co. president; and James D. Robinson III, chairman of American Express Co. The retiring directors will not be replaced.

PONTIAC

FROM PAGE 1

Automotive News first reported the existence of the scam, the resulting intensive General Motors warranty audit and the federal probe in April 1987. At that time, Pontiac said that the incidences of fraud were limited, isolated and involved only a few thousand dollars.

U.S. Postal inspectors are believed to be investigating at least one other zone.

The first indictments for fraud in the Detroit and Buffalo zones were returned in Detroit in February 1988.

One former Pontiac employee was indicted in that first wave in Detroit for fraud in both zones. He subsequently pleaded guilty to mail fraud charges. He had worked in both the Detroit and Buffalo zones and is believed to have carried the fraud with him from Detroit to Buffalo.

However, there seems to be no evidence to suggest the frauds in Chicago and Dallas are related to each other or the Detroit and Buffalo scams, according to federal investigators.

Typically, the Pontiac zone employees supplied phony vehicle identification numbers and induced or tricked Pontiac dealership employees to submit reimbursement claims for work that was never performed. The guilty zone employees then approved the phony claims, which were paid to accomplices or to aliases.

Pontiac was particularly vulnerable to this type of scheme because its system allowed zone employees to approve checks written by dealerships to customers with product defects not covered by warranty.

Zone personnel could "authorize Pontiac dealers to reimburse Pontiac owners for charges they had previously paid for repairs not directly covered under warranty," but "for defects for which Pontiac agreed to accept responsibility," according to the federal indictments.

As with a regular warranty claim, Pontiac dealers would write a repair order and submit a claim to the division. However, the repair order would not show normal parts and labor costs but would simply indicate that it was a customer refund.

The dealership would submit the non-warranty claim with a bill for repairs — supposedly submitted by the car owner who had his car repaired elsewhere — and the appropriate zone authorization.

The dealership would then write a check to reimburse the car owner and Pontiac would credit or reimburse the dealer.

The system allowed zone employees with the necessary approval codes — like assistant zone managers for service, as many of the guilty were — to approve payments for work that was never performed, frequently using vehicle identification numbers from scrapped vehicles in conjunction with accomplices or aliases.

Generally, the involved zone employees would simply take the bogus claim to a dealership and have unwitting dealership employees process it.

There has been no indication that other General Motors divisions suffered the same kind of systematic fraud.

A GM corporate spokesman last week said that divisional procedures vary on many matters — including refund and reimbursements for defects not covered under warranty.

In the most recent criminal developments, Michael J. Murray, former assistant zone manager for service in Pontiac's Chicago zone, pleaded guilty to two counts of mail fraud in U.S. District Court in Chicago.

On March 24, U.S. District Judge Ann Williams sentenced Murray to a six-month work-release program involving 1,000 hours of community service plus 4½ years' probation as part of a plea agreement with the U.S. attorney's office there. Williams also ordered Murray to make restitution of $27,000 to Pontiac.

Lloyd A. Novak, former district service manager in Pontiac's Dallas zone, pleaded guilty to two counts of mail fraud in U.S. District Court in Dallas. He had been indicted and arraigned on 27 counts of mail fraud but signed a plea agreement with the U.S. attorney in Dallas.

On March 16, U.S. District Judge Sidney Fitzwater sentenced Novak to four years in prison on one count, to be followed by five years' probation on a second. Fitzwater also ordered Novak to make restitution of $71,337.52 to GM.

Elaine B. Schneider, a Novak accomplice, was indicted with him, signed a plea agreement and pleaded guilty to one count of mail fraud. She was the first non-Pontiac employee to be charged as an accomplice in any of the cases. Schneider's role was as payee for some of the bogus customer reimbursements, according to the Dallas indictment.

She was sentenced to five years' probation and ordered to make restitution of $910.50.

Pontiac dealers whose dealerships were among those utilized by the guilty zone employees said that Pontiac changed its reimbursement procedures two years ago.

Although Pontiac still pays non-warranty claims, the dealers said, the division tightened control by issuing reimbursement checks directly to car owners at the zone level from a "sundry account," rather than by the dealerships.

One dealer said the division also seems to be "moving zone employees around more frequently" since the scam was uncovered.

The various scams disclosed so far involved 14 dealerships in the Detroit zone, eight in the Buffalo zone, seven in the Dallas zone and perhaps 10 in the Chicago zone. No dealership personnel were indicted.

In the the mid 1970s, several Chevrolet zones, particularly Boston, were hit with organized warra fraud — known as "Motorgate" — stemming from phony claims submitted by dealers.

In 1974, a Chevrolet regional service manager who had been investigating the Motorgate fraud was murdered.

One dealer was found guilty of defrauding GM of more than $600,000 in the Chevrolet scam. That dealer and several of his employees were convicted of fraud in Massachusetts state courts.

TONKIN

FROM PAGE 3

beyond Tonkin's term as NADA president.

"They wanted a commitment that the effort wasn't just going to die out after they went through the trouble of standing up and being counted," Tonkin said.

Other members of the committee also expressed optimism after the meeting, although specific questions about content were referred to Baker.

"I thought it went very well," said Iowa dealer Max Holmes, who had initially expressed some reservation about participating in the committee. "We accomplished what we set out to accomplish, which was getting organized."

The committee adopted as its top priority halting the factory practice of subsidizing fleet sales to vehicle leasing and rental companies. But Baker said it is too early to say how the group will force factories to end the practice.

He downplayed the possibility of resorting to lawsuits and federal legislation to solve the problem. In a taped message distributed to 25,000 dealers last month, Tonkin said both avenues would be explored.

After the Orlando steering committee meeting, Baker said the alternatives of turning to Congress or the courts are "a last resort — absolutely our last resort on this issue."

Asked how the group planned to attack the problem instead, Baker said only that the group would "communicate with the manufacturers. That suggests some kind of compromise. We're just now mapping out how we will proceed."

Baker said a position paper will be published within the next week that will spell out the committee's plans. That paper will also be presented to the more than 300 dealer members of the Rough Riders, said Baker.

The steering committee also pushed the issue of "shifting factory costs" to the top of its grievance list, he said.

"That includes a whole wide range of costs that have traditionally been assumed by the factory, including advertising costs, APR (annual percentage rate) and carrying costs, which are slowly being shifted onto the dealer and which are gradually eroding dealer franchise profitability," he said.

He added that there was no discussion at the meeting of how to address that issue.

Tonkin's group is the latest effort to address complaints that have troubled dealers and factories for years. Manufacturers maintain that dealer grievances can be resolved through individual dealer council groups, but Baker said those councils are ineffective.

"Yes, dealers can bring a limited number of issues to the councils," Baker said. "The manufacturers listen, but the issues seem to stay there. Some issues have been on the table for 10 years. We need the carmakers to do more than listen. We need them to act."

Tonkin's effort to organize a dealer action group since he became NADA president in February has stirred up heated debate among some dealers who contend that a confrontational approach to factory relations would be a mistake. After Tonkin published a list of 200 dealers who he said had expressed support for the group, several on the list said they knew nothing about it and wanted no part of it.

"People have gotten the idea that we are going to be a confrontational group, and that isn't correct at all," Baker said. "What we hope to do is communicate with the manufacturers about what our concerns are. We kept the name 'Rough Riders' because it calls to mind the people who rode with Teddy Roosevelt, who volunteered to do a tough job."

Baker said he expected the process of resolving current dealer-factory squabbles to be a long-term project.

FLEETS

FROM PAGE 1

plants in the United States and Canada.

"As their capacity for retail sales fails to match their production capacity, you will probably see a more aggressive approach to the commercial world," said Bill Willis, Ford Division general fleet manager.

Virtually every leading Japanese importer is eyeing the fleet market except one — Honda. But even Honda may be softening its stand against selling cars to fleets.

"If it becomes necessary, then we will get into it, but we have no plans for fleet sales at present," said a company spokesman.

Meantime, Toyota, Nissan, Subaru and Mazda are organizing dealer delivery systems, rolling out attractive incentives aimed at fleet managers and adding fleet departments.

Mazda is developing a nationwide courtesy delivery program through its 840-member dealer body. It has signed more than 500 dealers. And for the first time it is offering a nationwide incentive program for fleets.

The most aggressive of the Japanese is Toyota, which apparently believes it can convince the nation's police departments to buy Camrys. This summer, it plans to make a return appearance at the National Association of Fleet Administrators' Law Enforcement Seminar/Workshop to pitch police fleet managers.

That would be a real coup because to gain a share of the fleet market, Japanese importers have to overcome an unwritten rule of the fleet industry: Buy American.

James Rallo, senior vice president of sales for Maryland-based PHH FleetAmerica, said 1.5 percent of the company's 1989 vehicle purchases were Japanese vehicles. The company has 285,000 leased or managed vehicles in its fleet. In the 1988 model year, Japanese vehicles accounted for 1.0 percent, up from 0.4 percent in the 1987 model year.

Although the numbers are relatively small, Rallo said there seems to be a growing acceptance of foreign products by American companies.

PHH FleetAmerica is the second largest leasing company in the United States. Its customers are leading American corporations.

Rallo said the company's current equipment recommendation list to customers included Toyotas for the first time in the 1989 model year, and Toyotas again made the list for 1990.

"The Japanese are serious players," he said. "Each year, they are demonstrating their intentions to respond to the fleet community more."

Rallo said the Japanese recognize they have to overcome the "buy American" stigma.

"If I were in an industry hurt by their products, then I might not want to buy Japanese vehicles for my fleet," said Rallo. "But there has been a tremendous turnaround by American companies to give thought to the Japanese because of the number of plants they have in this country and the number of Americans they employ."

Even smaller leasing companies like Mike Albert Leasing, Cincinnati, Ohio, hope to see more imports. Less than 1 percent of its 20,000 vehicles are Japanese vehicles.

"We will try to include some imports on our 1990 selector list," said company Vice President Robert E. Ryan.

One reason for such interest in Japanese vehicles is residual value, which is perceived as being higher on many of the Japanese models than comparable domestic models.

Leasing giant Wheels Inc., based in Des Plaines, Ill. declined to say whether it will put Japanese vehicles on its fleet selector lists.

But George Largay, manager of marketing, said the Japanese are becoming more aggressive even though Japanese vehicles are a negligible part of Wheels' 104,000-vehicle fleet.

"We are seeing an increase in our fleet because the Japanese are aggressive," he said. "They are beating the bushes."

Michigan-based McCullogh Leasing also will put Japanese vehicles on its 1990 selector list for the first time. The company, which says it is the fourth largest fleet leasing company in the United States, has 72,000 vehicles in its fleet portfolio.

"We are including them but only to the extent that they are domestically produced," said Paul Allmacher, vice president of marketing. "It is a very touchy situation because some of our customers are taking a beating from Japanese companies."

He said all foreign vehicles account for about 3 percent of the company's fleet and that there was a small increase in demand in 1988 compared to 1987.

For Japanese importers to be competitive in the fleet market, they have to create courtesy distribution networks using their dealers and make more cars available.

Domestic automakers have had such dealer networks in place for decades, enabling them to deliver a vehicle anywhere in the nation to an employee of a company.

Dealers receive a fee for preparation and delivery.

Toyota began organizing its dealer network for fleets three years ago. Unlike other Japanese importers, Toyota has always made some vehicles — mostly trucks — available to the fleet market.

"Toyota has set up a system to order vehicles and customers receive prompt delivery," said Allmacher. "We are not held to out-of-stock vehicles."

Rallo pointed out other trouble spots the Japanese will have to overcome: giving fleet managers a choice of vehicles and pricing consistently rather than negotiating price with each dealer.

"If we can't factory-order vehicles to customer specifications, then that will be a problem, too" he said.

Yet another hurdle the Japanese have to overcome is that they neglected the fleet market for so long.

"Many daily-rental companies and many commercial companies knocked on the doors of the imports for years, saying they wanted to use their vehicles in their fleets," said James Pirtle, director of fleet sales for Buick. "Distribution and lag time of ordering fleets and shipping across the ocean stopped them (the Japanese) from doing it."

Are the Japanese serious about gaining a share in the fleet market? Domestic manufacturers seem to think so. At any rate, they're watching their Japanese competitors closely.

Said Chrysler's Barton: "I don't know how they can make money. I don't know what their profit picture is per car. But when I see these things and see what they are guaranteeing or willing to pay, I say, 'Wow.' "

Added Jack Losch, director of fleet sales for Pontiac: "They are making deals that are tough. Thank God for the valuation of the dollar — that's helped us out tremendously."

Automotive News Reporters Mary Connelly, Michelle Krebs and David Versical contributed to this report.

CALIFORNIA

FROM PAGE 2

said John Rettie, editor of The California Report. But the significance is not so much Ford outselling GM, but how domestic manufacturers led by Ford are staging a comeback in the state where Japanese importers first established themselves, he said.

"This is where the Japanese got their start, and now there is a swing back to domestic cars," Rettie said.

A GM official dismissed January's California results as a fluke, possibly caused by heavy Ford rental-car sales, and said GM beat Ford Motor Co. by 1,900 registrations in February. But Ford has been making steady gains on GM for 30 months and has been close in recent months.

Ford's strength in California, where import nameplates captured 51.62 percent of the 1988 car market, is reflected in the January results. Ford took 22.57 percent of California new-car registrations in January, compared to its national share of 24.02 percent. Ford Division took 17.07 percent of the California January registrations, compared to its January U.S. sales share of 16.94 percent.

GM's California penetration is well below its slipping national share. GM's January share of California car registrations was 21.76 percent. In total U.S. registrations, GM captured 34.89 percent of the January market.

In January 1988, GM was well ahead in California with 22.27 percent of the car market to Ford's 16.67 percent.

"General Motors took a nosedive in California at the end of 1986 and never seemed to recover," Rettie said. "GM's trend line suddenly went from slightly declining at just under 30,000 a month in 1985 and early 1986 to steady at just over 20,000 a month.

"Meanwhile, Ford has gone steadily upward from just about half GM's sales 30 months ago to take a one-month lead."

Power's figures don't go back more than a decade, "but it might be the first time since the 1920s that Ford beat GM in California car sales," Rettie said. Months when GM was shut by strikes would be an exception, of course. In November 1970, for example, Ford Motor's national registrations was more than doubled GM's and Ford probably won in California, too.

Ford sales executives in California say several models attractive to California buyers are responsible for the recent sales gain.

Mustang, Thunderbird and Probe are especially strong for Ford Division in California, said J.C. Collins, Los Angeles district sales manager.

The sporty, Mazda-built Probe "has been extremely well received since its introduction last May," Collins said. Importantly, Probe has not cut into sales of Mustang, which sells better in California than it does nationally.

Ford decided to continue the existing Mustang model rather than replace it with Probe, which opened a new segment for Ford. "Mustang is still considered the California car," Collins said. "We're getting two different buyers."

Jay I. Stark, executive director of North American vehicle operations, marketing and product planning staff for GM, said GM beat Ford in California registrations by 700 to 3,800 cars per month last fall and by 1,900 in February.

"The aberrant number is January," Stark said. "We beat Ford at the retail level of the business — individual households — but Ford outsold us by a wide margin in fleet sales, and no insignificant part of that is the daily rental business.

"They own a significant interest in Hertz," said Stark, who hinted that Ford may have put many cars into rental service.

Ford also owns a share of Budget Rent A Car Corp. But GM has an ownership interest in Avis Inc. and National Car Rental System.

"As far as February, it's back to a more normal kind of keel for both companies. Let the data speak. Data for January is unusual. We did beat them at the retail sales level," Stark concluded.

But Rettie said the January results are no fluke.

"Ford has almost caught GM two or three other months recently. The question is whether Ford can do it for an entire year," he said.

"If you include truck sales, Ford has a good chance. But cars alone, I don't think Ford will. Ford may hold a lead for the rest of the (1989) model year, but GM has more new product coming this fall than Ford does, and its California marketing is already firming up. I have a feeling that GM will turn it around."

Ford, while enthusiastic, also is reluctant to predict a calendar-year victory in California.

"GM is strengthening on the truck side and (Chevrolet) Lumina is going to be very tough," Collins said. "We had a good month, but can we do it for a whole year? I'll give a qualified yes."

Collins predicted that Ford will continue to gain in California regardless of what GM does. He is forecasting gains of more than one percentage point of market share for both Ford cars and trucks this year for the Los Angeles district, which includes Southern California, Arizona and southern Nevada.

Automotive News Staff Reporter Philly Murtha in Detroit contributed to this report.

U.S. trucks boost lead in '88 Calif. tally

LOS ANGELES — Led by a swing to minivans and larger pickups, domestic trucks increased their lead over imports in the California market in 1988.

Unlike California car registrations, where domestic and import nameplates split the market almost evenly, Big 3 trucks took 68.75 percent of their market last year, up from 61.22 percent in 1987, according to figures provided to J.D. Power and Associates' California Report by R.L. Polk & Co.

The gains were at the expense of the Japanese imports and Volkswagen.

The domestics' gain of 7.53 percentage points was shared fairly evenly by the Big 3.

Registrations of Chrysler Motors' Dodge, Jeep and Plymouth trucks rose 21.2 percent to 107,239, with market share rising to 19.47 percent from 16.95 percent.

General Motors also was up 21.2 percent, to 126,905, moving its share to 23.04 percent from 20.05 percent.

Ford posted the lowest Big 3 percentage gain in volume, up 14.4 percent to 144,386, but that boosted its share to 26.21 percent from 24.18 percent.

Winnebago accounted for the balance of Polk's market-share rundown each year.

BIG 3 CALIF. LIGHT TRUCK REGISTRATIONS

	1988	1987	Pct. change
Chrysler ..	107,239	88,466	21.2
Ford	144,386	126,234	14.4
GM	126,905	104,686	21.2

SOURCES: J.D. Power Forecast Division, R.L. Polk & Co.

While compact pickup registrations in California fell 7.7 percent to 206,914, two other segments jumped in popularity. Full sized pickups rose 21.7 percent to 93,692. And compact vans soared 24.1 percent to 101,057 registrations.

Overall, state truck registrations totaled 550,803, up 5.5 percent from 522,004 in 1987.

The only imports with increased truck sales in 1988 were low-volume sellers Isuzu and Range Rover.

America Isuzu, which has been shifting its marketing emphasis from cars to specialty trucks, increased California truck sales 1.8 percent to 9,573 units, although its market share dropped to 1.74 percent because the state market was up 5.5 percent. British newcomer Range Rover sold 580 units last year, up 56.3 percent.

Total Japanese new-truck registrations dropped 14.9 percent as an unfavorable yen-dollar exchange rate and a 25 percent tariff on imported trucks continued to take a toll.

The biggest hits were taken by Suzuki, Nissan and Mazda.

Suzuki's California truck registrations fell 35.5 percent to 10,054, with market share off to 1.83 percent from 2.99 percent.

Nissan, although most of its pickups are built in Tennessee and are not subject to the import tariff, was off 25.8 percent to 34,002, dropping its share to 6.17 percent from 8.78 percent.

Mazda dropped 16.1 percent to 18,803 truck registrations, with share sliding to 3.41 percent from 4.3 percent.

Subaru, closing out its discontinued Brat, registered just eight trucks last year compared to 239 in 1987.

Toyota's pickup remained the state's most popular vehicle (ahead of Honda Accord) with 66,605 registrations, down from 1987. Toyota fell 8.4 percent to 79,081 trucks, with share slipping to 14.36 percent from 16.54 percent.

VW was off 31.6 percent to 2,224, a share decline to 0.40 percent from 0.62 percent.

Car output holds firm; trucks slip

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

U.S. automakers scheduled assembly of 160,553 cars last week, slightly above (0.98 percent) the previous week's 159,001 but 2.74 percent below the year-ago week's 165,073.

So far this year, 2,218,853 cars have been built, 10.31 percent more than the 2,011,502 completed last year at this point.

Companies split last week's targeted build as follows: General Motors, 46.53 percent; Ford Motor Co., 26.49 percent; Chrysler Motors, 13.20 percent; Honda of America Manufacturing, 4.83 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.14 percent; New United Motor Manufacturing Inc., 2.49 percent; Nissan Motor Manufacturing Corp. U.S.A., 1.28 percent; Toyota Motor Manufacturing U.S.A., 1.25 percent; and Diamond-Star Motors, 0.79 percent.

Truck production was estimated at 88,836 units last week, 4.14 percent below the the prior week's 92,671 and 4.71 percent below the year-ago week's 93,226.

Year-to-date, 1,342,690 trucks have been assembled, 7.98 percent more than the 1,243,437 built last year at this time.

Cadillac's Allante line was idle last week to cut inventories. Output was expected to resume today.

GM's Doraville, Ga., plant and Reatta Craft Centre in Lansing, Mich., are expected to reopen today. Both were idle to reduce inventories.

Chrysler's Jeep Grand Wagoneer line in Toledo, Ohio, was expected to resume operations today. The line was shut down to cut inventory.

GM scheduled overtime last Saturday at its plants in Lansing, Mich., Arlington, Texas; and Oklahoma City.

Ford slated overtime last Saturday at its Lorain, Ohio, car plant.

Truck total dips 13% in Canada

Last week's scheduled Canadian truck output dipped from the prior week and year-ago week as one plant was idle because of slow sales.

Targeted production of 18,787 trucks dropped 13.40 percent from the previous week's 21,695 and fell 6.81 percent below the year-ago week's 20,159.

Year-to-date, 299,773 trucks have been built, 5.04 percent more than the 285,394 completed last year at this point.

Chrysler Motors' Pillette Road plant in Windsor, Ontario, was shut down last week for inventory adjustment. The plant assembles the Ram Van and Ram Wagon.

Canadian automakers scheduled production of 22,696 cars last week, 2.20 percent more than the previous week's 22,208 but 3.97 percent below the year-ago week's 23,634.

So far this year, 297,055 cars have been assembled, 13.06 percent below the 341,671 built last year at this time.

U.S. CAR	Week Ended Apr. 15, 1989	Week Ended Apr. 16, 1988	Week Ended Apr. 8, 1989	Apr. to Date	Jan. 1 to Apr. 15, 1989	Jan. 1 to Apr. 16, 1988
Horizon	700	2,244	795	1,495	2,198	26,592
Sundance	2,200	2,581	2,361	4,561	34,656	31,735
Reliant	0	2,618	0	0	0	26,853
Acclaim	2,900	0	2,996	5,896	35,128	0
Caravelle	0	402	0	0	0	5,903
Gran Fury	0	454	0	0	0	3,313
Total Plymouth	5,800	8,379	6,152	11,952	71,982	94,396
LeBaron K	0	518	0	0	0	5,119
LeBaron J	2,700	1,926	2,667	5,367	33,889	17,762
LeBaron GTS	0	156	0	0	2,946	2,525
N. Yorker C-Class	1,800	2,532	1,534	3,334	35,787	33,124
Fifth Avenue	0	350	0	0	0	11,774
Total Chrysler	4,500	5,482	4,201	8,701	72,622	68,604
Omni	900	2,476	901	1,801	2,699	26,203
Daytona	1,800	1,914	1,924	3,724	32,323	16,883
Shadow	2,300	2,222	2,374	4,674	35,140	32,226
Aries	0	2,082	0	0	0	22,419
Dodge 600	0	493	0	0	0	5,112
Dynasty	3,300	2,087	2,697	5,997	47,038	33,291
Lancer	0	243	0	0	1,528	3,365
Spirit	2,600	0	2,771	5,371	32,557	0
Diplomat	0	553	0	0	0	6,946
Total Dodge	10,900	12,070	10,667	21,567	151,285	146,445
CHRYSLER MOTORS	21,200	25,931	21,020	42,220	295,889	309,445
Escort	8,606	7,733	8,628	17,234	98,408	99,135
Mustang	4,549	4,055	4,087	8,636	73,163	64,759
Tempo	3,363	4,676	3,304	6,667	49,455	60,087
Taurus	8,919	8,863	9,623	18,542	118,930	117,606
Thunderbird	4,127	3,455	4,025	8,152	54,467	48,114
Total Ford Div.	29,564	28,782	29,667	59,231	394,423	389,701
Topaz	2,137	1,721	2,169	4,306	20,903	22,910
Cougar	3,873	2,315	2,692	6,565	45,611	36,091
Sable	2,167	3,552	1,511	3,678	38,890	38,739
Total Mercury	8,177	7,588	6,372	14,549	105,404	97,740
Continental	1,439	933	1,668	3,107	22,009	13,189
Mark VII	480	467	546	1,026	8,576	7,697
Lincoln	2,875	2,800	3,331	6,206	40,150	43,763
Total Lincoln	4,794	4,200	5,545	10,339	70,735	64,649
Total L-M Division	12,971	11,788	11,917	24,888	176,139	162,389
FORD MOTOR CO.	42,535	40,570	41,584	84,119	570,562	552,090
Skyhawk	392	998	386	778	4,860	11,175
Skylark/Somerset	1,305	1,824	1,317	2,622	16,172	8,351
Century	2,050	3,602	2,055	4,105	35,961	24,335
Riviera	539	151	533	1,072	8,534	2,076
Electra	1,959	2,262	1,955	3,914	25,010	22,089
LeSabre (fwd)	4,960	2,805	4,970	9,930	36,554	37,846
LeSabre (rwd)	165	371	200	365	2,845	2,392
Reatta	0	[illegible]	196	196	1,976	1,313
Total Buick	11,370	[illegible]	11,612	22,982	131,912	109,577
Cimmaron	0	121	0	0	0	3,265
Eldorado	855	1,174	949	1,804	11,560	11,164
Seville	675	711	575	1,250	8,459	7,207
Brougham (rwd)	725	1,121	707	1,432	13,081	9,819
Deville (fwd)	4,960	3,512	4,904	9,864	67,258	56,409
Allante	0	65	75	75	1,003	735
Total Cadillac	7,215	6,704	7,210	14,425	101,361	88,599
Cavalier	7,751	7,134	8,357	16,108	119,146	99,867
Camaro	2,710	2,342	2,695	5,405	36,594	21,345
Celebrity	2,220	3,540	2,106	4,326	45,638	46,047
Corsica/Beretta	8,515	8,973	7,827	16,342	126,012	117,266
Caprice	4,705	3,987	4,800	9,505	61,158	57,327
Corvette	560	446	560	1,120	7,768	6,359
Total Chevrolet	26,461	26,422	26,345	52,806	396,316	348,211
Calais	2,295	3,065	2,318	4,613	27,935	30,392
Firenza	0	365	0	0	0	5,156
Cutlass Ciera	1,500	0	1,877	3,377	25,086	0
Cutlass Supreme	0	9,137	0	0	27,265	59,347
Toronado	179	477	170	349	3,275	5,177
88 (fwd)	3,449	3,774	3,268	6,717	47,098	47,080
88 (rwd)	130	324	185	315	2,222	3,918
Olds 98	2,184	1,578	2,187	4,371	28,254	27,406
Total Oldsmobile	9,737	18,720	10,005	19,742	161,135	178,476
Sunbird	3,125	2,062	3,557	6,682	44,226	31,627
Grand Am	6,060	5,315	5,308	11,368	75,391	69,810
Firebird	1,450	1,672	1,393	2,843	21,790	16,981
Grand Prix	4,030	3,364	4,000	8,030	42,407	29,591
Pontiac 6000	2,205	2,589	2,170	4,375	27,819	20,694
Bonneville	2,940	3,027	2,738	5,678	28,982	28,943
Safari/Parisienne	100	272	122	222	1,599	2,290
Fiero	0	492	0	0	0	5,765
Total Pontiac	19,910	18,793	19,288	39,198	242,214	205,701
GENERAL MOTORS	74,693	82,803	74,460	149,153	1,032,938	930,564
DIAMOND-STAR	1,268	0	1,037	2,305	11,659	0
HONDA	7,750	7,882	7,539	15,289	115,205	108,939
Civic	2,700	1,998	2,516	5,216	38,649	27,494
Accord	5,050	5,884	5,023	10,073	76,556	81,445
MAZDA†	5,038	1,995	4,988	10,026	71,527	20,679
NISSAN	2,060	2,574	2,331	4,391	33,948	25,224
NUMMI	4,000	3,318	3,994	7,994	58,028	47,277
Corolla	1,600	1,227	1,574	3,174	24,357	17,586
Geo Prizm/Nova	2,400	2,091	2,420	4,820	33,671	29,691
TOYOTA	2,009	0	2,048	4,057	29,097	0
VOLKSWAGEN	0	0	0	0	0	17,284
Golf/GTI	0	0	0	0	0	11,731
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	160,553	165,073	159,001	319,554	2,218,853	2,011,502
Total Cars, Canada	22,696	23,634	22,208	44,904	297,055	341,671
U.S., Canada Cars	183,249	188,707	181,209	364,458	2,515,908	2,353,173
U.S., Canada Cars and Trucks	290,872	302,092	295,575	586,447	4,158,371	3,882,004

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended Apr. 15, 1989	Week Ended Apr. 16, 1988	Week Ended Apr. 8, 1989	Apr. to Date	Jan. 1 to Apr. 15, 1989	Jan. 1 to Apr. 16, 1988
Premier	1,275	1,650	1,020	2,295	14,886	20,881
CHRYSLER MOTORS	1,275	1,650	1,020	2,295	14,886	20,881
Tempo	3,360	4,347	3,360	6,720	50,014	62,166
Topaz	1,440	1,353	1,374	2,814	21,044	20,589
Crown Victoria	2,582	2,752	2,600	5,182	39,979	42,093
Grand Marquis	3,178	2,820	3,173	6,351	45,024	41,326
FORD MOTOR CO.	10,560	11,272	10,507	21,067	156,061	166,174
Celebrity	196	342	192	388	2,908	5,355
Cutlass Ciera	3,720	5,123	3,733	7,453	55,091	74,599
Lumina	3,998	0	2,911	6,909	15,660	0
Pontiac 6000	0	863	0	0	0	14,685
Regal	857	3,534	1,741	2,598	23,339	48,714
GENERAL MOTORS	8,771	9,862	8,577	17,348	96,998	143,353
HONDA	1,650	706	1,696	3,346	24,493	9,401
TOYOTA	260	0	228	488	2,059	0
VOLVO	180	144	180	360	2,559	1,862
Total Cars, Canada	22,696	23,634	22,208	44,904	297,055	341,671

U.S. TRUCK☆	Week Ended Apr. 15, 1989	Week Ended Apr. 16, 1988	Week Ended Apr. 8, 1989	Apr. to Date	Jan. 1 to Apr. 15, 1989	Jan. 1 to Apr. 16, 1988
Caravan	2,400	2,245	2,529	4,929	33,600	29,958
Dakota	2,500	2,826	2,324	4,824	33,539	35,854
Mini-Ram Van	200	408	229	429	3,057	4,652
Pickups	2,500	1,378	2,325	4,825	33,520	17,553
Total Dodge	7,600	6,857	7,407	15,007	103,716	88,017
Cherokee	5,400	3,813	5,354	10,754	68,323	52,842
Commanche	600	1,037	693	1,293	10,279	14,441
Grand Wagoneer	0	350	0	0	4,383	4,165
Wagoneer	200	287	243	443	3,022	3,841
Total Jeep	6,200	10,687	6,290	12,490	86,007	75,289
Voyager	2,200	2,011	2,401	4,601	32,322	27,547
Total Plymouth	2,200	2,011	2,401	4,601	32,322	27,547
CHRYSLER MOTORS	16,000	19,555	16,098	32,098	222,045	190,853
Aerostar	4,975	4,308	5,770	10,745	74,278	66,895
Bronco	1,440	1,245	1,628	3,068	26,934	18,379
Bronco II	2,971	2,513	2,808	5,779	41,716	43,609
Econoline	5,199	5,104	4,997	10,196	74,258	74,972
Heavy trucks	1,696	1,339	1,323	3,019	20,650	19,830
Light trucks	11,686	10,381	11,921	23,607	164,119	151,529
Ranger	7,606	7,874	7,813	15,419	109,973	108,129
Total Ford Div.	35,573	32,764	36,260	71,833	509,928	483,343
FORD MOTOR CO.	35,573	32,764	36,260	71,833	509,928	483,343
Astro	3,298	3,922	3,788	7,086	52,427	52,046
Blazer	648	643	567	1,215	8,403	8,059
Mediums/Heavies	0	333	0	0	1,312	5,079
P-Model	715	839	796	1,511	9,438	11,702
Pickups	6,412	7,382	6,973	13,385	123,978	95,997
S-10	4,274	5,679	5,101	9,375	86,019	83,947
S-10 Blazer	3,594	3,954	3,905	7,499	57,822	46,386
Sportsvan/Van	1,997	1,685	2,263	4,260	28,801	22,724
Suburban	1,707	1,600	1,507	3,214	23,353	21,339
Total Chevrolet	22,645	26,037	24,900	47,545	391,553	347,279
Jimmy	139	172	133	272	2,514	2,680
Mediums/Heavies	0	908	0	0	1,496	13,425
P-Model	52	186	67	119	1,233	1,064
Pickups	3,111	2,029	2,641	5,752	36,165	31,336
S-15	1,033	1,550	1,258	2,291	20,137	20,286
S-15 Jimmy	980	1,189	1,076	2,056	16,448	11,714
Safari	697	986	796	1,493	12,450	13,506
Suburban	567	850	595	1,162	9,349	10,890
Vandura/Rally Vans	507	719	751	1,258	7,653	12,056
Total GMC	7,086	8,589	7,317	14,403	107,445	116,957
GENERAL MOTORS	29,731	34,626	32,217	61,948	498,998	464,236
NAVISTAR	1,920	1,854	1,883	3,803	26,086	25,758
NISSAN	2,162	1,677	2,763	4,925	39,963	38,547
AM GENERAL	450	450	450	900	6,570	6,660
MISCELLANEOUS	3,000	2,300	3,000	6,000	39,100	34,040
Total Trucks, U.S.	88,836	93,226	92,671	181,507	1,342,690	1,243,437

CANADIAN TRUCK	Week Ended Apr. 15, 1989	Week Ended Apr. 16, 1988	Week Ended Apr. 8, 1989	Apr. to Date	Jan. 1 to Apr. 15, 1989	Jan. 1 to Apr. 16, 1988
Caravan	3,090	2,992	3,652	6,742	46,112	[illegible]
Mini-Ram Van	354	337	324	678	3,204	4,114
Ram Wagon	0	[illegible]	686	686	8,513	[illegible]
Ram Van	0	1,436	1,736	1,736	22,156	[illegible]
Total Dodge	3,444	5,336	6,398	9,842	79,985	74,008
Voyager	2,700	2,741	3,316	6,016	40,164	41,673
Total Plymouth	2,700	2,741	3,316	6,016	40,164	41,673
Wrangler	1,700	1,071	1,851	3,551	24,033	15,192
Total Jeep	1,700	1,071	1,851	3,551	24,033	15,192
CHRYSLER MOTORS	7,844	9,148	11,565	19,409	144,182	130,873
FORD MTR. (lt. trks.)	3,648	3,648	3,658	7,306	51,433	[illegible]
Light trucks	3,330	3,847	2,641	5,971	49,090	46,244
Vans	1,580	1,243	1,379	2,959	20,579	18,035
Total Chevrolet	4,910	5,090	4,020	8,930	69,669	64,279
Light trucks	1,550	1,268	1,581	3,131	20,922	23,322
Vans	565	780	605	1,170	9,882	10,323
Total GMC	2,115	2,048	2,186	4,301	30,804	33,645
GENERAL MOTORS	7,025	7,138	6,206	13,231	100,473	97,924
NAVISTAR	270	225	266	536	3,685	3,228
Total Trks., Canada	18,787	20,159	21,695	40,482	299,773	285,394
U.S., Canada Trks.	107,623	113,385	114,366	221,989	1,642,463	1,528,831

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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MPVs top most cars on resale

Minivans, utilities rival luxury autos

By Dutch Mandel and Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTERS

The next wave of television commercials touting a vehicle's high resale value may show the smart owner stepping out of a sport-utility vehicle or a minivan rather than a European luxury car.

A study of randomly selected year-old premium sport-utility vehicles and minivans shows the majority retaining their value better than many domestic or imported cars, and a few rival the values of year-old luxury imports.

Two 1988 domestic sport-utility vehicles and a minivan dropped only 10 to 12 percent, about $1,900 to $2,200 in 12 months.

That's less than half the average loss for a one-year old car, according to William Geen, vice president of CCC Information Services of Chicago, an automotive data services firm. The study, prepared for Automotive News, compared manufacturers' suggested retail prices for new 1988 model vehicles with the used values of similar vehicles as of March 1, 1989.

Top performers in the sample were a year-old Chevrolet Suburban Silverado and a Chevrolet T10 Blazer Tahoe. Both held their retail values nearly as well as a year-old Jaguar XJ-S and better than a 1988 Mercedes-Benz 300E.

The two Chevrolet vehicles lost 10.22 and 11.52 percent, respec-

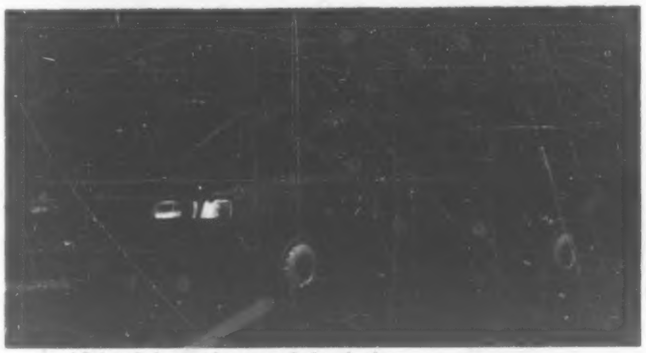
see RESALE, page 48

Intro 1990: A decade dawns

Chevrolet's Lumina bows with a fleet incentive. . .

AUTOMOTIVE NEWS/JOE WILSSENS

. . . while Nissan's 300ZX hopes to recapture the spirit of the original Z-car . . .



. . . and Subaru's Legacy is aggressively priced

New models map makers' strategies

Just past the midway point in the 1989 model year, four manufacturers introduced 1990 models last week, each model crucial to its maker's strategy for the coming decade.

And the success or failure of any of those models will play a significant role in reshaping the industry.

The quartet, Chevrolet Lumina, Nissan 300ZX, Subaru Legacy and Honda Integra (which is sold as an Acura in the United States), enter an uncertain, incentive-riddled market that some analysts believe may have seen its best days.

Each car is important to its manufacturer for different reasons.

Chevrolet is expecting its Celebrity replacement to sell at a rate of 350,000 units per year. When joined by its version of General Motors' all-purpose van, the Lumina line is being counted on to provide more than a half-million units per year in sales for the division.

But the sedan's conservative styling in an era of rapidly changing products is a gamble. Chevrolet officials say that family-car shoppers prefer a more traditional look. The division is also counting on Lumina to perform the same yeoman service performed by Celebrity in fleets. As a result, it isn't taking any chances, offering a $650 fleet incentive as the car is introduced.

Subaru of America, which has quietly plied its niche as a pioneer in four-wheel-drive passenger cars and consequently watched its sales erode as others jumped on the bandwagon, is apparently ready to break out of that mold with its new Legacy. Aggressively priced at $11,299 for its base sedan and $13,699 in 4wd trim, Subaru is aiming squarely at Honda Accord, Toyota Camry and Mazda 626 with its new model.

Subaru is counting on the low introductory price to enable the company to break its dependence on incentives, programs costing $97 million per year over the last two years, almost equal the company's advertising budget. In fiscal 1989's first quarter, the publicly traded importer lost $12.3 million.

Fuji Heavy Industries, which owns a 49 percent stake in the dis-

see NEW MODELS, page 46

Honda's new four-door Integra replaces a five-door hatchback model

GM increases option prices

Some package discounts die; buyer rebates sweetened

By Michelle Krebs and Laura Clark
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — General Motors has boosted prices by charging more for popular items of optional equipment. At the same time, the automaker sweetened its cash incentives for buyers.

GM hiked the prices of stand-alone options. In addition, all GM car divisions except Chevrolet have eliminated some discounts on options grouped in packages. The divisions said that eliminating those option-package discounts allowed them to increase the amounts of cash rebates.

Ford Motor Co. and Chrysler Motors made no changes in incentives. Chrysler earlier this year increased prices of some options on selected models. Ford has made no pricing changes.

The pricing action left GM dealers baffled and, in many cases, angry.

Dealers say GM's recent actions make selling a vehicle even more confusing than before. They complain that price increases on options aren't uniform — they vary by division and by model; elimination of discounts on packages also varies by division and model; and the incentives are confusing.

Cash rebates on some models, for example, vary in amount — based on whether a dealer wants to contribute — and vary from state to state depending on whether a regional incentive is in effect in addition to the national incentive.

At the very least, the timing — in the midst of the spring selling season — is poor, they say.

"I think they are bringing it out at the wrong time," said Greg Meyer, general sales manager of Coast Cadillac in Sarasota, Fla. "Price increases then rebates to move the inventory?"

Said a Chevrolet dealer in Texas who didn't want to be identified: "I don't understand how they can up the rebates one day and increase prices the next. . . . The only thing the customer is going to hear is the price increase, and they're going to look elsewhere. They'll think the worst."

GM said the price increases on options were necessary to recover substantially higher costs for wages and materials, particularly aluminum.

Price increases on stand-alone options, effective April 17, generally ranged from $5 to $100, although leather trim on the Pontiac Bonneville SSE was raised $300.

Price hikes included such commonly ordered

see GM PRICES, page 45

GM optional equipment goes up

	New Price	Increase	Pct. of increase
Automatic Transmission			
Chevrolet Cavalier	$440	25	6.02
Pontiac Grand Am	515	25	5.10
Buick Skylark	440	25	6.02
Air Conditioning			
Pontiac Grand Am	695	20	2.96
Chevrolet Corsica/Beretta	770	20	2.67
Buick Century	795	20	2.58
Power Door Locks			
Chevrolet Cavalier 2-door	155	10	6.90
Pontiac Grand Am 4-door	205	10	5.13
Olds 88 4-door	205	10	5.13
Power Windows			
Chevrolet [illegible]-doors	220	10	4.76
Pontiac Firebird	250	10	4.17
Olds Cutlass Calais 4-door	305	10	3.39

Japan ships less than full quota

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Japan's car shipments to the United States last year dipped about 120,000 units below the self-imposed 2.3 million quota, and Nissan Motor Co. accounted for most of the shortfall.

It was the second year in a row Nissan's shipments were below quota.

Preliminary figures gathered by the Japan Automobile Manufacturers Association indicate the final tally will be 2.17 to 2.18 million units for the 12 months ended March 31, the period covered by the voluntary export restraint agreement.

see QUOTA, page 48

[illegible] cutting [illegible] profits Page 2

Big '90 Chryslers offer sporty flair Page 3

Imports make pitch as fleet leaders meet Page 6

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Swang song due for GM's geese

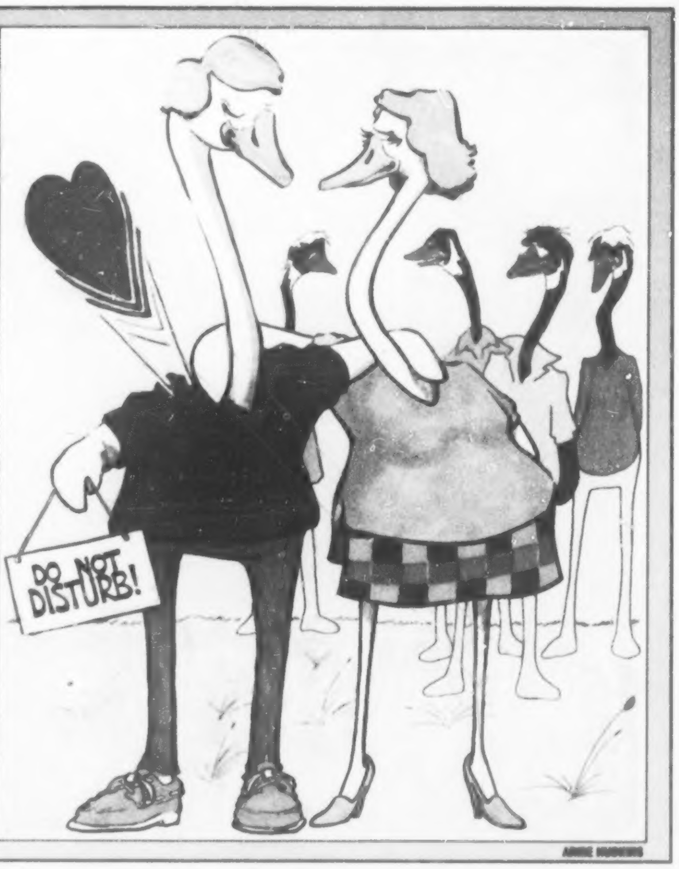
WARREN, Mich. — Hundreds of Canada geese have taken over a 20-acre lake at the General Motors Technical Center where cuter, tidier ducks would be preferred as tenants.

Site Operations Manager Joseph J. Bieda wants the geese to fly off and stay away. He said ducks are not only cuter and more fun but are less damaging to plant life.

The presence of nesting swans will make geese leave an area, so GM took that approach last summer. But the two swans proved to be males, so this year, a male and female were moved in. Bieda hopes they'll get in a family way, flex their territorial muscle and drive off the 225 or so pesky geese.

Canada geese are protected by law, and in past years the Michigan Department of Natural Resources has helped GM round up the geese periodically, Bieda said.

— Roger Rowand


DO NOT DISTURB!

Big '90 Chryslers offer sporty flair

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

Chrysler Motors' Y-body Fifth Avenue sedan will bow in the 1990 model year in both luxury and sport versions.

The Chrysler Fifth Avenue GTS will be offered with a 3.3-liter V-6 engine, four-speed automatic transmission, leather seats, sport suspension and 15-inch aluminum wheels, according to information the company made available to fleet buyers. The luxury version of the Fifth Avenue shares the same engine.

Use of the 3.3-liter V-6, which is being built by Chrysler in Trenton, Mich., marks a milestone for the company. Until the upcoming 1990 model year, Chrysler relied on Mitsubishi Motors for V-6 engines and has suffered in the marketplace because demand outstripped supply.

Chrysler also will use its new V-6 in the Chrysler Imperial Y-body sedan, scheduled to debut this fall. This flagship model has thicker front and rear door glass to reduce noise and an optional rear air suspension. Chrysler will offer an electronic navigation system for the first time as part of an electronics option package on the Imperial.

The Y-bodies are stretched versions of the C-body Chrysler New Yorker and Dodge Dynasty. The Y-bodies ride on a 109.3-inch wheelbase, compared with the C-body's 104.3-inch wheelbase.

Chrysler will continue to use Mitsubishi's 3-liter V-6 in the C-bodies during the 1990 model year. Chrysler-badged models will be the New Yorker Landau and New Yorker Salon. The New Yorker Salon replaces the New Yorker. Dodge will continue to offer base and LE versions of the Dynasty.

Chrysler's own V-6 will be available in the Chrysler Town & Country minivan debuting this summer. The Town & Country, an upscale model available only with the extended wheelbase, also will be offered with Chrysler's 2.5-liter four-cylinder turbocharged engine with three-speed automatic transmission.

The Chrysler V-6 also will be available in the Plymouth Grand Voyager and Dodge Grand Caravan. The Mitsubishi V-6 will remain an option in the Plymouth Voyager and Dodge Caravan.

The 2.5-liter four-cylinder turbocharged engine will continue to be used throughout the minivan lineup.

As expected, Chrysler told fleet buyers that the A-body sedan (Plymouth Acclaim/Dodge Spirit) will be available in a Chrysler version as a 1990½ model. The Chrysler LeBaron Landau, as it will be called, replaces the Chrysler LeBaron GTS, which went out of production in March.

A Dodge version of the Eagle Premier also will bow at mid-year. A 2.5-liter four-cylinder engine with four-speed automatic transmission will be standard on LX models. A Renault-built 3-liter six-cylinder engine with five-speed manual will be standard on ES models.

Chrysler also plans a mid-1990 introduction of a Dodge Shadow convertible. The company did not mention a convertible version of the companion Plymouth Sundance but Chrysler Motors has considered such a model.

In addition, an ES sport model of the Mitsubishi-built Summit sedan will join the Eagle lineup in 1990.

Chrysler told fleet buyers that it has improved suspensions throughout its lineup. The 1990 vehicles also include added air bag and passive restraint systems.

Chrysler Motors President Robert Lutz has said the additional passive restraint content in 1990-model cars will increase vehicle prices.

"There is no cheap system on that," Lutz said, referring to passive restraints.

Chrysler Motors Chairman Bennett Bidwell agreed on the impending higher prices.

"I do not see how the industry can hold the line on 1990 model prices versus 1989," Bidwell said earlier this month. "I'm sure it will stay under the Consumer Price Index as it has for several years now but I don't see a scenario where we can hold the line."

Chrysler raised 1989 model-year prices 2.3 percent on a comparably equipped basis and 3.9 percent on a base model to base model basis.

Chrysler raps Jeep re-export in Germany

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Chrysler Corp. has asked its West German dealers to stop re-exporting Jeeps to other European countries — a controversial practice that has inflated the company's official registration figures in Germany.

Chrysler concedes that some of its dealers here are registering Jeeps themselves and then quickly de-registering the units before re-exporting them.

West Germany's official new-car registration agency, the Kraftfahrt-Bundesamt, recently began monitoring short-term registrations. The first statistical report, covering the last four months of 1988, showed Jeep with the highest percentage of short-term registrations among all makes. Nearly three-quarters of the 1,466 Jeeps registered in Germany from September through December were de-registered within 31 days. Chrysler sold 3,376 Jeeps in West Germany during 1988.

Short-term registrations are widely depicted here as a means by which carmakers can manipulate official sales numbers. They also are considered a way to permit new cars to be sold as used, thus sidestepping German laws against discounting.

The issue is a sensitive one for Chrysler because the company's year-old return to the European market after a decade's absence is being watched closely. Sales started last year in Germany, the Netherlands, Belgium, Switzerland and Austria. Chrysler will return to France later this spring.

Klaus Hadulla, director of European operations for Chrysler International, insisted said combined Jeep and Chrysler registrations last year in Germany totaled 5,150 and will nearly double this year.

"This year, we will achieve a minimum of 10,000 registrations in Germany," he said. "We're running an average of 1,000 over the last three months."

The Kraftfahrt-Bundesamt reported that during the September-December period, 271 Jeeps were de-registered within one day, 367 within three days, 423 in four to seven days and 28 in eight to 31 days. The total of 1,089 short-term registrations amounted to 74.28 percent of total Jeep registrations for the period.

Hadulla said the company had tracked only about 400 de-registrations. He said internal inquiries indicate that the units in question were de-registered by dealers only for the purpose of gray-market exports and that a large proportion were diesels. Diesel sales have fallen sharply in West Germany during the past year.

Hadulla denied that units have been de-registered for purposes of discounting or padding sales fig-

see CHRYSLER, page 47

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Mazda to use Ford engines in Flat Rock cars

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Mazda's thoughts of building its own U.S. engine plant have been put to rest with its agreement to use Ford engines in most cars produced at the Japanese maker's Michigan assembly plant.

Mazda Motor Manufacturing (USA) Corp. announced last week that by the mid-1990s it would rely on Ford Motor Co. to supply the "majority" of engines for the Ford and Mazda models built at Mazda's plant in Flat Rock, Mich.

The company revealed few details about its plans. Last year, however, Mazda said it was exploring the possibility of adding an engine plant. So the announcement marks the conclusion of that study. Other Japanese makers — Honda, Nissan and Toyota — have built or are constructing engine plants to serve their U.S. assembly operations.

Another alternative was to continue to source engines for its cars from the parent company in Japan.

The Flat Rock plant, which opened in 1987, builds the Mazda MX-6 and the Ford Probe. Both are powered by a 2.2-liter four-cylinder engine imported from Mazda Motor Corp.

The decision was driven in part by economics said a Mazda spokesman.

"Ford had indicated that they wish to put their engines in their badged product, which means that a significant portion of the production in Flat Rock would have Ford engines," the spokesman said.

Since Ford is guaranteed at least 50 percent of the plant's production, the number of Mazda-sourced engines would have been cut substantially from current levels. As a result, the per-unit cost of the imported engines would rise as economies of scales were reduced, the spokesman explained.

Mazda said it was too early to say how many Ford engines would go into its cars. But the company could continue to import its own engines for certain cars, such as high-performance models.

The move also will help increase the local content of the plant's combined Ford and Mazda output. That local content figure, which reflects the value of parts and components sourced from the United States and Canada, is expected to reach 65 percent by the end of this year and 75 percent by the 1992 model year, the spokesman said.

The phase-in of Ford engines begins next year when a Ford V-6 will be used in some Ford Probes.

Currently about 65 percent of the plant's production is devoted to the Probe and the balance to the Mazda MX-6. When Mazda adds its 626 model to the line this fall, its share of the output is expected to increase to the 40-50 percent range. The plant can produce up to 300,000 units per year with overtime.

Ford would likely need to increase its own engine capacity to be able to supply most of Flat Rock's production. A V-6 version of Ford's new modular engine is expected to go into production in 1992 at an engine plant near Cleveland.

The Ford-Mazda engine deal will mark another link in the partnership between the two companies. Ford owns 25 percent of Mazda Motor Corp. The two have signatures on such cars as the Mercury Tracer and Ford Festiva.

TRUCK INDUSTRY

March truck sales by manufacturer and segment

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1989	TOTAL 1988
CHRYSLER-PLYMOUTH	MO	16,772						16,772	17,474
	YR	44,522						44,522	44,06
DODGE	MO	50,572						50,572	57,23
	YR	137,572						136,572	145,8
JEEP	MO	40,475						20,475	22,927
	YR	59,568						56,859	59,03
TOYOTA	MO	19,176						19,176	23,520
	YR	49,868						49,868	57,720
NISSAN	MO	16,897						16,897	14,926
	YR	46,074						46,074	41,888
MAZDA	MO	8,411						8,411	10,567
	YR	21,504						21,504	26,901
ISUZU	MO	8,313						8,313	8,30
	YR	21,812						21,812	19,127
MITSUBISHI	MO	3,846						3,846	4,887
	YR	9,911						,911	12,984
SUZUKI	MO	3,124						3,124	6,406
	YR	7,598						7,598	16,793
RANGE ROVER	MO	365						365	372
	YR	1,181						1,181	897
FORD	MO	126,826	2,204		617	3,101	1,413	134,161	156,438
	YR	330,654	6,811		2,184	8,080	3,546	350,476	386,696
FREIGHTLINER	MO						2,146	2,146	2,192
	YR						6,012	6,012	6,007
CHEVROLET	MO	118,809		13	426	665		119,913	122,311
	YR	302,936		54	1,665	2,064		306,719	334,380
GMC	MO	32,081		44	476	1,058		33,659	40,523
	YR	82,770		1,105	1,195	3,125		88,195	96,282
KENWORTH	MO					61	1,631	1,692	1,408
	YR					124	4,300	4,424	3,803
MACK	MO				198	282	1,880	2,360	2,108
	YR				698	810	4,461	5,969	5,022
MERCEDES	MO				60	120		180	319
	YR				172	290		462	718
NAVISTAR	MO		25	10	1,132	2,900	2,721	6,788	7,483
	YR		61	31	3,490	6,614	7,938	18,133	20,979
PETERBILT	MO					90	1,416	1,506	1,4
	YR					187	4,028	4,215	3,556
VOLVO	MO					75	1,576	1,651	1,466
	YR					250	4,034	4,284	3,369
HINO	MO	33		58	56	127		273	398
	YR	64		120	130	279		593	552
NISSAN DIESEL	MO	58		104	51	120		333	298
	YR	124		236	91	210		661	599
ISUZU TRUCK	MO	554	86	10	123	57		830	898
	YR	1,668	179	27	287	143		2,304	1,625
MITSUBISHI FUSO	MO	224		101	34	94		453	256
	YR	511		186	90	169		956	512
SCANIA	MO						4	4	20
	YR						17	17	48
IVECO TRUCKS	MO	146	59	36	11			252	197
	YR	273	144	79	29			525	432
WESTERN STAR	MO						137	137	133
	YR						369	369	456
OTHER DOMESTICS	MO						49	49	77
	YR				5	80	154	239	175
GRAND TOTAL	MO	426,464	2,194	376	3,395	8,717	12,992	454,138	502,861
	YR	1,124,496	7,186	1,838	9,956	22,425	34,869	1,200,769	1,290,113
1988 YR to DATE		1,131,813	3,840	1,712	15,406	25,264	32,288		

NOTE: March 1988 includes 3 [illegible]. YTD 1988 includes 7 [illegible].

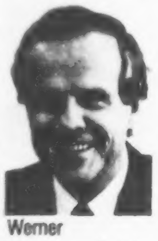
Daimler world truck out; global parts in

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

STUTTGART, West Germany — Daimler-Benz, the world's largest maker of heavy trucks, has given up on the concept of a world truck and is now pursuing a global component sourcing strategy.

Its new strategy of developing bases for common parts around the world rather than built-up common trucks is designed to take advantage of its plant spread in 43 countries. One of those includes Freightliner in the United States.

The cradle of the new effort is in Brazil and the concept should spread around the globe in a modified form, according to Helmut Werner, head of Daimler's commercial-vehicle operations.


Werner

"In the past, everyone thought there should be a world car or a world truck," said Werner. "But it is now clear that the customer would not accept the long waiting times. There is also the cost of logistics. Furthermore, we do not have a truck that suits all needs. Therefore, we have changed our philosophy completely from a CBU (completely built-up) world concept to a component world concept."

The so-called world component truck is envisioned as a price-competitive vehicle using common parts produced around the world. Production could then be shifted around based on cost and currency exchange conditions.

"We are banking on things that can be made available from our own group," said Werner. "But we also are trying to include possibilities offered by component manufacturers already active in the respective countries."

Werner took over as head of Daimler's commercial-vehicle operation in late 1987. He was recruited from the West German tire maker Continental and is widely reckoned as the likely successor to current Daimler-Benz AG Chairman Edzard Reuter.

Since coming to Daimler-Benz, he has implemented rigid cost control to improve the division's sluggish profitability and has pushed the global component concept.

"We are developing a kind of cluster principle around our own assembly or manufacturing facility," said Werner. "We are analyzing in each country what can be made available locally, what kind of support can be given directly to build up additional supply capacities and what can be done to encourage suppliers who may be working for us here in Germany, Brazil or in the United States to do the same for us."

The concept is already being tested. For example, a Mercedes bus currently produced in Nigeria uses components from Argentina, Brazil and Germany.

"I believe the strength of our company is in our talent to harmonize the different components. We have learned that since our acquisition of Freightliner," said Werner. "Our technicians have said whether or not it is a Mercedes component is not so important. What is important is whether the end product, the vehicle, offers Mercedes quality."

Daimler's fledgling relationship with Mitsubishi could play a role in the strategy. Though plans to co-develop a light-duty van for production in Spain have been canceled, Werner said the partners will cooperate on components.

Werner said the basis for a true world-component-type vehicle is taking shape in Brazil with the medium-duty truck Mercedes produces there.

"The mainframe for that truck has been developed in Brazil, and we are starting to sell it in Brazil," he said. "That is the mother formula, and we are exporting it.

In a modified version, the concept being developed in Brazil can be used around the world in different configurations, he added.

Werner said the booming world truck market is beginning a period of stabilization.

He predicted that Daimler's world truck production — which ranges from 2.5-ton light vans to 40-ton heavy trucks — will rise from 258,000 in 1988 to about 265,000 in 1989.

Werner said Mercedes truck profitability is growing at a much faster rate than revenue, which increased 18 percent last year to 23 billion marks ($12.2 billion).

He said earnings improved "tremendously" last year and that the 1988 numbers were well within the 2.5 to 3 percent profit margins generally accepted for other European truckmakers.

Daimler is capacity constrained in Europe. The heavy-truck plant in Woerth, West Germany, produced 20 percent over plan in 1988.

"We will have another increase this year without going into an investment," said Werner.

Most major European manufacturers are constrained, but there is an industrywide nervousness about adding new production capacity.

"I would find it extremely dangerous to expand capacity today," he said. "If somebody started, most of the others would follow because everybody is short. If you expanded today, the first products would come out in two or three years. Then the market might have changed. If Mercedes raised capacity, in my opinion, everybody would have to react. I'm very much for optimizing utilization of existing capacity. We are not going to have more demand for units by the end of the century."

Werner said Daimler has no interest in buying capacity in Europe, though other European truckmakers have done so. Two manufacturers thought to be available are Spain's Pegaso and Austria's Steyr-Daimler-Puch. Mercedes is occasionally rumored to be interested in both.

"Strategically, we prefer not to buy capacity," said Werner. "If you buy something, you have to buy a market. That would apply to Steyr and Pegaso."

In the United States, Werner said, Freightliner's profitability "has given us the justification to go into some big investment programs."

Daimler recently bought the MAN Truck and Bus. Corp. plant

see DAIMLER, page 18

AROUND THE WORLD

Car sales in Europe flatten out, but gain continues

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — A long-awaited downturn has yet to hit Europe's new-car market, though March sales were up less than 1 percent over last year's.

Europe's car market has confounded the experts before. A 5 percent drop last October was widely viewed as the start of a decline that is now considered to be more than a year overdue. But sales rose in each of the next four months.

Despite expectations of a 3 to 5 percent slide in 1989 from last year's record 13-million-car market, overall sales were buoyant in January and February, causing some analysts to revise forecasts.

Sales in 17 Western European countries rose 6.1 percent in the first quarter of 1989, but the market was up less than one percent in March, according to industry estimates compiled by Automotive News.

Fiat was tops among carmakers in the quarter. The Italian group effectively shared first place last year with Volkswagen AG, but analysts think Fiat may emerge as a clear winner this year.

European sales rose 0.6 percent to 1,334,200 units in March. Volume for the year-to-date totaled 3,607,700, up 6.1 percent over the same period last year.

Fiat Auto, including the Fiat, Alfa Romeo and Lancia brands, improved 1.2 percent to 201,700 units in March and ranked first in the first quarter with sales of 567,900 cars, an increase of 4.3 percent and a 15.7 percent market share. The Fiat brand was up 5 percent to 427,200 for the quarter.

Fiat's sales pattern in recent years has been a strong first half followed by a slowdown in the last six months. Meanwhile, VW, the European sales leader since 1985, traditionally gathers momentum in the second half.

Some analysts say the expected second-half downturn this year could blunt VW's normal resurgence and enable Fiat to claim first place for 1989.

Fiat supplier sources say the company's current new-car order book is 100,000 units above what was originally targeted.

"They are certainly way above budget for the beginning of the year," said analyst Enrico Ponzone, an Italian specialist at Kleinwort-Benson in London. "If (industry-wide) sales flatten, they should be in a position to take first place, given that VW would suffer from a second-half downturn."

Volkswagen AG ranked second after three months with sales of 501,700, a 13.9 percent market share and a 5.8 percent improvement over last year. The group, which includes the VW, Audi and Seat brands, was off 0.1 percent to 191,000 in March.

France's Peugeot S.A. finished the first quarter just a shade behind VW with sales of 497,300 units, a 14.7 percent increase.

Peugeot S.A., including the Peugeot and Citroen divisions, captured 13.8 percent of the market after taking just under 12 percent in all of 1988.

Its climb was slowed in March by a flat market in France, where Peugeot S.A. now controls more than 35 percent of sales. The group's sales in all of Europe rose 5.9 percent during the month to 181,500 units following a 19 percent rise in January and February.

Its surge has been led by the Automobiles Peugeot Division, which hiked sales nearly 17 percent in the first quarter to 310,400.

Fourth-place Ford toted up sales of 409,400 in the first quarter, an 11.3 percent share and a 7 percent gain over the previous year. Ford's March sales in Europe rose 4.9 percent to 147,900. March sales declined 6.8 percent to 27,300 in Germany, but leaped 27.7 percent to 63,500 in the United Kingdom, Ford's best European market.

EUROPEAN SALES

Manufacturer	March 1989	1989 share*	March 1988	Change 89 vs 88
Fiat Group**	567,900	15.7	544,400	+ 4.3
VW-Audi-Seat	501,700	13.9	474,300	+ 5.8
PSA***	497,300	13.8	433,430	+14.7
Ford	409,400	11.3	382,600	+ 7.0
General Motors****	400,100	11.1	362,000	+10.5
Renault	374,900	10.4	354,900	+ 5.6
Mercedes-Benz	116,000	3.2	125,100	− 7.2
Austin Rover	111,700	3.1	121,300	− 7.9
BMW	102,400	2.8	83,700	+22.3
Nissan	100,400	2.8	93,600	+ 7.3
Toyota	83,600	2.3	86,800	− 3.7
Volvo	74,800	2.1	71,600	+ 4.5
Mazda	60,000	1.7	62,200	− 3.6
Mitsubishi	39,800	1.1	36,700	+ 8.6
Honda	31,100	0.9	34,900	− 0.9
Others	136,600	3.8	133,300	+ 2.5
Total	3,607,700	100.0	3,400,800	+ 6.1

* Total does not add up to 100 percent because of rounding
** Includes Alfa Romeo
*** Peugeot, Citroen, Talbot
**** Opel, Vauxhall, Isuzu, GM-U.S./Canada

General Motors was next with an 11.1 percent share on sales of 400,100, a 10.5 percent increase over 1988. During March, GM's 6.1 percent climb to 151,500 was the best performance of all major makers in Europe. Much of the gain was due to strong sales for the new Opel Vectra subcompact in Germany. Opel's March sales rose 6.4 percent in Germany, while the rest of the German market was down.

Renault held 10.4 percent of the European market through the first three months on sales of 374,900 cars, a 5.6 percent improvement over 1988. However, Renault declined 0.7 percent in March to 141,100 as the French market slipped.

Among Europe's specialist brands, BMW continued to show the fastest rate of growth. Three-month sales perked up 22.3 percent to 102,400, good for 2.8 percent of the total market. But BMW's March sales in Europe rose just 4.1 percent — pulled down by a 5 percent drop to 19,700 in Germany.

Rival Mercedes-Benz was off 7.3 percent for the quarter to 116,000 units, a 3.2 percent share. Mercedes dropped 11.4 percent in March to 41,500 units as it suffered a 21 percent decline to 24,800 in Germany.

Combined sales by Japanese makers were off 2.4 percent to 145,900 in March. The three-month Japanese total was 365,200 cars, a gain of 1.3 percent over last year and a 10.1 percent share.

Nissan continued to lead the Japanese makes, with a 7.3 percent improvement to 100,400 for the quarter and a 2.8 percent share.

Among national markets, West Germany ranked No. 1 in the first quarter with sales of 697,600 cars, a 6.2 percent gain over last year. But German sales slid 3.4 percent to 296,400 in March. The drop was in line with predictions that Europe's largest market will fall back from last year's 2.8 million sales.

Italian sales remained healthy, increasing 7.5 percent in March to 238,100. For the quarter, Italy was up 5.4 percent from 1988's record pace to 675,000.

The United Kingdom was next at 631,200 cars in the first quarter, a rise of 7.9 percent. In March, Great Britain's sales climbed 5.7 percent to 221,200.

France declined 1.1 percent in March to 215,000 units, but for the first quarter was nearly 10 percent ahead of 1988 with sales of 591,500.

NEW-CAR SALES BY COUNTRY IN EUROPE

Country	3 mos., 1989	Percent gain/loss
West Germany	697,600	+ 6.2
Italy	675,000	+ 5.4
United Kingdom	631,200	+ 7.9
France	591,500	+ 9.9
Spain	285,900	+ 7.4
Netherlands	173,300	− 1.8
Belgium-Luxembourg	138,400	− 2.7
Switzerland	88,300	+13.9
Sweden	74,400	−10.2
Austria	71,700	+20.4
Portugal	55,200	+22.0
Finland	52,600	+ 9.8
Ireland	24,700	+22.7
Denmark	21,200	−22.5
Greece	13,800	− 1.1
Norway	11,900	−41.1
Total	3,607,700	+ 6.1

GLOBAL BRIEFS

Renault 21 introduced as Argentine top-liner

BUENOS AIRES, Argentina — Renault Argentina introduced the Renault 21 (formerly sold as the Eagle Medallion in the United States) April 6. The company said the debut represents a $33 million investment.

The 2.2-liter car is built locally with 60 percent Argentine content from 108 local suppliers. Renault said local content will increase to 85 percent within two years.

The R21 is aimed at the top of Argentina's 130,000-unit-a-year market. Renault, which has a market share of 33 percent, expects to produce 400 R21 units a month for the rest of 1989.

Renault is also Argentina's leading auto component exporter. Last year, it accounted for 37 percent, $50 million worth, of auto parts exports. The company expects to increase exports 20 percent this year.

— **Cristina Bonasegna**

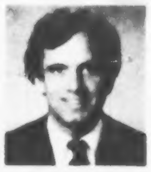
Ford radio firm in Brazil told to bring back profits

SAO PAULO, Brazil — A Brazilian federal court ordered Ford Industria e Comercio, a manufacturer of car radios in Sao Paulo, to bring back $33 million in profits sent to Ford Motor Co. in the United States during 1984.

The decision grew out of a dispute between Ford and Brazil's Central Bank, which charged an additional tax on the profits to cover exchange rate variations.

Ford went to court, arguing that taxes should not take exchange rates into account. But the court decided in the bank's favor and ordered Ford to repatriate the funds and pay the tax. Ford said it will appeal the decision.

— **Rik Turner**



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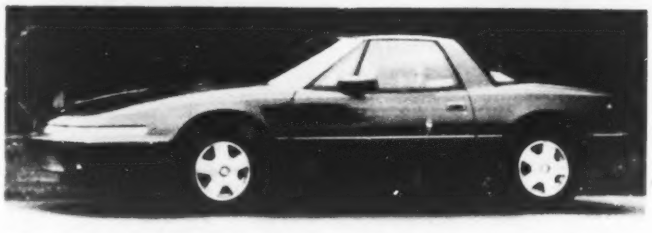
Mertz says Reatta is doing the job as Buick's 'halo' car

By Jim Henry and Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTERS



Mertz says Reatta is for people who want a Corvette but don't really want one

Buick General Manager Ed Mertz said his division's Reatta two-seater is an effective "halo" car that reflects well on the rest of the line, although sales are barely on target.

To pump new life into the car, the division said it is stepping up advertising to introductory levels.

"What we did (with the Reatta) was go after a market that didn't exist," Mertz said in New York.

"It's got room; it doesn't ride like a rock, as some sports cars do; you don't sit on the ground. It's a luxury car for people who really want a Corvette, but they don't really want a Corvette. Starting a new market is always tough," he said.

Mertz acknowledged that Reatta production was slowed in part because sales have not met expectations, but he said sales are growing and are considered satisfactory.

Jay Qualman, Buick's director of advertising, said Reatta advertising will soon be boosted to its highest level since last year's launch, when the Reatta ad budget was reported to have been about $10 million.

With the heavy introductory ad campaign, Reatta sales took off, surpassing the supply. Buick backed off its Reatta advertising and shifted the advertising dollars to other Buick models, particularly the Regal, Qualman said.

Inventory is growing and sales are at the low end of Buick's target of 7,000 to 8,000 Reattas for the 1989 model year. In mid-April, Buick said it had sold 3,500 units and that March's total of 689 was a record. In the 1988 model year, Buick sold 2,759 Reattas against an estimate of 3,000.

Qualman said "now, we're shifting back," to introductory levels of advertising in an effort to boost sales. Included is a new series of 15-second and 30-second television ads, radio spots and a new magazine and newspaper campaign.

Besides the slackened demand, Mertz said Reatta production was interrupted in January to retool for the Reatta convertible, which is due for production in September.

He acknowledged that Reatta's styling is less aggressive than that of some competitors. He said the car may not accelerate as fast as some, but Reatta was intended to be more things for more people.

"The car is very well balanced. It might not be leading-edge, but it's easier to do a (one-dimensional) car that's very great in acceleration, or very great in handling. It's much more difficult to do everything well. I think that's a much higher level of sophistication," Mertz said.

He said the average income for Reatta buyers is $100,000 a year, well above average for the rest of the Buick line. He said Reatta has sold well as a conquest car, and it has served its purpose as a "halo" car, drawing attention to Buick.

One-third of Reatta buyers add the car without trading in a car, Mertz said. One-third trade in a General Motors make, including Buick; and another one-third are conquests from high-line luxury cars, both European and domestic. He said the most numerous conquests are BMW and Porsche.

One of the new Reatta television ads explains the concept of the car and its position as a unique, luxury two-seater. The commercial features a BMW 325is, a Reatta and a Mercedes-Benz 560SL. The ad claims that for approximately $26,000, Reatta offers fresh styling and value compared with its competitors. The tagline is, "The others pale by comparison."

Another spot shows a Reatta in a row of Mercedes, BMW and Saab models. The camera spans the cars, then returns to the Reatta, with the line: "In a sea of ordinary cars, Reatta deserves a second glance."

Qualman said Buick wants to establish Reatta's name before the convertible is introduced.

Delayed for a year for further engineering work, the convertible is expected to account for up to a third of all Reatta sales.

Mertz dismissed the notion of Buick adding a minivan or all-purpose vehicle to its lineup, as Oldsmobile will do in the fall. The Oldsmobile action angered some Chevrolet and Pontiac dealers.

"We looked at it, of course, and we found that for every truck owner who buys a Buick, there was a virtually equal number of Buick owners who bought a truck. That just isn't our focus. That's not where we ought to be putting a lot of capital and effort," he said.

AUCTION DATES

Chrysler Motors

April 25 — American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Hatfield Auto Auction, Hatfield, Pa.; Nashville Auto Auction, Nashville, Tenn.; Florida Auto Auction of Orlando, Ocoee, Fla.; Portland Auto Auction, Portland, Ore.; Riverside Auto Auction, Riverside, Calif., and Greensboro Auto Auction, Greensboro, N.C.

April 26 — A.D.E. of Birmingham, Birmingham, Ala., and Butler Auto Auction, Gibsonia, Pa.

April 27 — San Antonio Auto Auction, San Antonio, Texas; Northway Exchange, Clifton Park, N.Y.; Aptco Auto Auction, Taylor, Mich.; Indianapolis Auto Auction, Indianapolis; Omaha Auto Auto, Omaha, Neb.; Southwest Auto Auction, Phoenix, Ariz.; and Ark-La-Tex Auto Auction, Shreveport, La.

April 28 — Manheim Auto Auction, Manheim, Pa.

Ford Motor Co.

April 25 — Greater Chicago Auto Auction, Chicago; Bay Cities Auto Auction, Hayward, Calif., and South Seattle Auto Auction, Kent, Wash.

April 26 — Northway Auto Auction, Clifton Park, N.Y.; Albuquerque Auto Auction, Albuquerque, N.M., and Indianapolis Auto Auction, Indianapolis

April 27 — Denver Auto Auction, Aurora, Colo.; Texas Hobby Auto Auction, Houston; Interstate Auto Auction, Mercer, Pa.; Minneapolis Auto Auction, Plymouth, Minn.; Nashville Auto Auction, Nashville, Tenn.; Southwest Auto Auction, Chandler, Ariz.; Skyline Auto Exchange, Fairfield, N.J., and 166 Auto Auction, Springfield, Mo.

Used Car Sales
Auction Averages

April 89	$6,132
Month ago	$6,045
Year ago	$5,669

Model Breakdown
Auction Averages

ar	APR 1989	MAR 1988	FEB 1988
1989 ...	$12,872	$12,197	$13,118
1988 ...	$9,385	$8,751	$8,235
1987 ...	$7,184	$7,338	$7,289
1986 ...	$6,270	$5,975	$6,014
1985 ...	$5,030	$4,978	$4,764
1984 ...	$4,082	$3,942	$3,840
1983 ...	$2,999	$2,867	$2,683
1982 ...	$2,566	$2,612	$2,187
Overall Average	$6,132	$6,061	$5,678

General Motors

April 25 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and Manheim Auto Auction, Manheim, Pa.

April 26 — Puget Auto Auction, Auburn, Wash.; Baltimore-Washington Auto Exchange, Baltimore; Atlanta Auto Auction, Atlanta; Clanton's Auto Auction, Darlington, S.C.; Southern Auto Auction, Fremont, Calif.; Omaha Auto Auction, Omaha, Neb.; and Mississippi Auto Auction, Hattiesburg, Miss.

April 27 — Mid Ark Auto Auction, North Little Rock, Ark.; Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

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RESALE

FROM PAGE 1

tively, while the average values of the two luxury import cars declined 10.00 percent and 15.65 percent in the first year.

Real-world dealer resale prices seem to confirm the heat of the marketplace.

"Here in the Southwest, the sport-utility, four-by-four and pickup markets are so strong, and never seem to weaken, that we've been asking ourselves when the bottom is going to fall out. It just doesn't seem like it's going to happen," said Steve Trompeter, used-vehicle sales manager at Lou Grubb Chevrolet in Phoenix, Ariz. Trompeter said he retails 185 to 250 used vehicles per month.

He said that while the equipment level doesn't seem to matter to buyers of the used units, more equipment means a greater profit. But, "There just isn't an area that's slow for us," he added.

The study showed that the better performers in this arena are domestic models. Only a few of the imported sport-utility vehicles had higher values than their domestic counterparts after 12 months.

For example, Toyota's 4Runner SR5 declined 17.41 percent and the Isuzu Trooper II LS lost 17.82 percent of its initial retail value after the first year.

Still, sales and resale prices remain strong for both Toyota's 4-Runner and its Land Cruiser, and one dealer said he believes currency exchange is as big a factor as the quality of the product.

"We are the fourth largest Toyota dealer in the country and we sell about four Land Cruisers a month — I could sell 14 or 40 if I could get them," said David Wilson, president of Toyota of Orange in Orange, Calif.

Wilson said the resale value on nine-year-old Land Cruisers is so strong that he's able to get up to $1,000 more for them today than what they sold for new in 1980.

"Southern California is so dominated by imports," he said. "And I think that's one reason there is such strength in the used-car market. With the yen/dollar relationship, and the way it has reacted in the past several years, used-car prices have been pulled up by the new-car price spiral."

According to the CCC study, poor price performers in the used sport-utility vehicle sample were smaller off-road vehicles. The Jeep Wrangler Laredo declined 21.95 percent and the Suzuki Samurai JX lost 30.77 percent or nearly a third of its initial retail value in the first year.

But Jeep's larger Cherokee Limited depreciated only 15.68 percent in the first year.

"We've found used Cherokees are real hot. They've taken the original retail knock and they're no longer $18,000 but are getting, on a rough average, $15,000," said Wayne Brander, sales manager of Reno Jeep-Eagle in Reno, Nev.

Leading the resale charge are 1987 and 1988 two- and four-door models with the 4-liter V-6, he said.

In the minivan class, the Plymouth Voyager LE was not far behind top sport-utility models in the CCC survey. A one-year-old Voyager held 88.1 percent of its original retail value. The 1988 Voyager LE listed for about $18,500 new and on March 1, 1989, it was selling for $16,300.

The reason for the sales strength is supply and demand, according to dealers and auto analyst Christopher Cedergren of J.D. Power and Associates in Agoura Hills, Calif.

"There isn't a strong well of used vehicles," to draw on, Cedergren said. "It's the case that the obviously limited supply commands high retail prices."

Cedergren also said the domestic minivans hold their value better than the Japanese models because of their designs.

"You're going to find a Dodge-Plymouth minivan will hold its value better than the Japanese models simply because the domestics have done the best job of executing the compact van concept," he said. "The Japanese have failed in that regard; they are considered to be crude. And it is one of the segments in which the Japanese lag behind the domestics."

Partly fueling the high sport-utility numbers may be the buyers themselves, Cedergren said. While buyer profiles of both minivans and sport-utility vehicles are similar in age, there are differences in the image they want to convey.

"People who are generally buying sport-utility vehicles certainly are not truck buyers," Cedergren said. "They are younger to middle-aged baby boomers who want a high image and a very versatile vehicle. They want a common-sense 3-series BMW. So it's not uncommon that when you look at a young attorney's shopping list, it will have a BMW and a Jeep Cherokee Limited.

"Vans are not image vehicles, not yet. They are common-sense vehicles generally bought by younger, maturing baby boomers with families," he said.

"The bottom line is that demand is still very strong for both vehicle types," Cedergren said. "What will have an impact will be a greater supply of those vehicles. The Japanese have a strong, aggressive plan to add more models to those segments. That, combined with a growing number of used vehicles in this market, that will reduce resale prices to more typical levels."

Demand for short-supply used minivans has kept retail values high in spite of extended travel mileage, according to CCC's Geen. Most of the used minivans in CCC's sample held their values better than the sport-utility vehicles sampled.

Other than the Mitsubishi LS van, which sold for 19.40 percent less after a year, the vans in the sample varied less than 3 percentage points in resale value, depreciating only 12 to 15 percent.

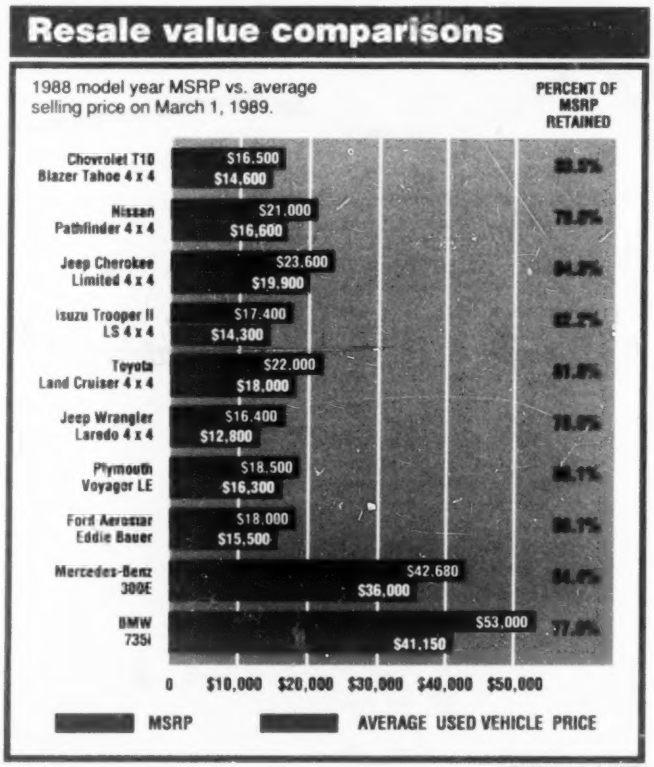
"This type of vehicle has truly taken charge in an otherwise flat market," Geen said, adding that the number values may vary a little because prices are based on suggested retail rather than dealer invoice.

Unlike car models tracked in previous CCC used-car studies, these used vehicles showed little regional price variation.

The CCC sample included 4x4s, wagons, off-road vehicles and minivans with "upgraded equipment and trim levels." The CCC data base reflects numbers gathered for auto insurance company "loss or theft valuations."

The new 1988 sport-utility vehicles were priced from $10,400 to $25,300, and selected minivan list prices ranged from $17,500 to $19,000.

After 12 months, those vehicles sold for about $7,200 to $19,900. Their original values dropped 10.22 percent to 30.77 percent.



AUTOMOTIVE NEWS / C. WINTER

France skips Japan quota for U.K. Nissans

By Jean-Jacques Renaux
STAFF CORRESPONDENT

BRUSSELS, Belgium — France has agreed to let British-built Nissan Bluebirds to be sold in the country without coming under the government's quotas on Japanese cars. The agreement ends a dispute with the United Kingdom over the car's European content.

But Italy reaffirmed its position that it will still count the British Nissans against its annual quota of 2,600 Japanese cars.

Until last week's shift in position, France maintained the U.K.-produced cars should be included with its quota limiting Japanese imports to 3 percent of the total market, which was 66,000 units in 1988. The French government maintained that the cars should have a local content level of 80 percent to be considered European-produced vehicles.

Britain countered that the vehicles, which are currently 70 percent local content, are expected to reach 80 percent in a few years.

Nissan, which has already shipped 3,000 cars this year to France from England, welcomed the move, as did other Japanese carmakers seeking to establish European transplants prior to the EC's 1992 market unification.

But, France's agreement was specific to the Nissan question and does not apply to other Japanese manufacturers. Toyota, which announced plans for a 200,000-unit United Kingdom plant last week, is not mentioned in the agreement.

As part of that pact, France got the promise from Nissan and Britain that they would seek to reach a 80 percent local content soon.

Jacques Calvet, head of the PSA French car group, interpreted the agreement as meaning the European Commission officially recognizes France's right to maintain a 3 percent quota on Japanese car imports. But that commission is also calling for an end to such unilateral quotas and local content rules.

France and Italy insist Europe should not open itself to Japanese imports or transplants without several guarantees such as reciprocity.

QUOTA

FROM PAGE 1

The total for 1988 was approximately 40,000 units less than the previous year, when shipments of 2.21 million also fell below the 2.3 million limit.

Most companies shipped close to quota, but Nissan fell short by 114,538 units. That was primarily due to the need to cut back exports in the first half of the year in order to reduce large inventories in the United States, the company said.

The high inventories were caused by stagnant sales during a period when Nissan had no new models to offer. But exports increased when Nissan introduced the new Maxima and 240SX in the second half of the quota period. Shipments for the first half of the period were 155,899 compared to 270,063 for the second half. Shipments in March, the last month of the period, were 74,042 units.

Earlier this year, Japan's Ministry of International Trade and Industry decided to extend voluntary export restraints for another year beginning April 1, but so far has made no decision on allotments for individual companies.

Company representatives indicate they don't expect a decision from MITI until this summer. Automakers say they have been shipping below quotas, sometimes regardless of demand, in response to MITI's announcement that it will not lift the restraints until it determines that exports to the United States are declining.

So far, MITI has given no indication it will change the individual allotments this year, although Daihatsu Motor Co. has asked for an increase. Last year, Daihatsu's quota was increased to 17,000 units from 11,498 a year earlier.

But Daihatsu officials do not consider an increase likely, partly because it would depend on other companies not meeting quotas and agreeing to surrender some of their allotments. Also, Daihatsu shipped only 14,217 cars to the United States last year, well below its quota.

U.S.-made Sentra models being studied for Europe

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

NASHVILLE, Tenn. — Nissan Motor Manufacturing Corp. U.S.A. is considering export of Sentra subcompacts to Canada, Puerto Rico and possibly Europe.

Rick Sommer, manufacturing vice president, said the company has begun a feasibility study to determine whether it should ship an unspecified number of U.S.-assembled vehicles through Eastern ports.

Sommer said the plan would involve "on the order of several hundred vehicles a month" and would begin with the 1991 model year.

But he added that Sentra sales are strong and if that continues, exporting would be unlikely. In the first quarter, Nissan sold 27,089 Sentras, up from 17,621 a year ago.

Sommer said the export plan would not include the new vehicle that Nissan plans to produce here starting in 1992, an unnamed mid-sized replacement for the Stanza. The company announced last month that it will spend $490 million to expand the Smyrna plant to build up to 220,000 of the Stanza replacements annually.

"That vehicle will be for domestic consumption only," Sommer said. "We're looking only at the Sentra for now."

He said Canada and Puerto Rico are the first priorities, but added, "Europe would have to be the next step." He said a decision will be reached later this year.

The export strategy currently under study may enable Nissan to boost sales in Europe by overcoming quotas and proposed local requirements for Japanese cars.

Should Nissan decide to export the Tennessee Sentra to Europe, the car might avoid the European debate over Japanese content in imported cars. Nissan is already targeting 75 percent North American content for that vehicle by 1991. Europe currently has no trade restrictions against North American vehicle content.

The company said the U.S.-produced Sentra is 66.7 percent locally sourced, but plans to add U.S.-built engines and plastic bumper parts will boost local content to 75 percent.

The company has scheduled additional production this summer to increase Sentra availability, Sommer said.

Exports from the Tennessee operation to date consist of a 1988 shipment of less than 100 King Cab trucks to Japan. The plant produces about 100,000 pickups and about 120,000 Sentras annually.

Nissan currently sells vehicles in Puerto Rico that are produced in Japan. Sommer said sourcing those sales in the United States would allow the company to redirect Japanese capacity.

Car output reaches '89 high point

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Domestic automakers last week scheduled their highest output of the year. Targeted production of 161,087 units was the highest since the week ended Dec. 24 when 161,138 cars were assembled.

Estimated output last week was 0.36 percent above previous week's 160,513 but was 2.68 percent below the year-ago week's 165,519.
week's 165,519.

So far this year, 2,379,900 cars have been built, 9.51 percent more than the 2,173,211 completed last year at this point.

Last week's scheduled output was shared as follows: General Motors, 48.08 percent; Ford Motor Co., 24.52; Chrysler Motors, 13.66 percent; Honda of America Manufacturing, 4.81 percent; Mazda Motor Manufacturing (USA) Corp., 3.13 percent; New United Motor Manufacturing Inc., 2.48 percent; Nissan Motor Manufacturing Corp. U.S.A., 1.28 percent; Toyota Motor Manufacturing U.S.A., 1.25 percent; and Diamond-Star Motors, 0.79 percent.

Truckmakers scheduled 95,892 units last week, 7.50 percent more than the prior week's 89,203 and 8.44 percent more than the year-ago week's 88,425.

Year-to-date, 1,438,949 trucks have been built, 7.27 percent more than the 1,341,445 assembled last year at this time.

Three GM facilities resumed output last week after being idle to cut inventories. They were Doraville, Ga.; Reatta Craft Centre in Lansing, Mich.; and the Allante line at the Detroit-Hamtramck plant.

Chrysler's Jeep Grand Wagoneer line in Toledo, Ohio, resumed operations today after being shut down because of high inventory.

Overtime was slated last Friday at GM's Janesville, Wis., plant.

GM's Lakewood, Ga.; Lordstown, Ohio; and Flint, Mich., plants were scheduled for overtime last Saturday.

Ford slated overtime last Saturday at its Wayne, Mich.; Norfolk, Va.; and St. Louis plants.

Canadian cars dip; trucks rise

Canadian automakers scheduled production of 21,274 cars last week. That was 4.95 percent below the prior week's 22,381 and 20.22 percent below the year-ago week's 26,665.

So far this year, 318,014 cars have been completed, 12.96 percent fewer than the 365,360 built last year at this point.

Truck production was targeted at 21,137 units last week, 13.46 percent more than the 18,629 and 4.65 percent more than the year-ago week's 20,197.

Year-to-date, 320,752 trucks have been assembled, 4.80 percent more than the 306,053 produced last year at this time.

Chrysler Motors' Bramalea, Ontario, plant was closed last week to cut inventory. The company said the plant is tentatively scheduled to resume operations May 1.

U.S. CAR	Week Ended Apr. 22, 1989	Week Ended Apr. 23, 1988	Week Ended Apr. 15, 1989	Apr. to Date	Jan. 1 to Apr. 22, 1989	Jan. 1 to Apr. 23, 1988
Horizon	800	2,121	820	2,415	3,118	28,436
Sundance	2,400	2,236	2,394	7,155	37,250	34,316
Reliant	0	2,425	0	0	0	29,471
Acclaim	3,100	0	2,301	8,397	37,629	0
Caravelle	0	473	0	0	0	6,335
Gran Fury	0	317	0	0	0	3,717
Total Plymouth	6,300	7,572	5,515	17,967	77,997	102,275
LeBaron K	0	525	0	0	0	5,637
LeBaron J	2,700	1,902	2,769	8,136	36,658	19,688
LeBaron GTS	0	180	0	0	2,946	2,681
N. Yorker C-Class	1,800	2,741	2,113	5,447	37,900	35,656
Fifth Avenue	0	336	0	0	0	12,124
Total Chrysler	4,500	5,684	4,882	13,583	77,504	74,086
Omni	900	2,194	958	2,759	3,657	26,279
Daytona	1,800	1,953	1,851	5,575	34,174	18,747
Shadow	2,300	2,228	2,396	7,070	37,536	34,398
Aries	0	2,326	0	0	0	24,501
Dodge 600	0	493	0	0	0	5,605
Dynasty	3,100	2,282	3,372	9,169	50,210	35,378
Lancer	0	221	0	0	1,526	3,556
Spirit	3,100	0	2,268	8,139	35,325	0
Diplomat	0	500	0	0	0	7,349
Total Dodge	11,200	12,197	10,845	32,712	162,430	157,815
CHRYSLER MOTORS	22,000	25,453	21,242	64,262	317,931	334,176
Escort	8,281	8,744	8,582	25,491	106,665	107,851
Mustang	4,168	4,173	4,516	12,771	77,298	68,907
Tempo	2,956	3,646	3,396	9,656	52,444	64,008
Taurus	8,283	8,894	8,863	26,769	127,157	126,515
Thunderbird	3,407	3,372	3,480	10,912	57,227	51,490
Total Ford Div.	27,095	29,029	28,637	85,599	420,791	418,771
Topaz	1,554	1,682	2,104	5,827	22,424	24,527
Cougar	3,401	2,258	3,250	9,343	48,389	38,345
Sable	2,657	3,569	2,227	6,385	41,607	42,307
Total Mercury	7,612	7,509	7,581	21,565	112,420	105,179
Continental	1,436	1,105	1,444	4,548	23,450	14,280
Mark VII	460	557	478	1,504	9,054	8,241
Lincoln	2,869	3,324	2,878	9,078	43,022	47,022
Total Lincoln	4,765	4,986	4,800	15,130	75,526	69,543
Total L-M Division	12,397	12,495	12,381	36,695	187,946	174,722
FORD MOTOR CO.	39,492	41,524	41,218	122,294	608,737	593,493
Skyhawk	387	329	457	1,230	6,312	11,207
Skylark/Somerset	1,307	1,905	1,323	3,947	17,487	10,175
Century	2,142	3,129	2,378	6,575	38,431	27,432
Riviera	539	131	573	1,645	9,107	2,201
Electra	1,959	2,285	1,953	5,867	28,983	24,351
LeSabre (fwd)	4,980	3,462	4,965	14,895	41,519	41,151
LeSabre (rwd)	228	304	168	596	3,078	2,743
Reatta	208	158	0	404	2,184	1,470
Total Buick	11,730	11,671	11,817	35,159	144,089	120,730
Cimmaron	0	121	0	0	0	3,386
Eldorado	665	1,031	907	2,711	12,467	12,134
Seville	675	602	689	1,936	9,148	7,798
Brougham (rwd)	625	1,121	830	2,162	13,811	10,940
Deville (fwd)	4,980	3,468	4,268	14,132	71,526	59,921
Allante	75	65	0	150	1,078	800
Total Cadillac	7,190	6,438	6,694	21,094	108,030	94,977
Cavalier	8,267	6,952	7,562	24,186	127,224	107,003
Camaro	2,610	2,398	2,709	8,014	39,203	23,667
Celebrity	1,905	4,005	2,497	6,508	47,820	50,097
Corsica/Beretta	8,640	8,980	8,673	25,140	134,810	126,230
Caprice	4,348	4,270	5,186	14,334	65,987	61,324
Corvette	560	442	560	1,680	8,328	6,805
Total Chevrolet	26,328	27,047	27,189	79,862	423,372	375,155
Calais	2,293	3,115	2,308	6,919	30,241	33,457
Firenza	0	107	0	0	0	5,177
Cutlass Ciera	1,236	0	1,912	5,025	26,734	0
Cutlass Supreme	3,125	9,137	0	3,125	30,390	68,484
Toronado	179	408	191	540	3,466	5,572
88 (fwd)	3,444	4,614	3,457	10,169	50,550	50,442
88 (rwd)	125	257	176	486	2,393	4,242
Olds 98	2,184	1,601	2,152	6,523	30,406	27,524
Total Oldsmobile	12,586	19,239	10,196	32,787	174,180	194,898
Sunbird	3,739	2,222	3,249	10,545	48,089	33,687
Grand Am	5,280	5,249	6,074	16,662	80,686	75,725
Firebird	1,306	1,685	1,401	4,099	23,046	18,653
Grand Prix	4,050	3,318	4,000	12,050	46,427	33,005
Pontiac 6000	2,190	2,537	2,576	6,936	30,380	23,278
Bonneville	2,945	2,638	2,938	8,621	31,925	31,602
Safari/Parisienne	126	237	100	348	1,725	2,572
Fiero	0	480	0	0	0	6,379
Total Pontiac	19,635	18,366	20,338	59,261	262,277	224,901
GENERAL MOTORS	77,469	82,761	76,234	228,163	1,111,948	1,010,661
DIAMOND-STAR	1,268	0	1,181	3,486	12,840	0
HONDA	7,750	7,470	7,745	23,034	122,950	116,126
Civic	2,700	2,299	2,743	7,959	41,392	29,302
Accord	5,050	5,171	5,002	15,075	81,558	86,824
MAZDA†	5,038	2,517	5,075	15,101	76,602	22,668
NISSAN	2,060	2,487	2,086	6,477	36,034	27,798
NUMMI	4,000	3,307	3,919	11,913	61,947	51,005
Corolla	1,600	1,197	1,426	4,600	25,783	18,813
Geo Prizm/Nova	2,400	2,110	2,493	7,313	36,164	32,192
TOYOTA	2,010	0	1,813	5,871	30,911	0
VOLKSWAGEN	0	0	0	0	0	17,284
Golf/GTI	0	0	0	0	0	11,731
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	161,087	165,519	160,513	480,601	2,379,900	2,173,211
Total Cars, Canada	21,274	26,665	22,381	65,863	318,014	365,360
U.S., Canada Cars	182,361	192,184	182,894	546,464	2,697,914	2,538,571
U.S., Canada Cars and Trucks	299,390	300,806	290,726	885,691	4,457,615	4,186,069

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes MX-6 and Ford Probe.

CANADIAN CAR	Week Ended Apr. 22, 1989	Week Ended Apr. 23, 1988	Week Ended Apr. 15, 1989	Apr. to Date	Jan. 1 to Apr. 22, 1989	Jan. 1 to Apr. 23, 1988
Premier	0	1,656	1,275	2,295	14,885	22,531
CHRYSLER MOTORS	0	1,656	1,275	2,295	14,885	22,531
Tempo	3,320	4,007	3,332	10,052	53,346	66,513
Topaz	1,448	1,686	1,475	4,297	22,527	21,942
Crown Victoria	2,582	2,836	2,567	7,749	42,546	44,825
Grand Marquis	3,178	2,959	3,151	9,502	48,175	44,146
FORD MOTOR CO.	10,588	11,487	10,525	31,600	166,594	177,426
Celebrity	250	311	204	646	3,160	5,697
Cutlass Ciera	3,686	7,076	3,726	11,125	58,763	79,722
Lumina	4,355	0	2,723	9,980	18,740	0
Pontiac 6000	0	1,424	0	0	0	15,548
Regal	345	3,718	1,972	4,058	24,799	52,248
GENERAL MOTORS	8,616	12,529	8,625	25,818	105,466	153,215
HONDA	1,650	873	1,514	4,880	26,007	10,212
TOYOTA	260	0	262	750	2,321	0
VOLVO	180	120	180	540	2,730	1,976
Total Cars, Canada	21,274	26,665	22,381	65,863	318,014	365,360

U.S. TRUCK☆	Week Ended Apr. 22, 1989	Week Ended Apr. 23, 1988	Week Ended Apr. 15, 1989	Apr. to Date	Jan. 1 to Apr. 22, 1989	Jan. 1 to Apr. 23, 1988
Caravan	2,500	1,907	2,110	7,139	35,810	31,803
Dakota	2,500	2,864	2,574	7,398	36,113	38,680
Mini-Ram Van	200	301	185	614	3,242	5,010
Pickups	2,500	1,389	2,576	7,401	36,096	18,881
Total Dodge	7,700	6,461	7,445	22,552	111,261	94,374
Cherokee	5,400	3,206	4,611	15,365	72,934	55,955
Commanche	600	848	533	1,826	10,812	15,378
Grand Wagoneer	300	350	0	300	4,663	4,515
Wagoneer	200	246	196	639	3,218	4,078
Total Jeep	6,500	4,650	5,340	18,130	91,647	80,426
Voyager	2,200	1,752	1,989	6,590	34,311	29,258
Total Plymouth	2,200	1,752	1,989	6,590	34,311	29,258
CHRYSLER MOTORS	16,400	12,863	14,774	47,272	237,219	213,058
Aerostar	5,698	4,542	4,949	16,417	79,950	71,407
Bronco	1,675	1,270	1,424	4,727	28,593	19,644
Bronco II	2,415	2,469	2,621	7,844	43,781	46,085
Econoline	5,098	4,789	5,166	15,259	79,321	80,161
Heavy trucks	1,695	1,677	1,712	4,730	22,361	21,492
Light trucks	12,030	11,702	11,676	35,627	176,139	163,150
Ranger	6,737	7,922	7,101	21,651	116,205	116,046
Total Ford Div.	35,346	34,371	34,649	106,255	544,350	517,987
FORD MOTOR CO.	35,346	34,371	34,649	106,255	544,350	517,987
Astro	2,861	3,220	3,386	10,035	55,376	55,398
Blazer	631	592	665	1,893	9,051	8,601
Mediums/Heavies	0	501	0	0	1,312	5,412
P-Model	767	773	748	2,311	10,236	12,541
Pickups	12,395	7,647	6,617	25,985	136,576	103,750
S-10	4,061	6,801	4,372	14,134	90,778	90,336
S-10 Blazer	3,344	3,709	3,905	11,154	61,477	49,944
Sportsvan/Van	2,330	1,909	2,004	6,597	31,136	24,717
Suburban	1,708	1,428	1,768	5,003	25,142	22,674
Total Chevrolet	28,097	26,580	24,085	77,082	421,090	373,342
Jimmy	158	113	165	454	2,698	2,823
Mediums/Heavies	0	783	0	0	1,496	14,333
P-Model	55	177	123	246	1,359	1,250
Pickups	4,631	2,500	3,169	10,441	40,854	33,468
S-15	927	1,319	1,215	3,400	21,246	21,991
S-15 Jimmy	860	932	1,199	3,135	17,527	12,819
Safari	827	806	1,169	2,792	13,749	14,339
Suburban	583	689	697	1,875	10,062	11,611
Vandura/Rally Vans	598	969	518	1,867	8,262	12,943
Total GMC	8,637	8,288	8,255	24,209	117,251	125,577
GENERAL MOTORS	36,734	34,868	32,340	101,291	538,341	498,919
NAVISTAR	1,782	1,927	1,778	5,443	27,728	27,807
NISSAN	2,180	1,646	2,212	7,155	42,193	40,224
AM GENERAL	450	450	450	1,350	7,020	7,110
MISCELLANEOUS	3,000	2,300	3,000	9,000	42,100	36,340
Total Trucks, U.S.	95,892	88,425	89,203	277,786	1,438,949	1,341,445

CANADIAN TRUCK	Week Ended Apr. 22, 1989	Week Ended Apr. 23, 1988	Week Ended Apr. 15, 1989	Apr. to Date	Jan. 1 to Apr. 22, 1989	Jan. 1 to Apr. 23, 1988
Caravan	3,090	3,099	3,135	9,877	49,247	47,973
Mini-Ram Van	354	350	342	1,020	3,546	4,451
Ram Wagon	735	573	0	1,421	9,248	7,672
Ram Van	1,615	1,518	0	3,351	23,771	19,248
Total Dodge	5,794	5,540	3,477	15,669	85,812	79,344
Voyager	2,700	2,829	2,757	8,773	42,921	44,414
Total Plymouth	2,700	2,829	2,757	8,773	42,921	44,414
Wrangler	1,700	1,070	1,867	5,418	25,900	16,263
Total Jeep	1,700	1,070	1,867	5,418	25,900	16,263
CHRYSLER MOTORS	10,194	9,439	8,101	29,860	154,633	140,021
FORD MTR. (lt. trks.)	3,648	3,644	3,439	10,745	54,872	57,017
Light trucks	2,710	3,243	2,035	7,386	50,505	50,432
Vans	1,518	1,579	1,386	4,283	21,903	19,278
Total Chevrolet	4,228	4,822	3,421	11,669	72,408	69,710
Light trucks	2,170	1,545	2,666	6,417	24,208	24,729
Vans	627	525	735	1,967	10,679	11,103
Total GMC	2,797	2,070	3,401	8,384	34,887	35,832
GENERAL MOTORS	7,025	6,892	6,822	20,053	107,295	105,542
NAVISTAR	270	222	267	803	3,952	3,473
Total Trks., Canada	21,137	20,197	18,629	61,461	320,752	306,053
U.S., Canada Trks.	117,029	108,622	107,832	339,227	1,759,701	1,647,498

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Debate over CAFE heats up

Talk of 40-50 mpg frightens industry

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Concern over global warming may translate into higher fuel economy standards, but how much higher they must go will fuel a debate as hot as last summer's weather.

That hot summer and a drought in some areas of the country focused attention on the "greenhouse effect" — a combination of gases, mostly carbon dioxide, that may trap heat and threaten the earth's environment through higher temperatures.

While Congress considers five proposals and an EPA position paper calling for average mileage of 40 to 50 mpg by the year 2000 and 75 mpg by 2025, domestic automakers are looking at alternative product plans to help them meet the tougher standards.

The Big 3 stand to lose heavily to Japanese automakers if the standards rise abruptly. Many Japanese manufacturers have a greater variety of small-displacement engines with efficiency- and conservation-enhancing features such as four valves per cylinder.

Legislators such as Sen. Timothy Wirth, D-Colo., and Rep. Claudine Schneider, R-R.I., claim that a 40 mpg-plus standard would reduce the global warming by reducing CO2 produced by automobiles.

The Department of Energy estimates that U.S. cars and trucks contribute about 3 percent to total CO2 emissions linked to global warming. Passenger vehicles account for about 2 percent.

The call for much greater fuel efficiency comes at a time when consumers are demanding higher performance and gasoline-consuming options, and features that improve safety but add fuel-consuming weight.

In official statements, the Big 3 say a higher corporate average fuel economy standard would require much smaller cars that wouldn't sell and put them at a competitive disadvantage to the Japanese.

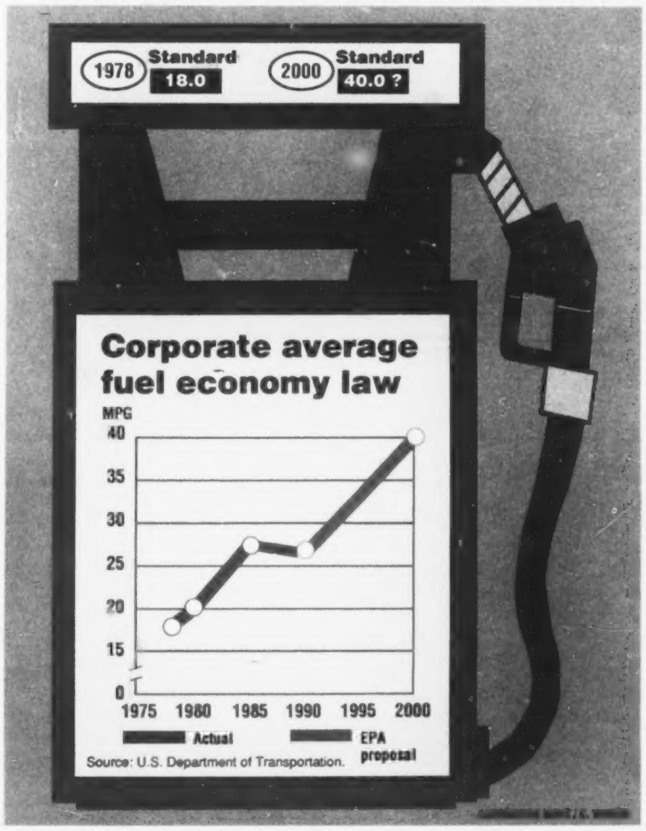
And those rivals don't seem worried.

Thomas D. Mignanelli, executive vice president of operations for Nissan Motor Corp. in U.S.A., said, "In Tokyo, they're (Nissan officials) saying: 'Tell us what the (CAFE) standard is, and we'll meet it.' I think there will be a clear intent on our part to meet the standards."

Mignanelli, a former Lincoln-Mercury executive, pointed out that "every time we put out a new

see CAFE PUSH, page 22

CAFE: How high will it go?



Source: U.S. Department of Transportation.

CAFE vs. global warming

- Product plans: No Viper? No minivans? Page 22
- Alcohol bill offers loophole Page 23
- 45 mpg: Escorts all around Page 24
- CAFE fines heat up Page 28

Progressive halts dealer payments

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

Progressive Acceptance Corp., one of the nation's largest companies financing high-risk car loans, has told dealers it cannot make payments on paper it has committed to buy.

In a letter dated April 21, Progressive told dealers that an investor stopped buying Progressive's commercial paper, and the company is at the limit of its line of credit. Progressive said dealers may ask for the contracts back so they can seek other funding, or dealers may leave the contracts with Progressive, which will fund them "as soon as we obtain new investors."

Progressive's problems come on the heels of those experienced by other financers of subpar credit and at the same time that several new companies, particularly on the West Coast, are entering the market.

Progressive buys retail and lease paper from dealers, packages the loans and sells them to investors in pools of $1,000,000 or more.

Progressive, based in Tulsa, Okla., declined to answer questions, but said in a statement it has stopped originating loans "until it it can find stronger long-term commitments."

It is not known how many dealers remain unpaid.

Progressive buys paper from more than 2,000 franchised dealers and independent leasing companies.

The problem for dealers is that after Progressive approves a contract sent by a dealer, the customer signs it and drives away with the car. The dealer sends the contract to Progressive for the money and is without the car and without the money until Progessive's payment comes through.

Two independent lessors who contacted Automotive News said their contracts for which payment was over four weeks late totaled $68,000.

Progressive's troubles are not unusual in the world of high-risk auto finance.

Some dealers were saddled with the cost of sold vehicles when IDFC, based in Carlsbad, Calif., failed to pay for approved contracts (Automotive News, June 6, 1988 and July 4, 1988).

IDFC subsequently charged in a suit that Reseda Finance breached its contract to buy the retail paper that IDFC acquired.

Progressive packages the loans it buys from dealers and sells them to investors such as banks, savings

see PROGRESSIVE, page 66

Big 3 trim schedules for 2nd quarter output

AUTOMOTIVE NEWS ROUNDUP

Detroit's Big 3 automakers last week modestly sliced their production schedules for the second quarter from their original estimates, so that the industry now expects to build 3.19 percent fewer cars than it did in the second quarter of 1988.

But several independent analysts said they expect further cuts in the schedule before the quarter closes. Many of the Wall Street analysts have downgraded their auto market expectations for 1989 and 1990.

"The industry's plans still look rich in the second and third quarters," said Bernard Campbell, director of automotive services for Data Resources, Lexington, Mass. "It looks as though between now and the end of August, they will have to cut at least 50,000 . . . and perhaps as much as 100,000 units from their plans."

Although sales and production appear to be in balance in the second quarter — both down about 3 percent — the imbalance created by the first quarter still plagues U.S. makers, he said. In the first quarter, production was up about 10 percent from 1988, while sales were down about 10 percent, he said.

DRI is forecasting lengthy downtime during model chan-

see FORECAST, page 67

SECOND QUARTER UPDATED AUTO PRODUCTION
1989 forecast vs. 1988 actual

	1989	1988	% change
GM........	910,000	974,416	− 6.61
Ford........	510,000	519,989	− 1.92
Chrysler...	265,000	321,092	−17.47
Honda	99,000	97,233	+ 1.82
NUMMI ...	52,000	40,188	+29.39
Nissan	31,659	33,156	+ 4.52
Mazda	58,190	31,497	+84.75
VW........	0	15,201	—
Toyota	25,000	0	—
Diamond-Star	17,100	0	—
Industry...	1,967,949	2,032,772	−3.19

BURGER: *Outspoken, respected Chevrolet chief retires; marking 'end of era' at GM*

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Robert Burger remembers the second dealer call he ever made, as an assistant zone manager in Oldsmobile's Detroit office. It was a Michigan outlet owned by two former General Motors employees. One partner was great to work with; the other, ornery.

"The file on him was that he was impossible to get along with," Burger recalled. Burger's predecessors avoided calling on the dealership when he was in.

But Burger wasn't so lucky on his initial visit. After listening to the man's litany of complaints for just so long, Burger snapped back: "Why are you so miserable?" The partner told him, the air was cleared, and Burger looked forward to later visits.

"You always have to level with car dealers," said

see BURGER, page 65

GLENN TRUEST

Burger steps down after 47 years with GM

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alers: Earn
s, low costs
Page 2

1990 product race:
GM ahead of Ford
Page 3

Federal gas-tax hike
loses support in House
Page 4

2 die in Ford Rouge blast
An explosion in an underground utility tunnel shattered pavement and overturned cars at Ford Motor Co.'s Rouge complex in Dearborn, Mich., last week. Two workers from a maintenance contractor were killed in the tunnel. The deaths were attributed to carbon monoxide poisoning and drowning. The tunnel carries electric, water, steam and compressed air services to several buildings. Some operations, including the Mustang assembly plant, were closed for a day.

AUTOMOTIVE NEWS/JOE WILSSENS

Fischer recalled to VWoA post

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Peter Fischer, the former Audi of America chief who was re-assigned at the peak of the crisis over unintended acceleration, will return to Volkswagen of America in two weeks.

Fischer will rejoin the company from Volkswagen AG, where he has been in charge of worldwide training and advertising for the company's central marketing group. The move is one of several appointments effective today.

The native of Germany will be one of nine executives reporting directly to Hans Hungerland, the new president of VWoA. Fischer will oversee the company's market planning, product planning and distribution and logistics operations. Some of those duties had previously been held by Vice President Richard L. Mugg, who left VWoA's central staff 15 months ago to head Audi.

In another move, Vice President Philip A. Hutchinson Jr. assumes control of the legal department and central public relations in addition to his current responsibilities for industry and government relations. He will continue to be based in Washington. The company's general counsel, N. Richard Skipper Jr., will resign, effective June 1, and work in private practice.

Fischer left VWoA in November 1986, shortly before a CBS "60 Minutes" segment portrayed the Audi 5000 as a car prone to accelerate out of a driver's control. The broadcast capped a year of damaging publicity that has been the chief cause of Audi's troubles in the U.S. market.

Fischer's departure after more than four years on the job set in motion a revolving door through which two other chiefs passed before Mugg restored some stability to the post.

This year, government reports in Canada and the United States concluded unintended acceleration is caused by drivers who mistake the accelerator for the brake pedal. Audi says it has been vindicated by

see VW, page 65

VW's new test drive: Keep car for days

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

TROY, Mich. — Car buyers with a gleam in their eyes for a new Volkswagen are being invited to put hundreds of miles on one of the company's cars in an extended test drive.

Volkswagen United States dealers are handing over the keys to company-owned VWs for days at a time under a program that expires May 31. While the company knows its styling is dated, it hopes to sell buyers on performance and handling. Hence the long test drive.

As one dealer explained, "VW is the kind of car that you fall in love with if you drive it for a couple of days."

The test fleet is owned by VW. One high-volume dealer said he had three dozen cars. Another mid-sized dealer said he had about 13. Dealers said VW pays for insurance; dealers are responsible for gas and keeping the cars clean.

A company spokesman declined to comment on the program. It is not being advertised. And it is up to the dealers to decide which shoppers can use it. Dealers said it was designed for those who are close to a deal but not committed.

The extended test drive is another element of a recovery program created by William Young, who took over as head of the Volkswagen division Feb. 1.

It coincides with a plan that essentially provides $500 to $2,000 toward a downpayment.

In the first quarter, VW sales were down 36 percent from 1988.

Dealers reported a range of reaction to the newest efforts.

"Our traffic is probably up 300 percent," said Jack Price, a dealer in Albuquerque, N.M.

He credited the test drive for a big boost in his store's closing ratio.

Gary Hunt, a VW general sales manager at Meltebeke Volkswagen, La Habra, Calif., said he likes the programs but it's too early to judge them. So far, the new incentives haven't helped much, he said.

1990 product race: GM ahead of Ford

By David Versical and Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTERS

The new-product coin gets flipped in the 1990 model year, as Ford Motor Co. — which recently has been surpassing General Motors in the number of all-new models introduced annually — will debut only the rebodied Lincoln Town Car, while its competitor across town introduces a new minivan series, sedan versions of its mid-sized GM10 line, four convertibles and a longer Oldsmobile Toronado.

The first official description of the Big 3's lineups for 1990 was revealed in the 1990 vehicle preview specification book published by LMV Leasing, Pittsburgh. It is being distributed to LMV's fleet customers.

The highlights of future products for Ford and GM follow; those for Chrysler appeared in the April 24 issue of Automotive News.

POPULAR MECHANICS/JIM DUNNE

Toronado is reskinned and stretched 12 inches for 1990

Ford Motor Co.

After a succession of busy product launches, Ford will catch its breath in the 1990 model year.

The company will introduce just one new entry during the 1990 campaign, a substantially revised and reskinned Lincoln Town Car.

In the past two years, all-new Cougars, Thunderbirds and Continentals have reached showrooms, while such nameplates as Probe, Tracer, Festiva and Scorpio have been added to Ford's sales charts.

Ford will pick up the pace again in the 1991 model year. Its most significant products will be replacements for the current Escort and Tracer, as well as a new Bronco II sport-utility vehicle. All are scheduled to go into production in early 1990.

Two new import entries are also expected as 1991 models: the Australian-built Mercury Capri and a notchback version of the European Scorpio, with an optional high-performance Cosworth engine. Production of the next-generation Crown Victoria/Grand Marquis, codenamed EN53, will begin in the early 1991 calendar year.

Ford has had its share of developmental tasks this coming year, as standard air bags are being added to the driver's side on eight lines. The safety restraints will appear on Ford Mustang, Taurus and Crown Victoria; Mercury Sable and Grand Marquis; Merkur Scorpio; and Lincoln Town

see PRODUCT, page 66

Automotive News Congress dates set

The 14th annual Automotive News World Congress is set for Jan. 7-10 at the Westin Hotel in Detroit. The World Congress, usually held in mid-summer, now dovetails with the North American International Auto Show, also in Detroit.

Top auto industry officials will speak at the World Congress.

This year the World Congress is co-sponsored by the University of Michigan. In turn, Automotive News will join the university in its automotive management briefing seminar, Aug. 9-11 in Traverse City, Mich.

Keith Crain, publisher of Automotive News, said the move "would make two successful conferences even better."

David E. Cole, director of automotive transportation studies at the university, said, "It will allow us to jointly select themes and speakers for both conferences, providing the best possible programs to our registrants."

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World vehicle giants gain in '88

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

The world's top dozen vehicle makers all enjoyed production increases for 1988, with General Motors again leading the pack, building nearly 8.11 million vehicles.

For 1988, the 12 leading motor vehicle producers worldwide combined to build some 36.96 million cars, trucks and buses. That represents a 6.73 percent increase over their 1987 production figures, which totaled some 34.63 million vehicles.

Overall ranking for vehicle producers remained as they had been in 1987, with Ford Motor Co. (6.52 million) and Toyota Motor Corp. (3.85 million) rounding out the top three spots.

But there were some significant changes in rankings compared to five years ago.

In 1984, Volkswagen AG was the world's sixth largest vehicle maker; in 1987 and 1988, after digesting Spanish maker Seat, it ranked No. 4. Fiat Auto S.p.A. climbed from ninth place in 1984 to seventh place, but Renault fell from fifth place to ninth. The others on the most current list of the world's top dozen vehicle makers were already on the list in 1984, although some gained or lost a place in the intervening five years.

Europe's top 1988 vehicle maker remained Volkswagen, with some 2.85 million vehicles built. That number represents a 2.78-percent increase over the previous year.

In a ranking of world producers by nationality, Detroit's Big 3 automakers came out on top with a combined 1988 total of more than 17.19 million vehicles produced at home and overseas.

The five Japanese-headquartered automakers that made the list had combined worldwide production in 1988 of more than 9.74 million.

The four European automakers on the world's top dozen list produced 8.92 million vehicles worldwide in 1988.

The automaker which enjoyed the greatest production growth in 1988 was Nissan Motor Co., with an 18.75 percent increase over 1987. Double-digit percentage increases were also realized by Chrysler Motors, up 13.57 percent, and Honda Motor Co., up 12.73 percent. Increases for the world's other leading vehicle makers were Fiat, 8.72 percent; Ford, 6.58 percent, Peugeot S.A., 6.53 percent; Toyota, 5.78 percent; GM, 4.41 percent; VW, 2.78 percent; Mazda Motor Corp., 2.67 percent; Mitsubishi Motors Corp., 1.32 percent; and Renault, 1.05 percent.

With 1988 world production estimated at 48.27 million, the 12 leaders combined to make up nearly 77 percent of all vehicles built.

12 LEADING MOTOR VEHICLE PRODUCERS WORLDWIDE

1988	
General Motors	8,108,000
Ford	6,517,186
Toyota	3,854,721
Volkswagen	2,848,000
Nissan	2,713,234
Chrysler	2,566,920
Fiat	2,141,500
Peugeot-Citroen	2,080,000
Renault	1,850,667
Honda	1,783,416
Mitsubishi	1,273,662
Mazda	1,224,192
1987	
General Motors	7,765,535
Ford	6,115,000
Toyota	3,643,977
Volkswagen	2,771,000
Nissan	2,284,896
Chrysler	2,260,290
Fiat	1,969,800
Peugeot-Citroen	1,952,500
Renault	1,831,390
Honda	1,582,000
Mitsubishi	1,257,016
Mazda	1,192,319

Shop sales take tumble in February

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

Service and parts business at new-car dealerships took a roller coaster ride as sales volume tumbled in each of five major categories in February.

February's slide followed a sharp increase in parts and service business in January.

In February, shop volume fell 6.7 percent, compared to February 1988, according to the Automotive News Service Index. In January, shop volume rose 9.8 percent over January 1988.

Shop volume for the first two months of 1989 was up 2.7 percent over 1988 figures.

The number of repair orders written in February 1989 declined more than any other indicator — 9.9 percent, compared to the same period last year. The category registered a 2.0-percent decrease for the first two months of 1989.

Labor sales (including customer-paid and warranty) dropped 6.6 percent in February from the same period a year ago, but increased 3.0 percent for the first two months of 1989.

Shop parts sales (customer-paid and warranty) fell 1.4 percent in February 1989 compared to February 1988. But the category saw an increase of 5.3 percent for the first two months of 1989 compared to early 1988.

Parts and accessories sales to off-premises customers dropped 8.7 percent in February, yet grew 1.5 percent for the first two months of 1989.

SERVICE INDEX
101.9★

	Feb., '89 vs. Feb., '88	Jan.-Feb., '89 vs. Jan.-Feb., '88
Gross Profit on All Labor and P&A Sales	−7.1%	+1.7%
Repair Orders Written	−9.9%	−2.0%
Total Labor Sales (Customer & Warranty)	−6.6%	+3.0%
Shop Parts Sales (Customer & Warranty)	−1.4%	+5.3%
Sales of All P&A...........	−8.7%	+1.5%

★ Survey by Automotive News shows that dealers' service and parts business in February 1989 was 101.9 percent of business in February 1988. Service business in the first 2 months of 1989 was 93.3 percent of business in the corresponding period in 1988.

SERVICE BRIEFS

All aboard

Mitsubishi Motor Sales of America claims to be the first auto company to invite every dealership parts manager to attend a national meeting at one location.

Nearly 150 of the company's 250 dealership parts managers and numerous regional and corporate personnel attended. The seminar provided insight into business management, marketing and Mitsubishi parts policies and programs, a company spokesman said.

Robert F. LaBossiere, parts operations director, said a new Southeastern Parts Distribution Center in Atlanta will be joined by new regional offices in Orlando, Fla., and Dallas.

MEMA elects McCurdy

Larry McCurdy, president and chief executive officer of Moog Automotive, has been elected chairman of the Motor and Equipment Manufacturers Association.

In addition, five new directors have been named: Robert Hirsch, president, Gold Eagle Co.; Dale Johnson, president, SPX Corp.; James Krause, president and general manager, Sherwin-Williams Automotive Aftermarket Division; John R. Moore, president, automotive group, Midas International Corp.; and Michael Plumley, chairman, Plumley Cos.

Jaguar's finest

Jaguar Cars, Leonia, N.J., named 10 dealership service technicians to the Jaguar Master Technicians Guild and five dealership service advisers to the Jaguar Service Advisors Association.

Technicians were judged on their Automotive Service Excellence test scores and on their skills in explaining their recommendations for technical improvements in Jaguar components. The service advisers were chosen on the basis of three written examinations and one administered by telephone.

Winners were honored at a banquet and awarded a week-long visit to England.

The winning technicians were Vincent Fortgang, Westchester Jaguar, White Plains, N.Y.; P. Bruce Mochrie, Jake Kaplans Ltd., Providence, R.I.; Hing H. Easton, Rusnak Pasadena, Pasadena, Calif.; Gary Zuniga, Hornburg Jaguar, Santa Monica, Calif.; Elliott D. Anderson, Lee Imported Cars, Wellesley, Mass.

Also, Ricky Clanton, Chaisson Motor Cars, Las Vegas, Nev.; Michael J. Schafer, Performance Jaguar, Austin, Texas; Richard Kaufman, Jaguar of Darien, Darien, Conn.; Ken Tripkos, Jack Roach Jaguar, Kansas City, Mo.; and Michael Toliver, Manhattan Jaguar, Rockville, Md.

Winning service advisers were Peter Zorzy, Sportique Motors, Huntington, N.Y.; Carolyn Vincent, Tom Payette Jaguar, Louisville, Ky.; Mike S. Allen, Tameron Jaguar, Birmingham, Ala.; Douglas C. Skeen, Performance Jaguar, San Diego; and William L. Swisher, Mark Jaguar, Denver.

Sun, GM a team

Sun Electric Corp., Crystal Lake, Ill., has been appointed by General Motors Service Technology Group as exclusive distributor of the Tech 1 hand-held tester to independent service firms in North America.

Lobbying inspections

The Automotive Service Association, representing independent service and body shops, committed $16,600 to a group lobbying for emission inspection and maintenance programs.

The Coalition for Safer, Cleaner Vehicles claims among its members the Automotive Parts and Accessories Association, Automotive Warehouse Distributors Association and National Automobile Dealers Association.

Megadealer structured to satisfy

Calif. operation stresses service in training, advertising

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

IRVINE, Calif. — It's not by accident that Campbell Automotive Group is rapidly acquiring a reputation for satisfying customers who buy cars and have them serviced at its eight franchises and two body shops in southern California's Orange and Riverside counties.

Campbell

John B.T. Campbell III, president and chief executive officer of Campbell Automotive, proclaims a "deep commitment" to providing Campbell customers with service that is a cut above manufacturers' standards.

The so-called "Campbell Way" of doing business is prominently featured in the company's advertising campaigns.

Customer satisfaction drives every facet of the company's business operations, Campbell said. For example, all salespersons must attend courses not on sales techniques, but on ways to keep customer satisfaction high.

The company develops and continuously updates in-house training courses on sales and service.

Some 1,200 customers are queried every month by a customer relations department. The calls are placed within 48 hours of service.

A day-long service advisers' class "teaches how we want them to deal with customers, how to go through the process and what specific things they have to do to deliver the 'Campbell Difference,' as we call it, to the customer."

A customer-contact class is given to all employees other than salespeople.

"This is a half-day class and, basically, it teaches employees how to deal with people, how to be nice, use the customer's name as soon as they know it," Campbell said. "There are little tricks we teach the employees to impress the customer and to come across that they are caring for the customer's needs, and obviously, how to deal with any customer who has a problem."

The company has yet another quality class that runs two days and is required for all dealership employees.

"This class simply teaches our people how to deliver quality service in whatever job they are in, to whomever their customers are, even if their customers are internal within the dealership," he said.

The class teaches a management system advocated by the Phillip Crosby Quality College in Winter Park, Fla., Campbell said.

Campbell's goal for the service advisers' training is to "have continued refinement so that, essentially, the way that the advisers should treat the customers becomes a system — certain things they do every time, certain things they say every time, etc."

Campbell believes many of the problems encountered by dealerships are related to communications between the customer and service adviser.

"For example, the customer says his car has a thump in the right front of the car, and the service adviser puts down 'bump or noise in the right front,' or whatever.

"So one of our requirements is that the service adviser, after he has written it all down, must read back to the customer what he has written on the service order and ask the customer if that is a correct description of the problem.

"If they do that, it should all but eliminate the situation where we look for the wrong thing in the wrong place."

Satisfying the customers is expensive, Campbell said. For example, some of the extras offered by Campbell Automotive include a toll-free hotline to assist customers Monday through Friday; service and parts departments fully staffed and open six days a week; free loaner cars, while others offer discount rentals and free oil changes when cars are brought in for service.

The companywide service comeback rate has been "running about 7 percent," Campbell said.

"We are not particularly happy with that," he said. "It came down a little bit from last year's 8 percent. We have some dealerships that are consistently in the 3 to 4 percent range, and we have a few in the 12-percent range.

Customer comeback rates, which measure the frequency with which customers must return to fix a problem that should have been fixed the first time, are monitored closely by Campbell Automotive.

If tracking charts indicate that a dealership has a high comeback rate, Campbell says the company first looks for "ideas from managers. The ideas will be carried out better if they originate from them. And then we will throw in some of our own ideas.

"I am not looking at this as a cop-out in any sense, but some product lines are going to have more comebacks than other simply because the cars have more defects and have more repairs."

Campbell acknowledged the company has fewer of these problems at its Japanese dealerships than at its domestic and European outlets.

For the future, Campbell said the company is considering, among other things, unconditional service guarantees in an effort to compete with independent service outlets, which the public perceives to be less expensive than new-car dealerships.

The firm also is studying ways to reduce the time it takes to get a car serviced.

Campbell Automotive tested at three dealerships a program that provides people who bought cars from those dealerships free loaners when they bring their cars in for mechanical or warranty work. The program was extended to all dealerships as of May 1.

"We believe the loaner program, which was very successful, will give much better service retention," Campbell said.

Since the company was founded in 1965, it has sold more than 90,000 vehicles. Each year, Campbell Automotive sells in excess of 9,000 cars and trucks and services more than 60,000 vehicles.

Campbell Automotive reported sales of $145.30 million in 1988, a 4.6 percent increase over 1987. Vehicle sales for 1988 were $118.55 million, up 2.8 percent. Service and body shop revenue jumped 17.2 percent to $11.27 million, while parts sales were $15.48 million, up 11.1 percent.

Lex Service, a publicly held British auto retailer, recently took a 50 percent stake in Campbell Automotive, making it the only dealership in the United States with public ownership.

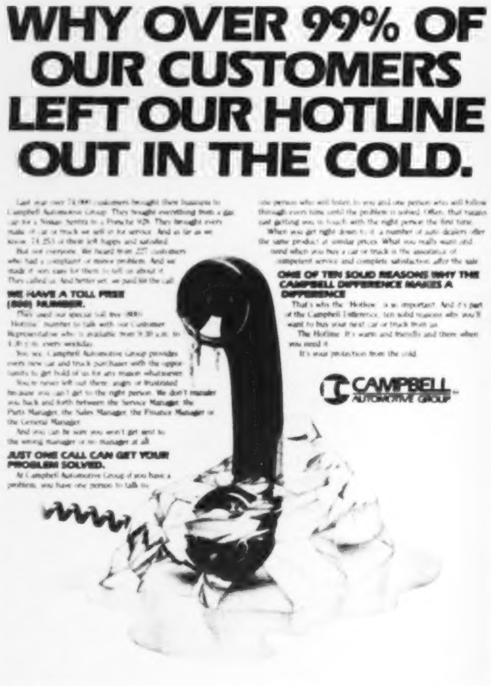
Employment at Campbell Automotive's eight new-car dealerships averages 65 persons, with the largest employing 100 and the smallest 30.

Company policy is to promote from within "to offer our employees a career path rather than just job," Campbell said. He estimated the annual turnover rate among service and parts personnel at "around 30 percent," which is "relatively low around this area," Campbell said.

He said the company also recently revamped benefit plans to encourage employees to build tenure.

"We also put together a number of award and recognition programs to assure our employees that they are an important and vital cog in our wheel," he said.

Campbell operates Campbell Buick-GMC Trucks of Corona; Campbell Ford, Garden Grove; Campbell Mazda, Buena Park; Campbell Mazda, Costa Mesa; Campbell Nissan, Buena Park; Campbell Nissan, Huntington Beach; Campbell Porsche-Audi, Buena Park; and Campbell Volkswagen, Buena Park. Its paint and body shops are in Anaheim and Fountain Valley.


WHY OVER 99% OF OUR CUSTOMERS LEFT OUR HOTLINE OUT IN THE COLD.

WE HAVE A TOLL FREE (800) NUMBER.

JUST ONE CALL CAN GET YOUR PROBLEM SOLVED.

ONE OF TEN SOLID REASONS WHY THE CAMPBELL DIFFERENCE MAKES A DIFFERENCE

CAMPBELL AUTOMOTIVE GROUP

Campbell dealers can be phoned toll-free five days a week

Big 3 weigh contingencies in face of higher CAFE threat

The automotive market's trend toward power and high performance will collide head-on with environmental concerns if Congress raises fuel-economy standards to slow the greenhouse effect.

In the past few months, product planners have been given an urgent mandate: Come up with contingency plans for a line of cars that could meet a dramatically stiffer corporate average fuel economy standard.

"We're looking at a parallel (product) plan — one assuming business as usual, the other assuming a greatly increased CAFE," said Chrysler Motors President Robert Lutz.

A high-ranking General Motors engineering source said "the possibility of stricter CAFE certainly is in our thinking on future engine programs and a little bit on car programs. That has changed in the last six months with the new administration and the vibes we're getting from Washington."

While auto companies are peering uncertainly into the post-Reagan 1990s, they already fear some vehicles may be in trouble.

At Chrysler, production of the proposed Dodge Viper V-10 sports car would be torpedoed by a tougher CAFE, Lutz said.

Even as his own company hopes to introduce a minivan, Subaru of America Chairman Harvey Lamm predicts the long-term demise of minivans: "I think you are going to see it legislated off the market."

One-third of the passenger-carrying vehicles in the United States are trucks. "That one-third emits more (pollutants) than the other two-thirds," Lamm said. Today's CAFE laws, which allow minivans to be counted in the laxer truck standards, "were written in another world," he said. "Trucks had only 20 percent of the market and there were no minivans."

He predicted that large passenger vehicles such as minivans will be forced eventually to run on alternate fuels.

Yet Subaru is not holding up its product planning — including hopes for a minivan or sport-utility-type vehicle — to await a CAFE decision, Lamm said.

A draconian plan to clean the air in the Los Angeles area has been proposed at the same time as Congress is looking at increasing CAFE to slow global warming. The California plan calls for heavy use of alternative fuels by the end of the 1990s, and elimination of the gasoline engines by 2007.

"California's going to do it first," predicts Thomas Mignanelli, executive vice president for operations at Nissan Motor Corp. in U.S.A. "I don't think the EPA is going to get their act together as fast as California."

Those converging environmental concerns emerge at a time of increased performance, power and fun in the automobile industry. Some auto executives see a sort of golden age of performance cars threatened by the environmental problems.

"If CAFE gets increased," Lutz told a group of automotive reporters in February, "I think everybody is just going to have to refocus on weight and fuel efficiency. And that means what possibly might have been a next generation of superb, American-built, world class rear-wheel-drive luxury sedans may be open to question again."

Last month, William K. Reilly, the administrator of the EPA in the new Bush administration, released a preliminary report calling for a CAFE standard of 40 or 50 mpg by the year 2000.

Auto industry executives compare the new environmental issues to the energy crises of 1974 and 1979, which shook the domestic industry and sped up the market penetration of smaller, more fuel-efficient Japanese cars.

Michael J. Schwarz, emissions control planning manager for the environmental and safety engineering staff at Ford Motor Co., said, "There's no question that global warming is legitimate — that is, there are a number of chemicals that reside in the atmosphere that result in warming the earth."

He said Ford advocates more research and the reduction of carbon dioxide and chlorofluorocarbons "without causing a major disruption in the economy or the industry. We don't think there is a scientific basis for treatment as a panic situation."

Schwarz and other executives contend that the government shouldn't push technology so fast that it results in a bad product.

While the Big 3 have international partnerships for the development or sale of engines, giving them more flexibility than they had a decade ago, Japanese makers remain the big leader in the numbers and kinds of small displacement engines.

George Peterson, an auto product-planning analyst and president of The AutoPacific Group in Newport Beach, Calif., said Japanese manufacturers would be able to respond much faster than domestics because they make smaller cars with more four-cylinder engines, and they develop vehicles with shorter lead times that have shorter life cycles.

Lutz: "If CAFE gets increased I think everybody is just going to have to refocus on weight and fuel efficiency."

"But it would be much more of a problem now for the Japanese than in '74 and '79," Peterson predicted. "They have moved farther upscale than before," with larger cars and more V-6 engines.

Despite the air of urgency in Washington, the Big 3 point out that long product planning times mean that mileage improvements won't come immediately.

"You can't even speak of big CAFE improvements in the next few years," said Albert Slechter, Chrysler Motors' director of federal government affairs. "We are in the process now of designing 1993 and 1994 model products."

And in the early days of the Bush administration, automakers find themselves in limbo. They assume that CAFE will be increased, but they don't know when and by how much.

"The external pressures cause us to lay on paper a series of plans," Slechter said.

"Any company the size of Chrysler, General Motors or Ford has got to put together alternative plans to meet crisis situations. But you can only do so much of that.

"It puts us in a great deal of uncertainty. We go into sort of a continuous mode of contingency planning through the year 2000."

General Motors

GM is concentrating its resources on engine technology more than redesigning entire vehicles to meet existing and possibly stricter future CAFE standards.

Improving existing engines to get better fuel economy is easier in the short term. On the last go around prompted by the 1979 oil crisis, GM downsized and shifted virtually all of its fleet to front-wheel drive.

The company's approach to meeting existing and possibly stricter fuel economy standards while still meeting the market's demand for higher performance is a two-pronged effort: squeeze more horsepower out of existing engines without sacrificing fuel economy and maybe even improving it; and applying new technologies, primarily, multi-valve technology, into new engines. The majority of focus is on V-6 engines.

"Rather than going after the big, bold V-8 engines," said one high-ranking engineer, "we're now concentrating on high-revving V-6 engines, turbocharged engines and multi-valves.

"In the last couple of years," he added, "we have taken our eye off CAFE and fuel efficiency. We have looked at getting raw

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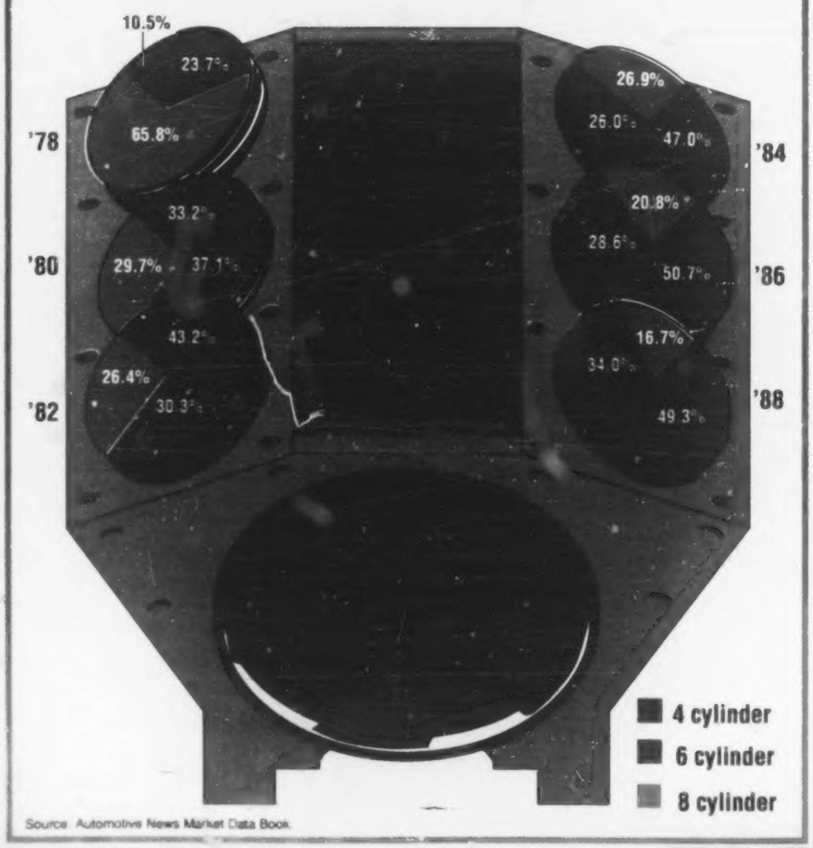
V-8s dwindle in the '80s

Since 1978, V-8 engine installations in domestic cars have plummeted. While four-cylinder powerplants have taken the lion's share, six-cylinder engines have hit their highest level in eight years.



Source: Automotive News Market Data Book

AUTOMOTIVE NEWS / C. [illegible]

CAFE PUSH

FROM PAGE 1

product, it has a new engine in it." So Nissan can be flexible in the face of a tougher CAFE.

Domestic auto engineers and product planners say small gains in fuel economy are possible by "tweaking" the technology in the current mix of different-sized cars, but achieving 40 mpg would require a revolution in technology and in the size mix of the new car fleet.

Some government studies apparently agree with the engineers.(See story on Page 24.)

Domestic automakers argue that they build and sell large cars because that is what the market demands.

"Look at the success of the larger cars: Lincolns, Cadillacs," said an engineer with long-time domestic experience, principally in powerplants. "The mid-market is going upscale with larger, heavier cars. If the market tells us they don't want to buy efficient cars, we can't improve CAFE if we can't sell the cars."

Government, he added, will have to convince the public it is in their interest to purchase economical cars.

Deborah Lynn Bleviss, author of a book that has been influential in forming the fuel economy policies forwarded lately by environmentalists and government agencies, argues that the domestic manufacturers will be hurt by their inability to build small cars.

Import manufacturers, particularly the Japanese, will be able to ship their smaller home-market cars to the United States and will limit the number of captive imports they supply to their domestic partners, thus gaining more control over the market, she said.

But Bleviss maintains that as an alternative to re-entering the small car market, domestic manufacturers can create a niche of larger, fuel-efficient cars by using lighter materials, aerodynamics and advanced engine technology.

Bleviss, a physicist and executive director of the International Institute for Energy Conservation, a non-profit group which explores energy efficiency improvements for developing countries, studied the technology of auto manufacturers around the world. The result was her influential book, The New Oil Crisis and Fuel Economy Technologies.

New government proposals call for CAFE requirements of 40 to 50 mpg by the turn of the century, a prospect that frightens many manufacturers who are struggling to meet the current corporate average fuel economy standard of 26.5 mpg.

While the domestic industry argues for caution in raising CAFE, some analysts, environmentalists and government officials say the technology already exists to achieve substantial increases in fuel economy.

They cite experimental and prototype vehicles built by automakers to demonstrate fuel-economy technology. These vehicles include:

- The Volvo LCP 2000, a 65 mpg diesel-powered car.
- The Volkswagen E80, a diesel research vehicle that has returned 74 mpg city and 99 mpg on a highway test.
- The Toyota AXV diesel, which returned 89 mpg city and 110 mpg highway.

But domestic automakers did not offer any diesel-powered cars in 1988, down from nearly 7 percent of the market in 1981.

As for any significant short-term gains in fuel economy, domestic automakers have told Congress they're tapped out.

"Exotic experimental vehicles that have achieved very high fuel economy at GM and elsewhere are not evidence that cost-effective technology exists," said Marina v.N. Whitman, vice president and group executive of General Motors public affairs staff,

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GLOBAL WARMING?

CONTINGENCY

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power. Now we're looking at how do we get power with technology?"

Of the new technologies, four-valve engines are receiving the most attention. GM presently is the only domestic automaker to produce its own multi-valve engine — the 2.3-liter Quad 4. The engine is also the only domestically produced four-valve four-cylinder powerplant.

But the only other four-valve four-cylinder under consideration is a variation of the engine used in Saturn.

For the most part, GM is looking at using four-valve technology in its V-6 and V-8 engines. GM is known to have under development a 3.4-liter, 24-valve, overhead cam V-6 engine that will debut in the 1991 model year in GM's mid-sized line and a year or more later in the Pontiac Firebird and Chevrolet Camaro. GM also is developing with Lotus a 32-valve V-8, codenamed Northstar.

Use of turbochargers and superchargers will probably be limited to niche vehicles. Turbochargers will go into high-performance, sporty models like Pontiac Grand Prix, while superchargers will be used on luxury cars to give the feel of a larger engine off the line.

One example of GM's direction is the 3300 engine, introduced this model year, which uses conventional technology to improve the V-6. Displacement of the engine was boosted from 3.1 liters to 3.3 liters; horsepower increased to 160 horsepower from 125. Refinements were made to reduce friction, increase power and make the engine more reliable. While larger and more powerful, fuel economy increased an average of 2 mpg.

At the Chevrolet-Pontiac-GM of Canada Group similar upgrades are on tap for the 2-liter four-cylinder engine used in the Chevrolet Corsica and Beretta. For the 1990 model year, the displacement will be boosted to 2.2 liters and the engine will be given substantially more low-end torque. Fuel economy will remain the same.

But most of the focus is on V-6 engines, which account for about 55 percent of the engines produced by the automaker.

A contingent of engineers and designers are lobbying for a V-12 engine for Cadillac's top-of-the-line model in the 1990s. But, the V-12 faces stiff opposition from some GM executives, including President Robert Stempel. Higher CAFE and emission standards as well as GM's cost containment efforts may kill that powerplant.

As for alternate fuels, GM is testing variable-fueled vehicles in California. The vehicles use an electrical sensor to measure the type of fuel and make adjustments in air-fuel mixture and spark advance.

GM executives are convinced attention to fuel economy and emissions will intensify in the next year and beyond. But they are trying not to overreact as perhaps they did in the past.

Jack Schmidt, Chevrolet-Pontiac-Canada Group director of powertrain systems, said while improvements in existing engines and new engines are in the works, GM is waiting to see how dramatic the changes in CAFE are before acting. "A requirement for a 40 mpg car is a lot different from putting the standard beck to an average of 27.5 mpg," he said.

Ford Motor Co.

A year after Ford made waves by launching a trio of high-performance cars — Taurus SHO, the Probe GT and Thunderbird Super Coupe/Mercury XR-7 as symbols of a new generation of performance — the company is preparing for the day when performance is defined in terms of miles per gallon, instead of miles per hour.

"CAFE has once again emerged as a major strategy issue," says a Ford product planner. He said resurrected concerns about the environment — and the amount of gasoline cars burn — have prompted Ford product planners to begin drawing up a variety of contingency plans.

If CAFE climbs dramatically, the product planner said "maybe V-8s and luxury cars won't be a No. 1 concern."

A new modular engine program that includes a V-8 is being readied for an early 1990s launch. But if stricter CAFE calls for a different mix of products, the modular nature of the engine program would allow Ford to respond more quickly than it has before.

While the new engine program is expected to yield improved fuel economy and fewer emissions, the chief asset is in manufacturing flexibility.

Because parts and components are shared, Ford will be able to shift production from one engine to another more quickly than it has before. The head of Ford's engine division has said that his goal is to be able to respond to a shift in demand within two or three years, as opposed to twice that time currently.

The first phase will come in April 1990, when production of a modular 4.6-liter V-8 begins in Romeo, Mich. A V-6 is expected to be built in Cleveland two years later. Ford officials have said a four-cylinder powerplant could be spun from the program.

Engines built under the effort will have a range of displacements. Multi-valve engines will be available, as will aluminum and cast iron blocks.

Meanwhile, when Ford changes its Escort next year, it will rely on 1.8-liter four-cylinder engines from its Japanese partner, Mazda. A new 2.3-liter four-cylinder engine program codenamed Zeta is in simultaneous development in the United States and Europe.

On another front, Ford will take a big step later this year with its alternative fuel program. The automaker will send a fleet of cars to California that can run on gasoline or methanol.

The "flexible-fuel" idea represents Ford's efforts to develop a vehicle that is less dependent on gasoline — and less of a contributor to air pollution.

Ford's long-term goal is to sell some cars that run solely on methanol, said Harvey Klein, a manager in Ford's fuel systems and powertrains technical support department. During the second half of 1989, Ford will begin delivering 200 to 600 cars over the next three years to the California Highway Patrol and other government fleets.

He sees the effort as the first major test of a program that could bring a Ford flexible-fuel vehicle to the market by the mid-1990s. Klein thinks the system — after durability tests are completed — could be ready for showrooms within five to seven years.

Chrysler Motors

Chrysler Motors has prepared an array of product scenarios to try to anticipate various proposed regulations, according to Albert Slechter, Chrysler Motors' director of federal government affairs.

No product plans have been delayed by the uncertainty, he said.

But Chrysler Motors President Robert Lutz has said increased CAFE standards would kill production of such high-performance vehicles as the proposed Dodge Viper V-10 sports car.

Despite the mood in Washington, Chrysler continues exploring performance engine options.

Francois J. Castaing, Chrysler Motors' vice president for vehicle engineering, has said the company is contemplating development of a V-8 engine for passenger cars in the 4- to 4.5-liter range. Chrysler ceased offering V-8 passenger cars when production of the M-body Chrysler Fifth Avenue, Dodge Diplomat and Plymouth Gran Fury ended in 1988.

Earlier this year, Castaing said: "If the fuel economy and fuel supply in this country do not become a real issue in the next five years — which we don't know yet — and if we see this is the trend of the industry, we need a small V-8 for our passenger cars."

Like GM, Chrysler is working on a passel of pumped up V-6s. A new Chrysler-built 3.3-liter V-6 is slated for a fall introduction. The company is considering four-valve and turbocharged versions of that powerplant and four-valve and turbocharged versions of a 3-liter Mitsubishi-built V-6 it uses.

Chrysler's four-cylinder engine program, which includes both 2.2- and 2.5-liter powerplants, is slated to get a Lotus-designed four-valve head.

At the sheer performance end of the market, an area Lutz says may be threatened by higher CAFE, is an 8-liter V-10 program for both Viper and truck applications, a 32-valve 4.5-liter Lamborghini-designed V-8 and a 4.5-liter V-8 supplied by Mitsubishi.

Chrysler is also undertaking what it calls a "significant effort" in exploring methanol-powered vehicles, according to Richard Schaum, Chrysler Motors executive engineer for powertrain systems.

Chrysler has a program to produce a methanol-powered vehicle in limited numbers by the 1993 model year if major technological hurdles are overcome and a supporting infrastructure exists. The technology is favored for full-size car production, although the first test units will likely be based on minivans.

Chrysler is developing two families of methanol-fueled vehicles. One is a gasoline-tolerant methanol vehicle, while the other, which is getting more attention, is a flexible-fueled vehicle.

On the gasoline-tolerant vehicle, "we raise the compression ratio of the engine to take full advantage of methanol's octane," Schaum said, adding the powerplant is designed to run primarily on methanol, but would tolerate some gasoline if methanol is unavailable.

The flexible-fueled vehicles "run anywhere from pure gasoline to 85 percent methanol. The vehicle will perform equally well on either fuel," Schaum said.

Chrysler will supply five gasoline-tolerant methanol vehicles and five flexible-fueled vehicles to the Los Angeles South Coast Air Quality Management District by mid-summer for a demonstration/evaluation program, Schaum said.

In addition, Chrysler will unveil a methanol-powered LeBaron J-coupe at the SAE Government/Industry Meeting being held in Washington this week.

Automotive News Staff Reporters Mary Connelly, Michelle Krebs and David Versical contributed to this report.

Alcohol loophole could worsen global warming

A law designed to encourage the use of alcohol fuels to reduce urban ozone pollution provides automakers with a loophole that may help them beat higher fuel economy standards prompted by global warming legislation.

And ironically, those alcohol-based fuels may even contribute more carbon dioxide, a gas that is linked to global warming.

The Alternative Motor Fuels Act of 1988 allows manufacturers of cars that run on alcohol-based fuels, usually a mixture of alcohol and gasoline, to rate those cars only on the amount of gasoline consumed.

Cars that run on a mixture that contains at least 85 percent alcohol are rated by a formula that can provide for an EPA fuel economy rating nearly four times higher than a similar gasoline-powered car, according to EPA.

For example, a car that gets 27 mpg running on a fuel that is at least 85 percent alcohol can be "rated" by the EPA at 100 mpg. In actuality, though, a methanol-powered car gets about 60 percent of the miles per gallon of a gasoline-powered car.

There is no limit to the effect such alcohol-dedicated vehicles can have on a manufacturer's fleet corporate average fuel economy rating. The fuel economy credit program starts in 1993 and runs to 2004.

For so-called flexible-fueled vehicles that can run on any combination of alcohol and gasoline, fuel economy is based on an average between the amount of alcohol and gasoline consumed.

In general, such cars can carry a CAFE rating that is slightly more than 150 percent higher than a similar gasoline-powered car. But since the vehicles can burn a range of fuel from virtually pure alcohol to pure gasoline, the bill limits these vehicles' contribution to raising a manufacturer's CAFE to only 1.2 mpg over their average.

Proposed global warming legislation links reduced carbon dioxide emissions to fuel efficiency. In a one-to-one swap of gasoline for methanol, the favored fuel from a cost standpoint, carbon dioxide emissions are about equal. Methanol is slightly more efficient in an engine, according to preliminary EPA analysis, but CO2 emissions from the production process of changing common natural gas to methanol would mean no net reduction in CO2.

When methanol is manufactured from coal in a plant of current design, now a rarely used process, CO2 emissions per vehicle double, EPA analysis indicates.

— Arthur Flax

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during Senate testimony last month.

"These highly optimized experimental subcompacts do not have the utility and performance characteristics demanded by an overwhelming majority of consumers," she said, adding that GM is involved in research on a number of fuel-saving technologies, but "there are no technological breakthroughs affecting fuel economy on the horizon."

Ford Motor Co. echoes that sentiment.

"Changes in consumer demand in the past several years have caused Ford CAFE to plateau," Helen O. Petrauskas, Ford vice president for environmental and safety engineering, said recently during a Senate hearing. "This has occurred despite our introduction of extensive new technology and emphasis on small car sales.

"To maintain high levels of small cars — it takes about two small car sales to offset (the high fuel consumption of) one large car — Ford has invested some $3 billion since 1982 in rebates and other marketing incentives for the purchase of our most fuel-efficient vehicles."

Al Slechter, Chrysler Motors' director of federal government affairs, said, "Certain fuel efficiencies take the manufacturers from the world of the possible to the world of the not possible."

In an interview, Slechter said CAFE numbers in the range of 40 to 50 mpg "are just incredible to envision."

Chrysler believes the greatest CAFE improvements are likely to come from vehicle downsizing rather than technology gains.

"We have taken the very big whacks at the internal combustion engine pretty much to its absolute limits as far as burning fuel . . . and at transmission technology, aerodynamics and tire design," Slechter said.

Substitutions of materials are unlikely to yield large improvements in CAFE, he said.

"You would have to be talking about material substitutions that would take half the weight out of the vehicle. . . . I can see going to some pieces but not on the order of 50 percent of the vehicle weight," he said.

But others aren't convinced.

Author Bleviss said, "My contention from day one is that we don't have to switch to small cars. There could be the same mix."

She advocates systems engineering — designing the car to be fuel-efficient from the ground up. The result, she said, is that the V-8 engine will fall by the wayside, but not performance and acceleration. But ultra-high performance vehicles will probably not be in abundance, she said.

"People are demanding power, but perhaps they are getting more than they need," Bleviss said.

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At 45 mpg, futurists see nation of Escorts priced to sell

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Automakers would essentially give away small cars while selling luxury cars at a tremendous premium if a 45 mpg fleet fuel economy rating were to be mandated by 1995.

That's one hypothesis of a recent Department of Energy study regarding the market implications for domestically produced cars resulting from greatly increased fuel economy standards. Another hypothesis is that nearly nine out of 10 domestic cars would be Ford Escorts.

Those findings, while admittedly "absurd," show how far the current market conflicts with achieving 45 mpg.

The study predicts that a 45 mpg CAFE in 1995 would distort the market to such an extent that automakers would have to bribe consumers to buy small cars. Makers would have to knock almost $5,000, or more than half the sticker price, off the market-driven retail price of the most popular subcompact model and increase the cost of some luxury lines by as much as three times that amount to sell a fleet that would average 45 mpg.

To project a fleet of 1995 domestic cars, the researchers used a computer program that considered the sensitivity of each car to price and an initial market share that reflects current consumer demand, said David L. Greene, a member of the research staff at the Department of Energy's Oak Ridge National Laboratory and one of the authors.

When the computer model was pushed to 45 mpg, it showed that the Ford Escort cornered 88 percent of the domestic market, compared with its 5.6 percent baseline share. To entice buyers, the Escort would have to be priced at $4,906 below its market-driven retail price.

"Forty-five mpg for the fleet is pushing the model too far," Greene said. "One car that has 88 percent of the market is absurd. . . . Our point is that the market gets strange when pushed that far. There are only a handful of cars that could get 45 mpg."

The Escort fares best because of its relatively high market share going in and the fact that it will continue to be improved in Ford's future product plans.

General Motors' Saturn, which won't be introduced until 1990, comes out second under a 45 mpg CAFE with a 5.6 percent market share. At that level, the car would have to be offered with a $1,323 incentive, the model concludes.

Only one car line, a Dodge Shadow/Plymouth Sundance, would carry 0.5 percent market share in the 45 mpg model. The rest are either at a 0.3 percent market share or less.

Of the 40 domestic car lines in the model, six were eliminated altogether and 17 accounted for only 0.1 percent each of the market in the theoretical mix of cars that would achieve a 45 mpg fleet average.

The computer model also predicts the demise of some standard full-size cars such as Ford's Panther platform (Crown Victoria, Mercury Grand Marquis) and GM's H- and C-bodies. H-body cars are Pontiac Bonneville, Oldsmobile 88 and Buick LeSabre, while C-bodies are Oldsmobile 98, Buick Electra and Park Avenue, and Cadillac De Ville. In order that none of these cars are sold under a 45 mpg CAFE, the model says the Crown Victoria/Grand Marquis series would have to be priced $18,401 over its list price in a 38 mpg scenario, while the H- and C-bodies would carry disincentives as high as $15,107 and $14,409, respectively.

"The social cost of this radical alteration (a 45 mpg CAFE) is estimated at $4,177 per car, or over $40 billion per year" for a sales volume of 10 million cars industrywide, the study says.

While the study does not reflect the views of the Department of Energy, its authors submitted the work to the Energy Journal last January for peer review.

CAFE PUSH

FROM PAGE 23

The Natural Resources Defense Council cites the Bleviss book as one basis for its support of legislation requiring a 45 to 50 mpg CAFE by the year 2000, according to Richard Ayres, senior Natural Resources Defense Council attorney.

Daniel Becker, director of the Sierra Club's Global Warming Campaign, said the Environmental Group has proposed and supports legislation that calls for 45 mpg CAFE standards by 2000.

A car that returns 18 mpg, he said, emits 57.75 tons of carbon dioxide in its 10-year lifespan, compared with 26 tons of carbon dioxide from a car at 45 mpg, he said.

Over the past 15 years, automakers have doubled their EPA-certified fuel economy numbers from 14 mpg average to 28, according to Barry McNutt, a U.S. Department of Energy policy analyst. Under actual driving conditions, new cars have improved from about 14 mpg for 1974 models to 24 mpg for 1989 models, he said. As newer, more fuel-efficient cars are introduced and older less-efficient models retired, the average fuel economy of the entire U.S. passenger car fleet has edged upward from 14 mpg in 1974 to 18 mpg in the 1988 model year.

To accomplish this fuel economy improvement, automakers have switched from rear-wheel to predominantly front-wheel drive, with improved aerodynamics, engines and transmissions. Cars have also been reduced in both size and weight, while interior volume suffered little.

But in the last three or four years the public has demanded high performance and automakers have delivered. In many cases the old approach of stuffing a big V-8 under the hood has given way to producing power from smaller six- and four-cylinder engines with the aid of four-valves per cylinder, and turbo- and supercharging. Among these hopped engines are Ford's 24-valve Yamaha-built V-6 in the Taurus SHO, the 16-valve GM Quad-4 and intercooled and turbocharged four-cylinder engines by Chrysler.

While automakers are quick to tout their powerful new V-8 engines, the installation of such engines has dwindled from almost 66 percent of Big 3 production in 1978 to less than 19 percent in 1987. During that same period, four-cylinder production among domestic makers exploded from about 10 percent to 55 percent.

Japanese imports, on the other hand, won't be introducing their first V-8 engines until Toyota's Lexus and Nissan's Infiniti luxury cars bow this fall.

The renewed interest in high performance has seen four-cylinder penetration among domestic manufacturers actually decline for the first time since 1983, to 49.3 percent in 1988.

But that did not translate to more V-8s.

Rather, V-6 production grew from 26.3 percent of the 1985 domestic model mix to 33.96 last year, its biggest jump since 1980. V-8s actually declined to 16.7 percent in 1988 from 18.5 percent a year earlier.

Industry sources say the technology is available to boost CAFE to 30 to 32 mpg by the mid-1990s. But they maintain that buyers won't pay for these improvements, nor opt for smaller cars if fuel prices remain low. At Chrysler Motors, which has the highest CAFE levels among the Big 3, officials advocate a gasoline tax of up to $1 per gallon as a way of encouraging the market to buy fuel-efficient cars.

Some of the domestic engineers are reluctant to be identified because of the sensitivity of the issue. But all the engineers interviewed for this story said their credo is to extract more efficiency from the product.

"In moving from 26.5 to 27.5 miles per gallon, the industry would probably do some size-mix gymnastics," said one source. "At 30 miles per gallon, we would start looking at aerodynamics, engine technology, and lighter parts."

Improvements in aerodynamics can be made along with normal styling changes. Cars are now 20 percent to 30 percent more aerodynamic than in the 1950s and 1960s.

Ford says aerodynamic designs resulted in a CAFE gain of one mpg from 1977 to 1983, and the company is sighting another 1.5 mpg gain by 1990.

To reach 30 mpgs, one source said manufacturers might choose to incorporate lighter, less powerful engines or more efficient engines, such as those with four-valves per cylinder.

"Over 30 or so miles per gallon, we would have to re-do the car, consider alternate fuels and make drastic changes in car size and shape," the source said. "You would have to re-think your car company (lineup): how many scooters would you have to sell to sell a luxury car."

If large economy improvements — into the 35 to 40 mpg range — are mandated, the industry will have to introduce new technology and hardware. As a powertrain expert, the engineer noted that engines with four valves per cylinder offer the potential to improve fuel economy and performance. Japanese makers are far ahead of the domestics in multi-valve engines. Multi-valve engines allow more efficient passage of the air-fuel mixture and exhaust gases in and out of the combustion chamber than standard two-valve arrangement that allows only one way in and out of the cylinder.

Even so, the engineer said, "It is naive and simplistic to think we can put that technology in every existing car and leapfrog to it."

Currently, General Motors is the only domestic automaker building four-valve per cylinder engines. GM builds the Quad-4, and Mercury Marine builds the soon-to-be offered LT-5 Corvette engine for GM.

FUEL ECONOMY PREDICTIONS:

- **Department of Energy/Oak Ridge National Laboratory/Energy and Environmental Analysis:**
  - **31.9 mpg by 1995 market-driven**
  - **34.8 mpg by 1995 cost-effective**
  - **38.0 mpg by 1995 technically-feasible**
- **Deborah Lynn Bleviss, author of "The New Oil Crisis and Fuel Economy Technologies:"**
  - **45 mpg by 2000**
- **Center for Auto Safety:**
  - **55 mpg by 2001**
- **Natural Resources Defense Council:**
  - **45 to 50 mpg by 2000**
- **Sierra Club:**
  - **45 mpg by 2000**
- **Office of Technology Assessment:**
  - **33 mpg by 1995**
- **DOE's Energy Information Administration:**
  - **34 mpg passenger car by 2000**
  - **25.3 mpg light truck by 2000**
- **Martin Marietta Energy Systems' Energy and Environmental Analysis:**
  - **31.3 mpg passenger car by 2000**
  - **23 mpg light truck by 2000**
- **Data Resources Energy Review:**
  - **30.1 mpg by 2000**

And even the auto community is divided on the merits of four-valve technology as a fuel saver.

Richard Schaum, Chrysler Motors executive engineer for powertrain systems, said multi-valve engine and transmission technology are leading contenders for improving engine output. But he said multi-valve engines are primarily a performance booster.

Nobuhiko Kawamoto, president of Honda Research & Development Co., said his company considers four-valve engines the most efficient available. Honda, which currently uses four-valve technology in half its cars and three valves on the remainder, intends to apply the four-valve technology to all its future models.

Kawamoto said he believes all companies will eventually move to four-valve engines.

Cost has hindered multi-valve engines, chiefly because of the expense of building the twin camshaft arrangement that is the norm with most such designs.

As a result, most companies have reserved its use for higher-priced sporty models.

But Honda developed its single camshaft three years ago, which saves 40 percent off the cost with almost the same performance, Kawamoto said.

While the debate heightens over how to achieve higher mpg, manufacturers believe the difficulties grappling with trade-offs in cost and marketability of technology are lost on the government. At the same time, many executives privately acknowledge that they have a credibility problem stemming from the 1970s, when they argued that they couldn't meet higher energy standards — standards they have since met.

"We (in the auto industry) are interested in our national environment and energy issues," said the powertrain engineer with long-time domestic industry experience.

"There is not nearly enough understanding (in government) of the tradeoffs involved with putting technology into production."

Inventing a new fuel-efficient technology is only half the trick, he said. Then the manufacturer and its engineers have to balance fuel economy with emissions, manufacturing, cost and other considerations.

Fred J. Schaafsma, Chevrolet chief engineer, said, "I can't comment on specific fuel economy numbers. . . . Some of the numbers (projected in the proposed legislation) — wow! — are pretty far out. But do we want to do what's right for conservation and the environment? You bet."

Steven E. Plotkin, senior associate in the Office of Technology Assessment, told the House of Representatives subcommittee on oversight and investigations last month that the new-car fleet could achieve 33 mpg by 1995 by "intensifying the use of technologies that are already used in some car models."

The Office of Technology Assessment is a fact-finding arm of the Congress. Given the current market, the office predicts the average fuel economy of the new car fleet is likely to be 30 mpg or less by 1995.

The existing fuel saving technologies "will be cost-effective to consumers, but nevertheless they are unlikely to be demanded by consumers or provided by manufacturers without additional incentives," Plotkin told the subcommittee.

Studies by Plotkin's office indicate that the increase in performance of all cars from 1982 to 1987 reduced fuel economy levels by 1 to 1.6 miles per gallon from the level it would have reached at 1982 performance levels.

A new-car fleet that achieves 45 mpg will not occur without government intervention to close the gap between what the market demands and what is technically feasible, Plotkin told the subcommittee.

Daniel A. Lashof, an EPA environmental scientist who was one of the authors of the agency's report, "Policy Options for Stabilizing Global Climate," said the small percentage contribution to the greenhouse effect claimed by the domestic auto industry is probably accurate.

Ford's Petrauskas told the Senate hearing that a doubling of the fuel economy of the entire U.S. auto fleet would reduce the build-up of global warming gases by only about 0.5 percent.

But Lashof counters "Any individual contribution from an industry will look small, and it's likely that every industry will say they are not responsible for global warming on that basis. But it is a global problem that requires action."

CAFE credits help Ford, GM

But time may be running out on ways to avoid fines

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — By working a complex system of credits, Ford Motor Co. and General Motors have avoided paying multimillion-dollar fines for years in which they failed to attain gas-mileage requirements.

And while GM has potential liability of more than $150 million — a good portion of that for the 1985 model year when the corporate average fuel economy law was allowed to reach its 27.5-mpg limit — it is using the courts to push for a retroactive rollback that would reduce those penalties.

But new legislation brewing on Capitol Hill and a shift in the market may put both Ford and GM in the uncomfortable position of not attaining minimum CAFE standards even by using stored credits or court challenges.

Under the law, if a maker fails to meet CAFE for a particular model year, it is allowed to apply credits generated by exceeding the law in up to three model years prior to or following the affected model year.

If significantly higher CAFE standards are imposed in the mid-1990s, domestic automakers may find themselves in a bind. According to NHTSA estimates for the 1989 model year, Chrysler Motors is expected to have a fleet average of 27.7 mpg; GM, 26.9; and Ford Motor, 26.6, which will generate few credits against the current CAFE of 26.5 mpg. GM and Ford would have deficits if the congressionally mandated standard of 27.5 mpg were in effect.

The penalties are high. Manufacturers are liable for $5 per tenth of an mpg per car for failing to meet the standard.

Chrysler is the only member of the Big 3 that has never failed to meet CAFE. GM and Ford say they haven't meet CAFE because of consumer demand, and both have lobbied for lower standards for economic and technological reasons.

"The problem has been that manufacturers don't make changes to their cars every year," said David Kulp, manager of fuel economy and compliance for Ford.

"In the early 1990s, we should meet or exceed CAFE. The problem has been, if the sales mix is different than we expected, we need a lead of 36 to 48 months to fix things."

Automakers can make adjustments in two ways when they fail to meet the standard for a model year. They can use credits earned by exceeding CAFE in the prior three years or they can generate credits by surpassing CAFE in the three following model years. The credits were instituted in 1980 and applied retroactively to the CAFE law, which went into effect in 1978.

Neither GM nor Ford had to resort to using credits until 1983 since both exceeded CAFE in 1980-82 when the standard was 20 mpg, 22 mpg and 24 mpg, respectively. But as fuel prices stabilized and dropped and demand for large cars grew, GM and Ford had to draw on the credits generated in those previous years to avoid paying fines.

In the 1983 model year, when the standard was 26 mpg, GM posted only 24 mpg, while Ford's average was 24.3. Both used carryback credits to avoid fines.

"There were no possible means of meeting CAFE but restricting or eliminating all large cars and engine production, which would potentially have had a significant job impact," Kulp said.

Ford also blames its shortfall on late introductions of its more fuel efficient Ford Taurus and Mercury Sable and the Lincoln Continental which did not have full model-year impact on raising the company's CAFE.

Kelp said the boost of 2 mpg from 1982 to 1983 was so high "we would have fallen short of meeting it. Without the credits, we certainly would have had to do something to meet the standard."

For 1983, Ford used credits from 1980 with a value of $105 million. In 1984, Ford again fell short of the 27-mpg standard and used $120 million in credits from 1981. The shortfall occurred again in 1985, when the automaker took $68.5 million in credits earned from 1982 and borrowed $23 million in credits from 1986.

Ford and GM both exceeded the CAFE in 1986, 1987 and 1988. Ford earned $102.5 million credits in 1986; $85 million in 1987 and $42.5 million in 1988. Ford anticipates "being right on 26.5 (the CAFE level) for the 1989 model year," Kelp said.

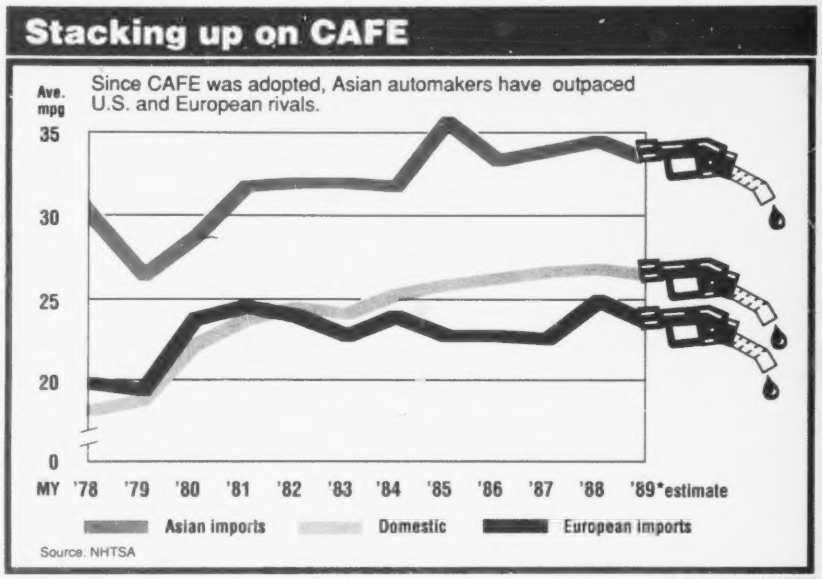
NHTSA has data only through the 1986 model year and said that Ford has credits with a value of $392.5 million.

NHTSA said GM, on the other hand, owes the government more than 140 million credits for CAFE shortfalls between 1983 and 1985. Multiplying each credit (one-tenth of a mile) by the $5 fine results in a figure of $702.65 million.

While NHTSA anticipates that most of that will be offset with credits from 1988 when GM's economy rating of 27.6 mpg was higher than the 26.5 CAFE, GM's own figures show that it may be liable for more than $150 million. That is why it has lobbied NHTSA and has gone to court over a retroactive rollback of 1985 standards. Those challenges to date have been unsuccessful.

The last available figures from GM said it had $61.5 million in credits in 1986, another $122.5 million in 1987 and at least $264 million in 1988. Compared to the NHTSA shortfall number, that leaves GM with a potential liability of $155.65 million. GM declined to provide additional information.

Chrysler has earned credits worth $942 million, but it is unlikely the company will have to use credits since it has no plans to change its car lineup dramatically within the next three years. And those credits expire if they are not used within the three-year carryforward or carryback period.



Since CAFE was adopted, Asian automakers have outpaced U.S. and European rivals.

Source: NHTSA

AUTOMOTIVE NEWS / C. WINTER

CORPORATE AVERAGE FUEL ECONOMY—1978-1988

	Chrysler	Ford	GM	CAFE Standard	Domestic Avg.	Import Avg.	Total Fleet
1978	18.4	18.4	19.0	18.0	18.7	27.3	19.9
1979	20.5	19.2	19.1	19.0	19.3	26.1	20.3
1980	22.3	22.9	22.6	20.0	22.6	29.5	24.3
1981	26.8	24.1	23.8	22.0	24.2	31.5	25.9
1982	27.6	25.0	24.6	24.0	25.0	31.1	26.6
1983	26.9	24.3	24.0	26.0	24.6	32.2	26.4
1984	27.8	25.8	24.9	27.0	25.6	31.8	26.9
1985	27.8	26.6	25.8	27.5	26.4	31.5	27.6
1986	27.8	27.0	26.6	26.0	26.9	31.7	28.1
1987	27.6	26.8	26.4	26.0	26.7	31.1	28.4
1988	28.4	26.4	27.6	26.0	27.3	31.2	28.7
1989 Est.	27.7	26.6	26.9	26.5	26.9	30.7	28.3

SOURCE: U.S. Department of Transportation, NHTSA.

Imports fear higher CAFE would boost fines, lower sales

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — The tougher gas-mileage requirements being discussed in Congress particularly threaten the pocketbooks of European luxury imports and their buyers.

Manufacturers already pay millions of dollars annually because their fleets fail to meet corporate average fuel economy requirements. In addition, some consumers are forced to pay a gas-guzzler tax if the individual car fails to attain an average of 22.5 mpg. For example, a Jaguar XJ-S V-12 buyer pays an additional $1,850 because the car doesn't meet CAFE.

CAFE rules "are really made for the Big 3," said A.B. Shuman, public relations manager for Mercedes-Benz of North America. "The problem for Europeans is that they're not full-line manufacturers. They don't have little cars to balance out the higher-consumption cars."

High-performance European imports helped create the trend toward bigger, more powerful engines, but now they could be among the first to be squeezed by the resurrected demand for more fuel efficiency.

"We sell performance, and we sell size," said BMW of North America spokesman Tom McGurn. "It's tougher for a company like us, going after a small part of the market, to meet those (CAFE) standards."

In fact, only one of the major high-end European importers — Saab-Scania of North America — meets the 1989 CAFE standard of 26.5 mpg. It has an estimated CAFE of exactly 26.5 mpg because it offers only four-cylinder engines.

Mercedes-Benz has an estimated CAFE average of 21.2 mpg for the 1989 model year and leads the list in fines paid by imports. Those fines are based on sales volume and the size of the miles-per-gallon shortfall.

But due to credits earned in previous years not every vehicle that misses the standard is taxed. BMW was notified of an impending $1.28 million fine for the 1986 model year and $5.12 million for 1987. But earlier credits for better-than-required CAFE reduced its liability to zero for 1986. The credits also are expected to reduce the 1987 fine to $1 million. BMW's liability for the 1988 model year is expected to be around $17 million.

Mercedes-Benz was notified last fall that based on projections it will owe some $20.5 million for failing to meet the 1987 model year standard. Last December it paid a $20.2 million penalty for the 1986 model year. But the company reserved its right to challenge the assessment in court, as Mercedes-Benz of North America is doing in connection with its 1985 model year CAFE penalty of $5.5 million.

Jaguar is expected to be liable for $8.14 million for the 1986 model year; $5.32 million for 1987; and $5.54 million for 1988.

CAFE ratings for the European luxury makes held steady or declined as the standard rose from 26 mpg for 1988 to 26.5 mpg for the 1989 model year. Meanwhile, there are at least five bills in Congress that would mandate fuel economy on the order of 40 mpg by 2000. Most of the bills are concerned with global warming.

From 1988 to 1989, Jaguar's CAFE average fell from 22 mpg to 20.1 mpg because the company sold more cars with V-12 engines. Mercedes-Benz has held around 21 mpg since 1986. BMW's CAFE average rose from 21.6 mpg to 22.3 mpg for 1989; it had been 24.9 mpg in the 1987 model year.

Volvo Cars of North America's rating fell 1 mpg for 1989 to 25 mpg.

In addition to fines for failing to meet CAFE, models that do not meet certain minimum mileage levels also are saddled with gas-guzzler taxes that are paid by the consumer. In Volvo's case, its six-cylinder 760 and 780 models carry a $500 per car gas-guzzler tax.

So far, customers seem willing to pay the gas-guzzler taxes. But a higher CAFE with higher minimum fuel economy requirements could mean a significant jump in the gas-guzzler tax.

Ron Foster, president and chief executive officer of Lotus Cars USA, said even in the price range of a $67,500 Esprit Turbo, relatively good gas mileage is a competitive advantage. The Esprit Turbo squeezes a combined city/highway rating of 24.3 mpg out of a four-cylinder engine.

"It seems if you're already spending $67,000 on a car you wouldn't worry about another $1,200 for the gas guzzler, but it's a factor," he said.

Not everyone agrees that the luxury market is sensitive to gas-guzzler taxes. Mercedes-Benz lists its gas-guzzler tax as a sticker-price line item, but Jaguar includes it in its manufacturer's suggested retail price instead of listing it separately.

"We thought it (listing the gas-guzzler tax) might be a stigma but evidently it isn't," Shuman said. "People want a certain car, and they buy it."

Five Mercedes-Benz models ranging from the 190D sedan to the 300CE coupe don't have a gas-guzzler tax. Penalties for the six bigger cars range from $650 for the 300TE station wagon to $1,500 for the 560SEL sedan and the 560SEC sport coupe.

Ford scores best of Big 3 in Massachusetts lemon index

By Helen Kahn
SENIOR CORRESPONDENT

General Motors' and Chrysler Motors' shares of lemon law cases that were accepted for state arbitration in Massachusetts last year were higher than their market shares, while Ford Motor Co.'s was below its market share.

The real winners were Jaguar, Mercedes-Benz and Acura, which had no lemon law cases in state-run arbitration last year. Next best were Honda and Volvo. Low-volume makes such as Alfa Romeo, Peugeot, Sterling and Yugo fared the worst on a "lemon index" compiled by the Massachusetts' executive office of consumer affairs and business regulation.

A total of 698 cases were accepted for state arbitration last year out of 948 requests submitted. Some of those requests were settled before acceptance or rejection by the state. The number of requests fell 9 percent last year, to 948 from 1,043 in 1987.

The lemon index is based on a manufacturer's number of lemon law cases as a percentage of the state's total caseload compared to the maker's sales penetration. No index number was computed for cars with fewer than 100 registrations in the state in 1988.

If the percentages match, a marque's index is 0. Any variance above or below a maker's penetration results in a positive or negative lemon law index (see chart). The state said a higher index may mean that a manufacturer has vehicles with a higher number of defects or it is not resolving consumer complaints before they reach arbitration or both.

The state's report on lemon law arbitration also shows that last year eight manufacturers — Alfa Romeo, Chrysler, Ford, Hyundai, Mazda, Range Rover, Suzuki and Volvo — settled more than half of their accepted cases before arbitration began.

But while the settlement rates for Ford and Chrysler were high — 73 and 57 percent, respectively — GM's rate was only 37 percent overall. Moreover, Ford settled 15 percent of its disputes before they were even accepted for arbitration — suggesting, said the report, that Ford is addressing its problems early on.

The domestic companies had the largest percentage of the 698 cases that went before state boards. GM had 50 percent, Chrysler had 20 percent and Ford had 12 percent.

When compared with market penetration, GM's lemon law case penetration was 56 percent higher than its market share, Chrysler's was 33 percent higher and Ford's was actually 46 percent less than its market share.

Chrysler's number was only 12 percent higher than its market share if American Motors-Jeep-Renault vehicles are factored out. Those vehicles had a lemon index of 122 percent above market penetration, the state said.

While low-volume import makes like Alfa Romeo, Peugeot, Sterling and Yugo had lemon law indexes ranging from 314 to 1,590 percent of their market penetration, volume imports such as Honda, Toyota and Volvo had lemon law complaints ranging from 73 to 85 percent below their market shares.

The state office said the "probable" reason for the 9 percent drop in arbitration requests, from 1,043 in 1987 to 948 in 1988, is that automakers are settling disputes with consumers over warranty repairs before car owners turn to the state for help.

Not only did the number of requests for state-run arbitration drop, but so did the percentage of cases won by consumers — from 64 percent to 58 percent. In addition, only one decision was appealed last year, compared to 11 a year earlier.

The percentage of late awards also dropped last year, to 1 percent, down from 2 percent in 1987. A late award is additional damages of up to $5,000 per day levied against manufacturers who fail to either appeal or pay a judgment within 21 days. A total of $30,000 was collected for late awards in 1988 from only two companies — Porsche and Nissan.

MASSACHUSETTS LEMON LAW INDEX

Make	State market share*	Lemon law cases	Case pct.	Case pct. U.S. market share
Alfa Romeo.	0.03	4	.58	1,590
Peugeot	0.07	5	.72	938
Yugo	0.07	2	.29	323
Sterling.....	0.07	2	.29	314
Range Rover	0.04	1	.14	303
Porsche	0.10	2	.29	194
GM	32.02	349	50.36	56
Chrysler	15.36	143	20.63	33
Saab.........	.74	6	.87	16
VW	2.08	16	2.31	10
BMW	.55	4	.58	5
Hyundai	2.99	18	2.60	−14
Subaru	2.04	11	1.59	−23
Audi	.38	2	.29	−24
Mazda	2.11	11	1.59	−25
Mitsubishi ..	.59	3	.43	−28
Isuzu	1.89	4	.58	−36
Ford	21.61	81	11.69	−46
Suzuki	.33	1	.14	−57
Nissan.......	4.0	9	1.30	−68
Toyota.......	6.9	13	1.88	−73
Volvo	.91	1	.14	−84
Honda	4.7	5	.72	−85
M-B	4.9	0	0	−100
Jaguar.......	1.6	0	0	−100

*—Market shares are rounded.
NOTE: Lemon index indicates whether the number of complaints accepted against a manufacturer is greater than or less than its market share.

In 1988, a total of $3.3 million was awarded to the 236 consumers who were successful at arbitration. The state estimates another $4 million went to consumers who settled before arbitration.

By the end of 1988, Massachusetts had awarded more than $8 million in refunds/replacements as a direct result of its arbitration program, which started in April 1986. The state estimates that $9 million more has been received by owners of lemons who settled their cases before going to arbitration.

The state said the time between acceptance of a case for arbitration and settlement dropped to 46 days in 1988 from 53 days in 1987 and 58 days in 1986.

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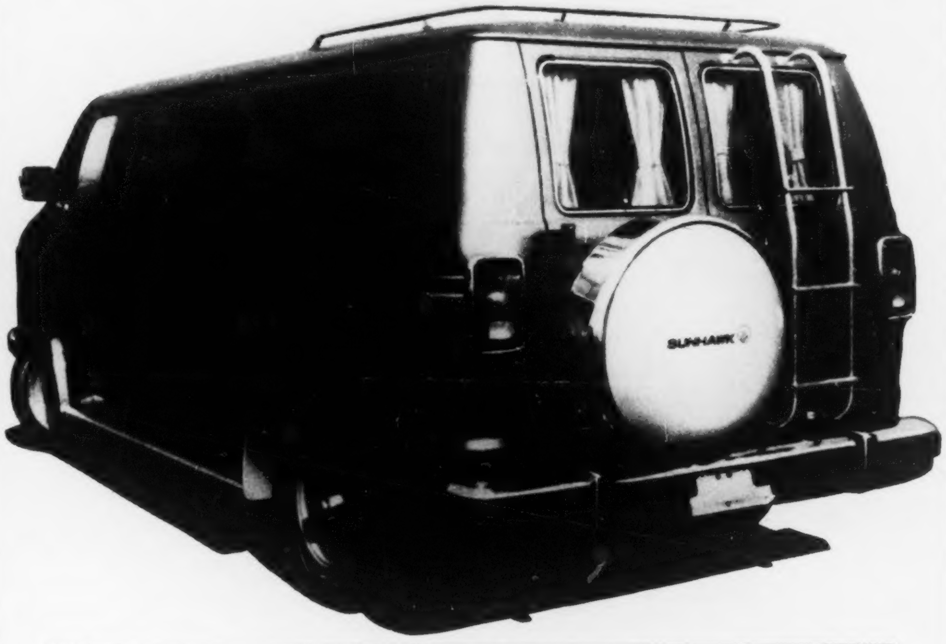

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EPA calls for fines on pipe firms

WASHINGTON — Two manufacturers of standard exhaust tubing that replaces catalytic converters face more than $1.5 million in penalties from EPA.

The Justice Department filed a complaint on behalf of EPA in an Illinois federal court against Ced's Inc. of Addison, Ill., doing business as Products for Power. EPA charged Ced with breaking an agreement with the agency to stop making the pipes and is seeking $75,000 in civil penalties and more than $1.4 million in punitive damages.

In a related action, EPA issued a violation notice and proposed a $150,000 penalty against Perfection Automotive of Livonia, Mich., for the alleged manufacture and sale of catalytic converter replacement pipes.

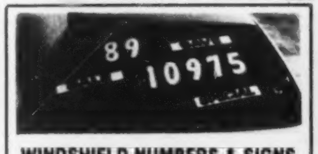
EPA said the replacement pipes are used widely and illegally by repair facilities regulated under the Clean Air Act and do not improve performance as is often thought. The agency said its actions are part of a continuing effort to thwart the use of products that defeat emission control components.

Pontiac gives STE, 4wd to Grand Am

DETROIT — Pontiac will shift the STE designation and four-wheel-drive layout from its 6000 line to the Grand Prix for the 1990 model year.

STE, short for special touring edition, has been in Pontiac's mid-sized lineup for several years. The 6000-STE sedan, with its European-style ride and handling package, was designed to compete with German-made sport sedans. An all-wheel-drive model was added in the 1989 model year.

A four-door version of the Grand Prix will be offered for the 1990 model year. The 6000 will be dropped from Pontiac's lineup at the end of the 1990 model year.



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Auto trade deficit off; imports, exports drop

WASHINGTON — The U.S. automotive trade deficit in passenger cars and light trucks declined 3.1 percent in January because of a 4 percent drop in the value of imported vehicles.

Export value dipped 9.1 percent for the month, but its impact was not as significant since it dropped from a smaller base.

January's decline in the automotive trade deficit followed a 0.9 percent increase in December.

On an annualized basis, the automotive trade deficit was $43.44 billion as of January 1989. This compares to a $46.39 billion deficit for the 12-month period ended January 1988.

For January 1989, U.S. Commerce Department figures show a trade deficit for passenger cars and light trucks of $3.59 billion. That compares with $3.70 billion for January 1988.

Total car and truck imports had a value of $4.18 billion during January 1989, while car and truck exports were valued at $593.4 million.

Passenger-car exports totaled 33,127 vehicles with an estimated value of $415.2 million in January. Light-truck exports for the month totaled 15,679 vehicles with an estimated value of $178.2 million.

Passenger car exports were up 141.6 percent to Japan and 22.5 percent to nations labeled "others" by the Commerce Department. Passenger-car exports to Japan totaled 1,655 and to "others," 12,168 units for the month.

On the import side during January, Japan's car shipments to the United States declined 12.5 percent. The value of Japanese shipments fell 9.3 percent for the month. Both the value and quantity of Japanese truck imports declined as well.

Total car and truck imports from all nations had a value of $4.18 billion in January, down 4 percent from the $4.35 billion worth of imports recorded in January 1988.

There were 406,100 finished vehicles imported to the United States in January 1989, compared with 451,545 in January 1988.

Imports of passenger cars reached 324,779 units for the month with a value of $3.46 billion. Light-truck imports totaled 81,321 units, with a value of $719.6 million. The value of imported trucks surged 36.7 percent from a year earlier, while shipments increased 13.3 percent.

The increase in the value of truck shipments was primarily due to a 95.8 percent increase in the value of trucks shipped from Canada. Canada sent 43,400 trucks to the United States in January 1989, compared with 21,934 in January 1988.

Swedish car shipments to the United States rose 38.6 percent in January with a total of 13,058. France also increased its shipments. They were up 83.9 percent for the month to 1,041 automobiles.

As noted, Japanese-car shipments dropped 12.5 percent for the month and their value was 9.3 percent lower than a year earlier.

Japanese truck imports were off 23.8 percent and their value was down 10.4 percent.

Japan shipped 150,382 cars to the United States in January, down from 171,923 one year earlier. Truck shipments were 37,849 units, down from 49,685 units in January 1988.

Also shipping fewer cars in January were: Canada down 5.5 percent; West Germany off 20.8 percent; South Korea, 22.6 percent; Mexico, 60.3 percent; United Kingdom, 2.9 percent; Italy, 30.9 percent; and Brazil, 33.6 percent. Yugoslavia sent no cars to the United States in January, after sending 4,489 automobiles to the United States in January 1988.

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U.S. AUTOMOTIVE TRADE BY QUANTITY

Passenger cars

Country	Trade	Jan. 1988	Jan. 1989	Feb. 1987-Jan. 1988	Feb. 1988-Jan. 1989
Japan	Export	685	1,655	5,203	22,690
	Import	171,923	150,382	2,392,194	2,101,510
Canada	Export	33,949	19,304	566,293	602,265
	Import	90,988	85,957	964,160	1,186,316
West Germany	Import	25,634	20,303	377,016	258,918
South Korea	Import	54,307	42,057	433,338	443,491
Sweden	Import	9,423	13,058	136,248	140,640
Mexico	Import	12,932	5,128	134,563	140,261
Yugoslavia	Import	4,489	0	50,311	23,942
United Kingdom	Import	1,845	1,792	49,174	31,538
Italy	Import	725	501	8,740	5,829
France	Import	566	1,041	26,327	16,465
Brazil	Import	5,933	3,942	54,082	57,410
Others	Export	9,936	12,168	70,496	142,575
	Import	1,004	618	19,784	17,847
Car total	Export	44,570	33,127	641,992	767,530
	Import	379,779	324,779	4,645,937	4,395,213
TRADE BALANCE		(335,209)	(291,652)	(4,003,945)	(3,627,683)

Light trucks (up to 10,000 lbs. GVW)

Country	Trade	Jan. 1988	Jan. 1989	Feb. 1987-Jan. 1988	Feb. 1988-Jan. 1989
Canada	Export	11,544	13,541	162,041	154,683
	Import	21,934	43,400	234,782	320,817
Japan	Import	49,685	37,849	743,404	536,520
Mexico	Import	0	0	9,976	29
Others	Export	2,585	2,138	17,809	31,428
	Import	147	72	632	2,461
Truck total	Export	14,129	15,679	179,851	186,111
	Import	71,766	81,321	988,794	860,827
Trade balance		(57,637)	(65,642)	(808,943)	(674,716)
Car and truck total	Export	58,699	48,806	821,843	953,641
	Import	451,545	406,100	5,634,731	5,256,040
TRADE BALANCE		(392,846)	(357,846)	(4,812,888)	(4,302,399)

Compiled by Automotive News from official statistics of the U.S. Commerce Department, as reported by the U.S. International Trade Commission. Because of rounding, figures may not add to the totals shown.

U.S. AUTOMOTIVE TRADE BY VALUE

(x $1,000)

Passenger cars

Country	Trade	Jan. 1988	Jan. 1989	Feb. 1987-Jan. 1988	Feb. 1988-Jan. 1989
Japan	Export	$ 9,805	$ 23,642	$ 79,200	$ 285,249
	Import	1,556,264	1,411,709	21,150,864	19,733,145
Canada	Export	352,234	242,559	5,799,083	6,149,464
	Import	989,328	960,373	10,590,784	13,226,271
West Germany	Import	622,604	471,006	8,952,616	6,290,122
South Korea	Import	271,932	244,565	2,230,323	2,459,144
Sweden	Import	142,522	212,153	1,932,254	1,767,827
Mexico	Import	109,093	47,934	1,239,446	1,209,789
Yugoslavia	Import	11,431	0	128,748	64,363
United Kingdom	Import	54,027	56,053	1,177,464	943,443
Italy	Import	14,943	12,845	183,485	150,054
France	Import	8,110	12,636	253,624	175,704
Brazil	Import	31,464	22,864	270,465	332,674
Others	Export	136,772	149,045	949,200	1,793,489
	Import	15,921	10,117	301,728	286,787
Car total	Export	498,811	415,246	6,827,483	8,228,202
	Import	3,827,639	3,462,255	48,411,601	46,639,313
Trade balance		(3,328,828)	(3,047,009)	(41,584,118)	(38,411,111)

Light trucks (up to 10,000 lbs. GVW)

Country	Trade	Jan. 1988	Jan. 1989	Feb. 1987-Jan. 1988	Feb. 1988-Jan. 1989
Canada	Export	$ 116,475	$ 149,520	$ 1,579,825	$ 1,576,406
	Import	235,279	460,759	2,318,019	3,625,783
Japan	Import	280,252	251,027	4,127,200	3,211,964
Mexico	Import	141	719	80,144	10,546
Others	Export	37,243	28,683	224,433	384,137
	Import	10,917	7,131	81,197	131,970
Truck total	Export	153,700	178,203	1,804,258	1,960,542
	Import	526,589	719,636	6,606,561	6,986,854
Trade balance		(372,889)	(541,433)	(4,802,303)	(5,026,312)
Car and truck total	Export	652,511	593,449	8,631,741	10,188,744
	Import	4,354,228	4,181,891	55,018,162	53,626,167
VEHICLE TRADE BALANCE		(3,701,717)	(3,588,442)	(46,386,421)	(43,437,423)
TOTAL U.S. Merchandise trade (customs value)	Export	24,488,200	27,801,600	260,209,800	325,404,400
	Import	34,257,600	37,290,000	408,833,000	444,870,700
TRADE BALANCE		(9,769,400)	(9,488,400)	(148,624,000)	(119,466,300)

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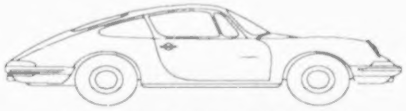

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- '89 Escorts
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May 3 — Columbus Fair Auto Auction, Obetz, Ohio, and Minneapolis Auto Auction, Plymouth, Minn.

May 4 — Southern States Vehicle Auction of Atlanta, Newman, Ga.; Fredericksburg Auto Auction, Fredericksburg, Va.; Salt Lake Auto Auction, Salt Lake City; and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

May 5 — St. Louis Auto Auction, Bridgeton, Mo.

Ford Motor Co.

May 3 — Clanton's Auto Auction, Darlington, S.C.; Fort Worth Auto Auction, Fort Worth, Texas; Mississippi Auto Auction, Hattiesburg, Miss.; Lakeland Auto Auction, Lakeland, Fla.; Southern California Auto Auction, Fontana, Calif.; Omaha Auto Auction, Omaha, Neb.; and Salt Lake Auto Auction, Salt Lake City

May 4 — Ohio Auto Auction, Grove City, Ohio, and Manheim Auto Auction, Manheim, Pa.

General Motors

May 2 — Auto Dealers Exchange of Birmingham, Moody, Ala.; National Auto Dealer Exchange, Bordentown, N.J.; and Florida Auto Auction of Orlando, Ocoee, Fla.

May 3 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

Used Car Sales
Auction Averages

April 89	$6,110
Month ago	$5,587
Year ago	$5,730

Model Breakdown
Auction Averages

Year	APR 1989	MAR. 1988	FEB. 1988
1989 ...	$12,614	$12,197	$13,118
1988 ...	$9,469	$8,751	$8,235
1987 ...	$7,307	$7,338	$7,289
1986 ...	$6,101	$5,975	$6,014
1985 ...	$4,982	$4,978	$4,764
1984 ...	$3,954	$3,942	$3,840
1983 ...	$3,053	$2,867	$2,683
1982 ...	$2,520	$2,612	$2,187
Overall Average	$6,110	$6,061	$5,678

AUCTION DIRECTORY

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Mid-April sales climb, but slowly

Domestics register 4% gain after whopper early in month

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

Sales of cars built in the United States continued to climb in the second 10 days of April but at a slower pace than in the first sales period when they climbed 30.12 percent.

Retail deliveries in the April 11-20 selling period rose 3.67 percent to total 237,386 units compared to 228,991 units a year before. There were nine selling days in each year.

In April's first 20 days, sales of new domestic cars rose 13.92 percent to total 425,994 units compared to 373,945 units a year before.

Sales of light trucks also rose in mid-April but, as it was for cars, the gain was far below the 24.74 percent climb in the first sales period.

Light-truck sales moved up 7.79 percent to total 136,465 units compared to 126,600 units a year earlier.

The combined car and light-truck sales total of 373,851 units for mid-April was 5.14 percent above the year-earlier total of 355,591 units.

In the 10 days of mid-April, Nissan dealers delivered 34.27 percent less cars than a year before. Chrysler Motors' car sales dipped 10.27 percent and General Motors' were down 1.50 percent.

Toyota reported a 328.15 percent increase as sales of its two U.S.-made models rose to a combined 5,977 units from 1,396 in mid-April last year, when the company was building only one model in the United States. Mazda sales in the period were up 78.89 percent; Ford Motor Co., up 14.48 percent; and Honda, up 5.45 percent.

Mitsubishi, a newcomer to U.S. production, reported sales of 698 units in mid-April.

Among the domestic light-truck makers, only Nissan, with a 14.61 percent dip, reported a decrease in sales. GM's light-truck sales rose 15.28 percent; Ford's, 4.94 percent; and Chrysler's, 2.97 percent.

On a combined car-truck basis, Nissan sales were down 23.56 percent, and Chrysler, 3.93 percent. Ford had a gain of 10.63 percent and GM, 3.49 percent.

DOMESTIC CAR SALES

	Apr. 11-20, 1989	Apr. 11-20, 1988
Eagle	1,318	1,423
Chrysler	6,889	8,179
Plymouth	8,481	9,163
Dodge	13,680	15,077
Chrysler Motors	30,368	33,842
Ford	51,045	45,516
Mercury	16,506	14,548
Lincoln	7,580	5,562
Ford Motor Co.	75,131	65,626
Buick	17,378	15,426
Cadillac	9,882	8,210
Chevrolet	42,196	44,171
Oldsmobile	20,321	19,881
Pontiac	20,885	24,656
General Motors	110,662	112,344
Volkswagen	—	1,375
Honda	11,323	10,738
Nissan	1,939	2,950
Toyota	5,977	1,396
Mazda	1,288	720
Mitsubishi	698	—
U.S. Car Total	237,386	228,991

Atlanta firm tries multi-dealer tent sales

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

An Atlanta-area advertising firm in the coming weeks will introduce its multi-dealer "mega-tent sale" concept for selling new and used vehicles to dealers in Birmingham, Ala., Orlando, Fla., and Augusta, Ga.

J.R. Russell & Associates, an automotive ad agency based in Marietta, Ga., has staged six large tent sales around Atlanta over the past year, each one featuring 10 to 16 dealers and approximately 1,500 cars.

Agency principal Jim Russell said the firm will introduce the concept in other Southern cities.

Russell said the firm organized the multi-dealer tent sales to sell both new and used vehicles, drawing up to 5,000 prospects over a single weekend, with typical sales of 500 to 600 cars per four-day event. They have averaged a 10 percent closing rate, he said.

He said plans were not finalized, but the firm would organize both new and used car tent sales, which his firm markets under the Automania name in the other markets.

The first Automania event in Birmingham is scheduled for May 26-29. Dates for other markets have not been determined.

Russell & Associates also has coordinated Toyota Tent Sales for a number of Toyota dealer groups in the Southeast.

Russell said each dealer pays $18,000 to participate in an Automania. The fee covers marketing, selling space and props and site management during the sale.

"The secret to selling used cars is to treat them like new cars," Russell said. "No one gets excited about going to a used car sale. But if you make it bigger than life, you draw a crowd. You have to overcome the objection that it's just a used car sale."

Russell said the Automania concept relies on a combination of heavy print, radio and television advertising prior to the event. Professional models are hired to greet crowds and a fleet of golf carts is used to usher visitors from dealer to dealer, he said.

A system for sharing customers is devised prior to the event.

The sales are staged at well known locations that have a drawing power of their own, such as amusement parks, Russell said. The events also include concessions, clowns, free gifts, sky tracker spotlights and on-site radio broadcasts.

Sales continue until midnight each night with the grounds patrolled by hired security guards. Cars are washed and shined throughout the day, he said.

"A dealership might spend $50,000 to hold a typical weekend sale at the lot and sell 100 to 110 cars," Russell said. "One of these events would cost the dealer $18,000 to sell the same number.

"It costs about $150,000 to put on an event like this. One dealer isn't likely to pay that much, but when you split the cost among eight or 10 dealers, it isn't that much to spend."

He said some participants have sold between 150 and 175 used vehicles at a weekend event. It is not unusual for a participant to gross $130,000 in a weekend, he said.

"We've simply taken a good idea — the tent sale — and made it better. Dealers usually count on wholesaling their used vehicles. This environment allows them to roll the vehicles at better than wholesale," Russell said.

Van converter Zimmer files Chapter 11 reorganization plan

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

Zimmer Corp. has filed a reorganization plan in an effort to work its way out of Chapter 11 bankruptcy.

The plan, which was filed jointly by the Pompano Beach, Fla., van conversion company and its creditors' committee, would pay $2.25 million to unsecured creditors in addition to other funds the company expects to receive.

Last month, an unidentified private investor committed $2 million in cash to Zimmer.

Myron Fulle, vice president and controller, said that provides most of the payment offered in the reorganization plan.

Fulle said additional money due the company in contingent liabilities and insurance proceeds also has been committed to repaying creditors. He expressed confidence the plan will be approved since it received unanimous approval from the creditors' committee.

Zimmer filed for Chapter 11 bankruptcy last year after a number of setbacks in its van and sport-utility conversion business. Company officials expect to be back in normal operation by year-end.

The reorganization plan and disclosure statement were filed March 24. A hearing is scheduled for May 1 to determine the adequacy of the disclosure statement, followed by a July 17 hearing on confirmation of the reorganization plan.

FORECAST

FROM PAGE 1

geover this summer.

The second-quarter industry plans show a sharp dichotomy between the Big 3 — which combined plan to build 7.19 percent fewer cars than the year-earlier period — and the six foreign-based companies producing in the United States. Those foreign companies upped their scheduling plans from original estimates and now plan to build 30.23 percent more cars this quarter than a year ago.

The biggest year-to-year percentage gain is expected at Mazda Motor Manufacturing U.S.A. Corp., which plans to build 84.75 percent more cars than one year ago when it was just beginning production, while the biggest relative drop is planned by Chrysler Motors — 17.47 percent.

The reaction of the automakers to the market and economy since they issued their first forecasts in early March shows the Big 3 vs. transplants dichotomy, too. General Motors trimmed its initial forecast 3 percent, while Ford Motor Co. and Chrysler cut theirs 4 percent. New United Motor Manufacturing Inc. and Toyota Motor Manufacturing U.S.A. held tight to their schedules, but the rest of the transplants upped theirs: American Honda Motor Co., 1 percent; Mazda, 6 percent; Diamond-Star Motors Corp., 14 percent, and Nissan Motor Manufacturing Corp. U.S.A., 17 percent.

Ann Knight, analyst for PaineWebber Inc., said she expects Ford to again slice its production plans. She expects large cuts at Chrysler and modest ones at GM.

The latest reductions in scheduled production were widely expected. Although domestic-car sales skyrocketed 30 percent in the first 10 days of April, following announcement of massive industry-wide incentives, the year-to-year gain for the mid-April period slowed to less than 4 percent.

"The trigger for us is the (domestic-car) selling rate in early to mid-April, which works out to about 7.6 million to 7.7 million units annualized," Kidder, Peabody & Co. analyst Jack V. Kirnan said last week.

"That's an improvement over the first quarter, but in the biggest incentive programs in the past — in 1985, 1986 and 1987 — the selling rate jumped some 35 to 40 percent over the prior period. Now — with the biggest incentives in history — you'd expect a sales rate of 9 million to 9.5 million units, and 7.6 million to 7.7 million is the response. Things have materially slowed in the industry," he said.

Kirnan lowered his 1989 sales estimate from 15 million to 14.7 million units, including 9.9 million cars instead of 10 million, and 4.8 million trucks instead of 5 million.

PaineWebber's Knight reduced her combined car and truck sales forecast from 14.8 million to 14.5 million for 1989.

The new forecast by Wendy Beale, auto analyst for Smith Barney, is for 14.3 million sales. She lowered her car sales forecast from 10.1 million to 9.5 million, and light trucks from 5.0 million to 4.8 million.

Scott F. Merlis, auto analyst for Morgan Stanley & Co., lowered his combined truck and car sales estimate from 15.1 million to 14.8 million for 1989.

The industry sold 15.80 million cars and trucks in 1988.

Automotive News Staff Reporters Kathy Boyer and Kathleen Hamilton in Detroit and Jim Henry in New York contributed to this report.

DEDRA: *New Lancia aimed at German luxury makes; first model derived from Fiat Tipo platform*

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

MADRID, Spain — Fiat Auto's Lancia unit has launched a major upmarket push with the introduction of its new Dedra medium-sized sedan.

While it is the first model derived from the new front-drive Tipo, Fiat's volume model, Dedra is aimed at competing with entry-level luxury cars such as the Mercedes-Benz 190 and BMW 3 series. It replaces the Prisma in Lancia's line.

Lancia officials said four-wheel-drive and high-output versions of the three-box, four-door sedan are planned for the fall of 1990.

Developed at a cost of 500 billion lira ($366 million), the new notchback signals Fiat Auto's renewal of Lancia's and Alfa Romeo's medium ranges, with the former placing an emphasis on luxury and the latter on sportiness.

An Alfa version of the same platform, the successor to the 75, sold as the Milano in the United States, is slated for 1991.

Though Tipo serves as a basis for the new generation of mid-range Fiat, Lancia and Alfa Romeo products, Lancia officials stressed the differences among the cars.

While Dedra and Tipo share some floorpan components and body parts, the Lancia is 15 inches longer than the Fiat, covering 171 inches in overall length. Dedra is six inches longer than the Prisma it replaces. Both Dedra and Tipo ride on a 100-inch wheelbase.

Fiat said it has no plans to return to the U.S. market with Lancia. Instead, it will concentrate on building sales in the United States with Alfa Romeo.

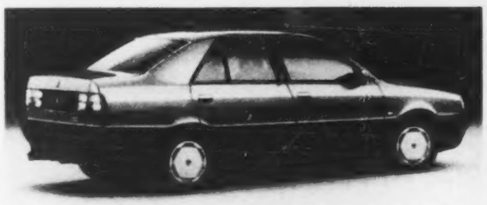
Umberto Visetti, director of Dedra marketing, said there would not be enough capacity to export the new car to America. Lancia expects to eventually produce about 100,000 units annually at the Chivasso plant near Turin, Italy. Daily output will slowly build to 400 units a day.

As a result, though the Dedra goes on sale in May in Italy it won't reach other European markets until early 1990. Lancia plans to export 35 to 40 percent to other European markets.

Dedra is part of an effort to boost total Lancia volume to 300,000 units annually by 1990. Sales last year totalled 274,000, up from 262,000 in 1987 and 232,000 in 1986.

Pricing will be in the 21-25 million lira ($15,400-$18,300) range in Italy.

The car fits into Europe's D segment, or upper-medium class, which last year accounted for sales of 3.2 million units in Europe. The segment includes such models as the Ford Sierra and Opel Vectra.



Dedra's Teutonic styling is evident in its rear treatment

But Fiat is positioning Dedra at the upper end of the segment with the likes of the Audi 80/90 and Honda Accord. This so-called "elite" sub-section of the D segment accounted for sales of 583,000 cars last year. Fiat management believes Dedra's German-influenced styling and options such as anti-lock brake system and electronic suspension damping should also make it a contender against entry-level Mercedes and BMW models.

The Dedra design was a collaboration of Turin's emerging IDEA Institute studio, which headed the Tipo design work, and Lancia's own styling operation. There is some resemblance to the BMW 5 series, especially around the C-pillar. Former BMW designer Ercole Spada heads IDEA's styling activities.

The car also carries some exterior themes reminiscent of the Mercedes-Benz 190 and 300E series. The drag coefficient of the new car is 0.29.

The Dedra has four four-cylinder engine options, ranging in displacements from 1.6 to 2 liters.

OBITUARIES

James H. Fearer

ORANGE, Calif. — James H. "Jock" Fearer, 68, director of marketing services for Daihatsu America, died April 15. Fearer joined Daihatsu at its inception in 1985.

Louis B. Neumiller

PEORIA HEIGHTS, Ill. — Louis B. Neumiller, 93, former chairman of Caterpillar Inc., died April 26. A division of the company manufactures diesel engines.

Court upholds NY lemon law

By Helen Kahn
SENIOR CORRESPONDENT

A New York state appellate court has upheld the state's lemon law arbitration system, but struck down a portion of the law prohibiting automakers from trying to prove in arbitration that the car can still be fixed.

Since Jan. 1, 1987, changes in the New York lemon law allowed consumers the option of paying a fee and using the state-run arbitration program to settle warranty disputes.

The Motor Vehicle Manufacturers Association challenged the program saying that compulsory arbitration deprived them of their right to a jury trial, violated their constitutional "right of access" to the lower civil court, and was an unconstitutional delegation of judicial authority.

A five-judge court unanimously found that the state lemon law is an "equitable remedy" and not an "action at law" to which the right to a jury trial attaches, turning aside the challenge. It also ruled the arbitration program is a "reasonable alternative" to lower civil court review because the program gives "adequate notice, an impartial arbitrator, and a 'full and equal opportunity' for each party to present his case."

Although the judges acknowledge that it is up to the consumer whether or not the manufacturer must submit to the state run program, they note "given the obvious inequality in their bargaining positions, we perceive no impropriety."

But the court agreed with MVMA in striking down a rule that prevented arbitrators from considering evidence that the defect can be fixed on another try.

While letting stand a provision that prohibits the arbitrator from ordering another repair — since the car is presumed to be a "lemon" after four repair attempts — the court said automakers must be allowed to present evidence that the car can be fixed in order to decide whether the consumer is to get a replacement vehicle or a refund.

Odometer tamperer loses high court bid

By Helen Kahn
SENIOR CORRESPONDENT

WASHINGTON — A Wisconsin man who sold used cars with rolled-back odometers to unwitting dealers failed to have his conviction on mail fraud charges overturned by the U.S. Supreme Court.

In a 5-4 decision, the court upheld 12 counts of mail fraud against Wayne T. Schmuck.

Schmuck contended innocence on the mail fraud charges because the dealers involved actually mailed the title applications containing the false information to the state's Department of Transportation on behalf of the cars' buyers.

Schmuck sought a dismissal before trial on grounds the mailings were not part of the fraud charge and wanted to be tried on odometer tampering charges only, which was a misdemeanor when the case was brought in 1983. The motion was denied and he was convicted.

A three-judge federal appeals panel reversed the lower court saying he should have been tried on the odometer tampering charges only, but the full appellate court overturned that decision. It said Schmuck could be convicted of the mail fraud charges without proving that he actually altered the odometers.

The majority of the Supreme Court agreed. It noted that Schmuck's scheme was an "ongoing fraudulent venture" to which the retail sales by dealers was essential. The court found Schmuck had used one person to roll back odometers on some 150 cars and dealt with dealers for as long as 15 years. It also found that he was paid more for low mileage cars.

Unwitting dealers profited from higher prices to consumers even though the scheme did not reach fruition until mailing was involved and titles transferred. As a result, the court said Schmuck was properly convicted of mail fraud.

NOTICE OF SALE

PLEASE TAKE NOTICE that Robert S. Hertzberg, Trustee of MCI Automotive Products, Inc., Bankruptcy Case No. 89-00692-G, has filed an Application to sell substantially all of the assets of this Estate. The hearing will be held on May 8, 1989, at 9:30 a.m. before the Honorable Ray Reynolds Graves, in his courtroom, 231 Lafayette Boulevard, Detroit, MI. The Debtor was a manufacturer and distributor of automotive brake rotors, brake drums and related products. The assets to be sold include inventory, whether finished goods, work-in-process or raw materials parts, machinery, equipment, rights in various unexpired real property leases, rights to purchase products from Pamex under the Pamex Requirements Agreement, books and records, good will, computer data, and other tangible and intangible assets.

The purchased assets do not include accounts receivable arising from the sale of inventory; certain leases in Birmingham, Michigan, Texas and Ohio, tax refunds or any causes of action which the Trustee may have under the avoiding powers provided in the Bankruptcy Code.

The Trustee has received an offer from Excel Automotive East, Inc. ("East Offer"), in the amount of $1,240,000.00. Any competitive bidder must bring to the hearing a certified check or cashiers check in the amount of $100,000.00. Any party or entity submitting such deposit or competitive bid must furnish the Trustee with Financial Statements which demonstrate an ability to purchase the assets of the Estate. A competitive bid will be considered only if: (1) it is from a financially responsible party or entity; (2) it contains the same or more favorable terms and conditions than does the East Offer; and (3) it offers a purchase price which exceeds 105% of the East Offer purchase price.

Pre-sale inspection will be held at 422 Sylvania, Toledo, Ohio 43612, on May 2, 1989, from 9:00 a.m. to 12:00 p.m. For further information contact Michael Cruse or Nanci Rosenbloom at Hertzberg & Golden, P.C., 344 N. Woodward, 2nd Floor, Birmingham, Michigan (313) 540-8282.

PRODUCTION

Car output holds firm; trucks slip

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

U.S. automakers scheduled last week's car output at 160,258, 0.77 percent below the previous week's 161,498, which was the highest week's output so far this year.

The prior week's output was the highest since the week ending Dec. 17, 1988, when 168,519 cars were built.

Last week's targeted production dipped 1.62 percent from the year-ago week's build of 162,905.

So far this year, 2,540,569 cars have been assembled, 8.48 percent more than the 2,341,932 completed last year at this point.

Companies split last week's scheduled output as follows: General Motors, 49.64 percent; Ford Motor Co., 24.07 percent; Chrysler Motors, 12.54 percent; Honda of America Manufacturing, 4.84 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.09 percent; New United Motor Manufacturing Inc., 2.50 percent; Nissan Motor Manufacturing Co. U.S.A., 1.29 percent; Toyota Motor Manufacturing U.S.A., 1.25 percent; and Diamond-Star Motors, 0.78 percent.

Truckmakers slated output at 87,991 units last week, 5.10 percent below the prior week's 92,718 and 0.12 percent short of the year-ago week's 88,094.

Year-to-date, 1,523,766 trucks have been assembled, 7.00 percent more than the 1,424,128 built last year at this time.

Overtime was slated last Friday at GM's Janesville, Wis., plant.

GM scheduled overtime last Saturday at its Oklahoma City and Lordstown, Ohio, car and truck plants.

Overtime was slated last Saturday at Chrysler's Toledo, Ohio, and St. Louis (No. 2) plants.

Daily overtime was scheduled this week at Chrysler's Belvidere, Ill.; Newark, Del.; St. Louis; Toledo; and Warren, Mich., plants.

Car output up 7% in Canada

Last week's scheduled Canadian car production of 21,431 increased 7.47 percent over the previous week's 19,942 but dropped 19.73 percent from the year-ago week's 26,700.

So far this year, 338,113 cars have been completed, 13.75 percent below the 392,015 built last year at this time.

Truck output was targeted at 21,137 units last week, 0.67 percent above the prior week's build of 20,996 and 4.50 percent more than the year-ago week's 20,226.

Year-to-date, 341,748 trucks have been built, an increase of 4.91 over the 325,750 assembled last year at this time.

As reported earlier, Chrysler Motors' Bramalea, Ontario, plant was idled last week for inventory adjustment. The company said it is tentatively scheduled to resume operation today.

General Motors' had overtime scheduled last Saturday at its Scarborough, Ontario, plant.

U.S. CAR

U.S. CAR	Week Ended Apr. 29, 1989	Week Ended Apr. 30, 1988	Week Ended Apr. 22, 1989	Apr. Est.	Jan. 1 to Apr. 29, 1989	Jan. 1 to Apr. 30, 1988
Horizon	800	2,528	834	3,249	3,952	30,957
Sundance	2,000	2,091	2,504	9,259	39,354	36,552
Reliant	0	2,711	0	0	0	31,996
Acclaim	2,400	0	2,681	10,378	39,610	0
Caravelle	0	502	0	0	0	6,808
Gran Fury	0	338	0	0	0	4,134
Total Plymouth	5,200	8,170	6,019	22,886	82,916	110,447
LeBaron K	0	581	0	0	0	6,162
LeBaron J	2,600	1,638	2,757	10,793	39,315	20,990
LeBaron GTS	0	149	0	0	2,946	2,861
N. Yorker C-Class	1,700	2,725	2,112	7,459	39,912	38,397
Fifth Avenue	0	403	0	0	0	12,510
Total Chrysler	4,300	5,496	4,869	18,252	82,173	79,220
Omni	900	2,557	956	3,715	4,613	30,873
Daytona	1,800	1,565	1,804	7,379	35,978	20,100
Shadow	2,300	2,356	2,341	9,411	39,877	36,526
Aries	0	2,267	0	0	0	27,127
Dodge 600	0	500	0	0	0	6,098
Dynasty	3,200	2,270	3,373	12,642	53,683	37,660
Lancer	0	269	0	0	1,528	3,829
Spirit	2,400	0	2,769	10,208	37,394	0
Diplomat	0	605	0	0	0	7,999
Total Dodge	10,600	12,389	11,243	43,355	173,073	170,212
CHRYSLER MOTORS	20,100	26,055	22,131	84,493	338,162	359,879
Escort	8,551	9,390	8,110	33,871	115,045	117,076
Mustang	3,360	4,171	4,146	16,109	80,636	73,076
Tempo	2,950	4,571	3,082	12,732	55,520	68,287
Taurus	8,111	8,829	8,297	34,894	135,282	135,405
Thunderbird	3,466	2,934	3,276	14,247	60,562	54,423
Total Ford Div.	26,438	29,895	26,911	111,853	447,045	448,267
Topaz	1,560	929	1,428	7,261	23,858	25,755
Cougar	3,461	2,696	3,257	12,660	51,706	41,042
Sable	2,638	3,564	2,638	9,014	44,226	45,883
Total Mercury	7,659	7,189	7,323	28,935	119,790	112,680
Continental	1,433	947	1,440	5,985	24,887	15,232
Mark VII	401	481	472	1,897	9,447	8,720
Lincoln	2,651	2,874	2,853	11,713	45,657	49,905
Total Lincoln	4,485	4,302	4,765	19,595	79,991	73,857
Total L-M Division	12,144	11,491	12,088	48,530	199,781	186,537
FORD MOTOR CO.	38,582	41,386	38,999	160,383	646,826	634,804
Skyhawk	479	0	425	1,747	5,829	11,350
Skylark/Somerset	1,310	1,753	1,294	5,244	18,794	12,080
Century	2,817	2,543	2,178	9,428	41,284	29,866
Riviera	337	161	527	1,970	9,432	2,358
Electra	1,959	2,293	2,115	7,982	29,078	27,043
LeSabre (fwd)	4,960	2,958	4,960	19,855	46,479	44,103
LeSabre (rwd)	220	298	183	771	3,251	2,997
Reatta	196	164	206	598	2,378	1,631
Total Buick	12,278	10,170	11,888	47,595	156,525	131,428
Cimmaron	0	139	0	0	0	3,533
Eldorado	989	1,244	844	3,689	13,445	13,369
Seville	720	743	688	2,672	9,861	8,520
Brougham (rwd)	630	977	607	2,774	14,423	12,061
Deville (fwd)	4,800	3,624	4,872	18,844	76,238	63,419
Allante	75	65	75	225	1,153	865
Total Cadillac	7,214	6,792	7,086	28,204	115,140	101,767
Cavalier	8,133	8,786	8,271	32,323	135,361	114,971
Camaro	2,685	2,485	2,582	10,671	41,860	26,085
Celebrity	2,244	4,645	1,907	8,754	50,066	54,702
Corsica/Beretta	8,815	9,035	8,900	34,215	143,885	135,219
Caprice	4,010	3,775	3,982	17,980	69,633	65,669
Corvette	450	445	560	2,130	8,778	7,247
Total Chevrolet	26,337	29,171	26,202	106,073	449,583	403,893
Calais	2,290	3,064	2,296	9,212	32,534	36,572
Firenza	0	0	0	0	0	5,220
Cutlass Ciera	1,490	0	1,549	6,828	28,537	0
Cutlass Supreme	3,620	3,597	3,458	7,078	34,343	77,621
Toronado	202	511	180	743	3,669	6,062
88 (fwd)	3,449	3,887	3,393	13,567	53,948	55,671
88 (rwd)	160	298	151	672	2,579	4,484
Olds 98	2,344	1,621	2,066	8,749	32,632	29,152
Total Oldsmobile	13,555	12,998	13,093	46,849	188,242	214,782
Sunbird	3,786	2,356	3,781	14,373	51,917	35,907
Grand Am	5,280	5,241	5,293	21,955	85,978	81,934
Firebird	1,405	1,643	1,334	5,533	24,480	20,338
Grand Prix	4,075	3,489	4,000	16,075	50,452	36,373
Pontiac 6000	2,544	2,490	2,181	9,471	32,915	25,910
Bonneville	2,940	3,164	2,948	11,564	34,868	34,724
Safari/Parisienne	130	260	117	469	1,846	2,789
Fiero	0	456	0	0	0	6,737
Total Pontiac	20,160	19,099	19,654	79,440	282,458	244,712
GENERAL MOTORS	79,544	78,230	77,923	308,161	1,191,946	1,096,582
DIAMOND-STAR	1,254	0	1,376	4,848	14,202	0
HONDA	7,750	8,947	7,660	30,694	130,610	123,596
Civic	2,614	2,582	2,662	10,535	43,968	31,661
Accord	5,136	6,365	4,998	20,159	86,642	91,935
MAZDA†	4,959	2,515	5,125	20,147	81,648	25,190
NISSAN	2,060	2,474	2,081	8,558	38,115	30,285
NUMMI	4,000	3,298	4,161	16,074	66,108	54,312
Corolla	1,600	1,224	1,478	6,078	27,261	20,010
Geo Prizm/Nova	2,400	2,074	2,683	9,996	38,847	34,302
TOYOTA	2,009	0	2,042	7,912	32,952	0
VOLKSWAGEN	0	0	0	0	0	17,284
Golf/GTI	0	0	0	0	0	11,731
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	160,258	162,905	161,498	641,270	2,540,569	2,341,932
Total Cars, Canada	21,431	26,700	19,942	85,962	338,113	392,015
U.S., Canada Cars	181,689	189,605	181,440	727,232	2,878,682	2,733,947
U.S., Canada Cars and Trucks	290,817	297,925	295,154	1,172,272	4,744,196	4,483,825

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR

CANADIAN CAR	Week Ended Apr. 29, 1989	Week Ended Apr. 30, 1988	Week Ended Apr. 22, 1989	Apr. Est.	Jan. 1 to Apr. 29, 1989	Jan. 1 to Apr. 30, 1988
Premier	0	1,680	0	2,295	14,885	24,187
CHRYSLER MOTORS	0	1,680	0	2,295	14,885	24,187
Tempo	3,360	3,904	3,376	13,428	56,722	70,520
Topaz	1,440	1,733	1,422	5,711	23,941	23,627
Crown Victoria	2,582	2,757	2,555	10,304	45,101	47,681
Grand Marquis	3,178	2,859	3,088	12,590	51,263	47,105
FORD MOTOR CO.	10,560	11,253	10,441	42,033	177,027	188,933
Celebrity	701	338	270	1,367	3,887	6,012
Cutlass Ciera	3,215	7,270	3,690	14,364	62,002	86,749
Lumina	4,865	0	3,265	13,764	22,515	0
Pontiac 6000	0	1,434	0	0	0	17,017
Regal	0	3,847	189	3,902	24,643	55,966
GENERAL MOTORS	8,781	12,889	7,414	33,397	113,047	165,744
HONDA	1,650	679	1,702	6,562	27,709	11,020
TOYOTA	260	0	205	955	2,526	0
VOLVO	180	199	180	720	2,919	2,131
Total Cars, Canada	21,431	26,700	19,942	85,962	338,113	392,015

U.S. TRUCK☆

U.S. TRUCK☆	Week Ended Apr. 29, 1989	Week Ended Apr. 30, 1988	Week Ended Apr. 22, 1989	Apr. Est.	Jan. 1 to Apr. 29, 1989	Jan. 1 to Apr. 30, 1988
Caravan	2,400	2,262	2,488	9,527	38,198	34,110
Dakota	2,500	2,811	2,548	9,946	38,661	41,544
Mini-Ram Van	200	275	207	821	3,449	5,311
Pickups	2,500	1,424	2,558	9,959	38,654	20,370
Total Dodge	7,600	6,772	7,801	30,253	118,962	101,335
Cherokee	5,400	3,803	5,464	20,829	78,398	59,161
Commanche	600	1,046	645	2,471	11,457	16,226
Grand Wagoneer	300	350	345	645	5,028	4,865
Wagoneer	100	293	181	720	3,299	4,324
Total Jeep	6,400	5,492	6,635	24,665	98,182	89,776
Voyager	2,200	2,127	2,325	8,915	36,636	31,410
Total Plymouth	2,200	2,127	2,325	8,915	36,636	31,410
CHRYSLER MOTORS	16,200	14,391	16,761	63,833	253,780	222,521
Aerostar	4,960	4,504	5,698	21,377	84,910	7[illegible],937
Bronco	1,470	1,280	1,600	6,122	29,988	20,921
Bronco II	2,472	2,517	2,321	10,222	46,159	48,585
Econoline	5,248	5,246	5,061	20,472	84,534	84,961
Heavy trucks	1,466	1,462	1,680	6,181	23,812	22,898
Light trucks	11,737	10,406	12,543	47,877	188,389	173,636
Ranger	6,680	7,878	6,807	28,401	122,955	123,932
Total Ford Div.	34,033	33,293	35,710	140,652	578,747	550,870
FORD MOTOR CO.	34,033	33,293	35,710	140,652	578,747	550,870
Astro	3,280	3,635	3,309	13,763	59,104	59,212
Blazer	515	710	648	2,395	9,583	9,313
Mediums/Heavies	0	442	0	0	1,312	5,903
P-Model	849	832	830	3,223	11,150	13,277
Pickups	6,725	6,719	7,171	27,486	138,079	110,638
S-10	4,440	5,442	4,847	19,360	96,004	96,509
S-10 Blazer	3,746	3,173	3,925	15,481	65,804	53,651
Sportsvan/Van	2,121	2,232	2,428	8,816	33,357	26,666
Suburban	1,437	1,842	1,774	6,506	26,645	24,389
Total Chevrolet	23,113	25,027	24,932	97,030	441,038	399,558
Jimmy	143	127	177	618	2,860	2,945
Mediums/Heavies	0	865	0	0	1,496	15,126
P-Model	66	169	86	342	1,456	1,464
Pickups	2,882	2,338	2,834	11,526	41,939	35,570
S-15	1,164	1,863	1,306	4,943	22,789	23,078
S-15 Jimmy	924	1,466	1,140	4,339	18,731	13,759
Safari	731	932	1,072	3,768	14,725	15,274
Suburban	501	664	702	2,495	10,682	12,400
Vandura/Rally Vans	818	740	605	2,692	9,087	13,779
Total GMC	7,229	9,164	7,922	30,723	123,765	133,395
GENERAL MOTORS	30,342	34,191	32,854	127,753	564,803	532,953
NAVISTAR	1,786	1,879	1,782	7,229	29,512	29,714
NISSAN	2,180	1,590	2,161	9,316	44,354	41,870
AM GENERAL	450	450	450	1,800	7,470	7,560
MISCELLANEOUS	3,000	2,300	3,000	12,000	45,100	38,640
Total Trucks, U.S.	87,991	88,094	92,718	362,583	1,523,766	1,424,128

CANADIAN TRUCK

CANADIAN TRUCK	Week Ended Apr. 29, 1989	Week Ended Apr. 30, 1988	Week Ended Apr. 22, 1989	Apr. Est.	Jan. 1 to Apr. 29, 1989	Jan. 1 to Apr. 30, 1988
Caravan	3,101	3,176	3,191	13,079	52,449	51,095
Mini-Ram Van	339	345	272	1,277	3,803	4,787
Ram Wagon	732	567	661	2,079	9,906	8,253
Ram Van	1,618	1,540	1,707	5,061	25,481	20,758
Total Dodge	5,790	5,626	5,831	21,496	91,639	84,893
Voyager	2,704	2,848	2,793	11,570	45,718	47,234
Total Plymouth	2,704	2,848	2,793	11,570	45,718	47,234
Wrangler	1,700	1,111	1,857	7,275	27,757	17,333
Total Jeep	1,700	1,111	1,857	7,275	27,757	17,333
CHRYSLER MOTORS	10,194	9,587	10,481	40,341	165,114	149,480
FORD MTR. (lt. trks.)	3,648	3,501	3,613	14,358	58,485	60,661
Light trucks	2,705	3,632	2,477	9,858	52,977	53,422
Vans	1,520	1,198	1,345	5,630	23,250	20,858
Total Chevrolet	4,225	4,830	3,822	15,488	76,227	74,280
Light trucks	2,175	1,263	2,042	8,464	26,255	26,047
Vans	625	819	765	2,730	11,442	11,627
Total GMC	2,800	2,082	2,807	11,194	37,697	37,674
GENERAL MOTORS	7,025	6,912	6,629	26,682	113,924	111,954
NAVISTAR	270	226	273	1,076	4,225	3,675
Total Trks., Canada	21,137	20,226	20,996	82,457	341,748	325,750
U.S., Canada Trks.	109,128	108,320	113,714	445,040	1,865,514	1,749,878

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Kia chief: Ford 4x4 is not planned

By Matt DeLorenzo and David Versical
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — The president of Kia Motors last week confirmed that his company is no longer pursuing a joint project to develop and export a small sport-utility to Ford dealers in the United States.

President Sun-Hong Kim said talks between Kia and Ford Motor Co. have ended. Speaking through an interpreter, Kim said that Kia has given up hope of exporting the vehicle, known by the code name UW52, to Ford.

His comments echoed sources who had said previously that Ford has dropped plans to import the vehicle (Automotive News, March 20, 1989). Instead, Ford had been looking closely at having a small sport utility produced by a North American coach builder.

An industry source said last week, however, that Ford is again reassessing its strategy and may decide to build the vehicle itself.

Ford is said to be anxious to bring the project to market to match arch-rival Chevrolet, which this year introduced its own small 4x4, the Geo Tracker. There is also concern that the segment could be saturated by the time the Ford entry would make it into the showrooms, in the early 1990s.

Sun-Hong Kim

Sources in Korea and the United States have said that Modern Engineering, a prototype firm based in Warren, Mich., has a contract to do work on the project.

Though the sport-utility deal is off, Kim said his company is satisfied with Ford's handling of its Festiva subcompact and will continue to rely on the U.S. automaker to market Kia's products in North America. As a result, Kia has no plans to set up its own U.S. distribution network, Kim said.

Ford owns a 10 percent stake in Kia.

"The Festiva is very successful," Kim said.

see KIA, page 52

RICK COLES
NADA President Ron Tonkin is interviewed at a Miami television station — just another stop in a nine-day media tour of Florida designed to improve the image of car dealers

TONKIN: *NADA president takes to the road to bolster dealer morale, image*

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

MIAMI — Ron Tonkin listens patiently as a Central Florida woman complains to several thousand listeners about the arrogance, dishonesty and treacherousness of car dealers.

The woman had wanted to buy an inexpensive car. When she thought the deal was done, the salesman told her she would have to put another $500 down to satisfy the banks. The woman walked.

"Do they think we're stupid or something?" the faceless consumer demands of Tonkin on a radio call-in show.

Tonkin, a successful dealer with 12 franchises around Portland, Ore., is dressed impeccably in dark suit, gold-rimmed glasses and a massive headphone set. He is on Day Six of a nine-day media tour through Florida. The president of the National Automobile Dealers Association came to tell the populace that car dealers are getting the short end of the car-business stick these days.

If the mass of Americans would rather talk about the pains of buying a car, his audiences of dealers throughout the country often respond to him viscerally.

Ron Goodman, a Denver Buick-GMC Truck-Nissan dealer, was one of these listed without permission as one of Tonkin's Rough Riders, the group set up to support Tonkin's case against the automakers.

At a dinner during Tonkin's stop in Denver, Goodman heard the call. "I came away a supporter," he said. "I'm behind the NADA, and I'm behind Ron Tonkin."

All over the country, groups of five or 10 dealers find themselves in animated discussions with Tonkin over what they consider factory abuses.

Tonkin finds it trickier to get the same enthusiasm from consumers.

It's the automakers — not the dealers — whose profits are soaring, he tells reporters and audiences over and over. It's the automakers — not the dealers — who are confusing buyers with rebates and finance buydowns. It's the factories whose aggressive retail policies are threatening to run the average dealer out of business.

The Florida woman goes on about how a deal's a deal, and her dealer lied to her. Observers in the studio expect Tonkin to wince: I flew 2,000 files for this? But Tonkin actually seems to enjoy the complaint.

He leans into the microphone to express sympathy.

see TONKIN, page 52

Industry braces for new laws

By Arthur Flax, Jack Keebler and Roger Howand
AUTOMOTIVE NEWS STAFF REPORTERS

WASHINGTON — Predictions of an oil crisis and tightened fuel economy and emission standards mean the government may be getting back into the auto business.

Legislators and government officials warned automakers last week at the Society of Automotive Engineer's annual government/industry meeting that something will be done this year to attack real and perceived environmental problems and the automobile is on the agenda.

Automakers trotted out alternate fuel vehicles ranging from methanol to electric power and even one manufacturer, General Motors, sponsored a methanol-fuel rally from Detroit to Washington to show it is willing to cooperate.

But how cooperative they will be in the long run depends on how far the government wants to go in raising fuel economy laws or clamping down on tailpipe emissions.

Recent events, such as rising gasoline prices as a result of the Alaskan oil spill, cutbacks in production by the Organization of Petroleum Exporting Countries and growing concern over possible global warming trends lent an air of urgency to the meeting.

Sen. John D. Rockefeller, D-W.Va., the keynote speaker, told the engineers he expects an energy crisis within the next 12 years. He said next time OPEC's pinch on oil will be even tighter than it was in the 1970s.

"We don't need to see precisely how it might be triggered, whether through renewed action by OPEC, an oil cutoff in the Persian Gulf, disruption in Mexico or Venezuela or an Exxon type of spill. The truth

see SAE, page 51

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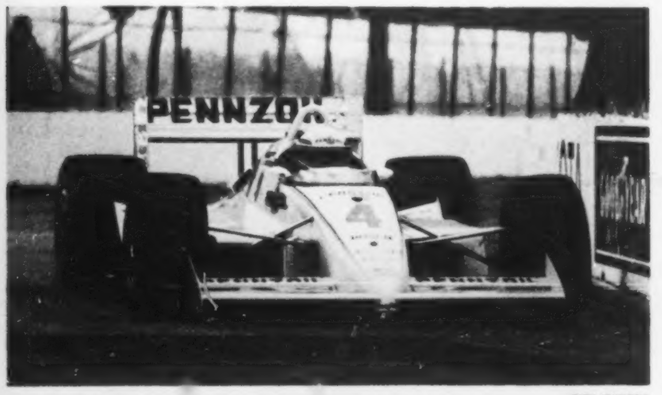
DICK JOHNSON
Rick Mears in the Penske-owned, Chevrolet-powered Indy car

RACING

GM may limit competition between divisons in bid to win

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

As General Motors' teams prepare to qualify this weekend for Memorial Day's Indianapolis 500 classic, they also are testing whether GM can make the business of motorsports more businesslike.

GM will be trying to repeat last year's feat of powering the three fastest cars and filling six of the first seven spots with Chevrolet-engined racers.

Considering GM's expensive, high-profile racing effort, it is surprising that until recently its participation was described by one insider as a helter-skelter effort.

Although GM officials are reluctant to talk about racing budgets, those associated with the series in which GM competes estimate the company spends $25 million to $30 million annually.

GM wants to dominate U.S. racing and believes one of the first ways to do so is by organizing the efforts of its divisions, subsidiaries and operating units involved in racing.

Each has been asked to participate in what has been dubbed "GM's teamwork and technology of motorsports."

GM has officially pursued racing for a short time. It has acknowledged its participation in motor-

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Big 3 set records for sales, profits

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chrysler Corp.'s record sales and its 91 percent profit increase for the first quarter boosted Big 3 results to their best level for any quarter.

Part of the reason for the sales record is that a new accounting standard, effective the last quarter of 1988, inflated sales by requiring that the results of financial subsidiaries be consolidated with parent company totals. Even so, this year's first quarter surpassed the restated sales for the first quarter of 1988.

Combined sales for the Big 3 for the first three months of this year were $69.1 billion, up 12 percent from the restated sales of a year earlier. Minus the sales from the automakers' financial subsidiaries, total industry sales were $61.3 billion, compared with $54.9 billion in the first quarter of 1988.

Combined income for the Big 3 was $3.5 billion, a 22 percent improvement over the first quarter of 1988, when the total was $2.9 billion.

Chrysler last week announced its net earnings for the quarter were $351 million, compared to $184 million in the year-ago quarter. Income in the first quarter of 1988 was reduced by a $93 million provision for plant closings in the company's Acustar Division.

Despite a higher cost of borrowing, Chrysler Financial Corp. said its first-quarter earnings of $65 million matched its 1988 first-quarter record.

By contrast, both Ford Motor Co.'s financial services operations and General Motors Acceptance Corp. saw their earnings slide because of of the higher interest rates they had to pay for their funds.

Growth in receivables offset the effect of higher interest rates at Chrysler, a company spokesman said.

Chrysler Corp. Chairman Lee Iacocca said Chrysler's first-quarter performance was helped by "a richer product mix," including Plymouth Acclaim, Dodge Spirit, Chrysler New Yorker and Dodge Dynasty and strong minivan and Jeep sales. Better cost management also helped, he said.

With the phasing out of the K-car, Chrysler's U.S. car market share fell to 10.6 percent in the first quarter from 12.1 percent in the first three months of 1988. But Chrysler's truck share rose to 19.6 percent from 19.1 percent. Chrysler's share of the minivan market edged up to 54.3 percent in the first quarter from 54.0 in the year-ago period.

Chrysler's North American factory sales in the first quarter were 622,825 units compared with 604,682 last year.

Dealers in the United States and Canada sold 540,584 vehicles in the first three months, down from 632,461 a year ago.

As a result, Chrysler — like Ford and GM — ended the first quarter with heavy inventories of vehicles, most in dealers' hands.

BIG 3 RESULTS

FIRST QUARTER
(In millions)

SALES	1989	1988	% change
General Motors	$33,311	$29,811	+11.74
Ford Motor Co.	25,869	23,197	+11.52
Chrysler Corp.	9,954	8,562	+16.26
TOTAL	$69,134	$61,570	+12.29
PROFITS			
General Motors	$ 1,553	$ 1,092	+42.22
Ford Motor Co.	1,637	1,623	+ 0.86
Chrysler Corp.	351	184	+90.76
TOTAL	$ 3,541	$ 2,899	+22.15

High-risk financing firms go to arbitrator

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

A dispute between two companies involved in financing high-risk retail automobile credit is in arbitration, with a third session set for May 18.

The case originated in a lawsuit filed by IDFC Inc. of Carlsbad, Calif., in Superior Court in Los Angeles against Reseda Finance Corp. of Burbank, Calif. in June 1988. IDFC charged Reseda broke its contract by not funding the dealer paper that IDFC, a marketer for Reseda, was sending it.

On Aug. 10, the tables were reversed when Reseda filed a petition for arbitration. The court stayed IDFC's lawsuit Oct. 18.

Reseda is seeking damages resulting from lost profits and damage to its reputation, said M. Edward Franklin, Reseda attorney. He said IDFC's charge that Reseda did not fund some contracts is false. "All paper left with Reseda has been funded," he said.

Last week, the California secretary of state's office said it had no current record of IDFC. In addition, IDFC's advertised phone numbers were disconnected and Pacific Bell had no current listing.

Gary Tabb, who said he was "affiliated with IDFC," said in an interview last week that the principals of IDFC lost their savings trying to salvage their company, and IDFC can't afford a lawyer.

Tabb said that during one of the arbitration sessions, he learned that IDFC had missed the deadline for filing a cross demand, without which the arbitrator can't find in IDFC's favor.

But at his discretion, the arbitrator may allow IDFC to file a cross demand at the session scheduled for May 18, said Reseda's Franklin.

Reseda claims IDFC caused its own problems by giving final approval to contracts, in violation of the agreement.

In its document seeking arbitration, Reseda said IDFC was supposed to obtain automobile sales and lease finance contracts from car dealers, then provide the contracts to Reseda to be funded.

But IDFC went too far, according to Reseda. The document charges that IDFC accepted sign-up fees from dealers who believed they were paying Reseda for guaranteed financing and exclusive rights in specific areas.

IDFC was also supposed to advise Reseda of how much funding was needed so Reseda could secure it, Franklin said. But IDFC didn't keep Reseda informed of its funding needs, he said.

Tabb said Reseda is blaming IDFC because Reseda couldn't come up with the funds.

The arbitrator, Thomas W. Clarke, last week declined to comement on the case.

James C. Borlaug, a director and last-known chief executive officer of IDFC, was located at a phone number listed for First Fidelity Acceptance Corp., whose articles of incorporation listed Tabb as a director, but Borlaug did not return phone calls placed by Automotive News.

Nissan says Italy accepts U.K. Bluebirds

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Nissan Motor Co.'s United Kingdom subsidiary said it is shipping British-built Bluebird sedans to Italy without restriction. But the Italian government denies it has backed down from its previous demand that the units be included in its quota for Japanese cars.

Last month, France agreed to allow British-built Nissans into that country without counting them against the government's quota on Japanese cars.

Previously, French officials refused to consider United Kingdom-built Nissans as European cars until they achieved 80 percent local content. The cars currently have about 70 percent European content, and Nissan promises to raise that to 80 percent by 1990, a year ahead of schedule.

The Italians, meanwhile, said they have not changed their position — they do not view the Bluebird as a European car. They added that any shipments in excess of 1989's quota will be counted against next year's limit.

Nissan, which two years ago opened an assembly plant in Washington, England, began exporting to the Continent last fall.

Italy limits the Japanese to shipping 2,550 units annually from Japan and 14,000 Japanese cars from other European markets.

"Basically, we've got no problems shipping and selling cars in Italy," said a Nissan spokeswoman in London. "We've been shipping according to our plan and they haven't been stopped."

She said the company has sold 558 cars in Italy this year, compared with its quota of 156 cars. In the January-March period, she said, Nissan in Britain exported 1,160 cars to Italy and plans to ship 3,164 during the calendar year.

Renato Ruggeiro, Italy's foreign trade minister, last week denied the government has backed down from its earlier position.

But a Fiat spokesman in Turin said the Italian government has decided not to set a rigid cutoff. Units in excess of the quota will be counted against next year's limit, he said.

"The government denies that there was any kind of an agreement, informal or otherwise, with the British government," said the Fiat spokesman.

In France, Japanese cars are limited to 3 percent of the total market — in 1988, that was 66,000 units. Nissan has shipped 3,000 cars this year to France from England.

Automotive News

'89
All Stars

Time to vote for All-Stars

Readers will pick 28 auto standouts

Dust off your scouting reports. Look over the talent. Get ready to select the Automotive News 1989 All-Star Team.

As an Automotive News reader, you are eligible to vote for persons in the worldwide automotive industry — vehicle manufacturers, vehicle importers, suppliers, auto dealers — who you believe deserve special recognition for jobs well done during the past year.

There are 28 positions listed on the ballot that appears on Page 32. They include: Chief Executive Officer — North America, Europe, Asia; Chief Operating Officer — North America, Europe, Asia; Division/Group General Manager — North American Company, European Import Company, Asian Import Company.

Positions also include these automotive specialties: Design, Engineering, Product Planning, Manufacturing, Purchasing, Finance, Marketing/Sales, Service/Parts, Truck Operations, Dealer Relations, Government Relations, Labor/Industrial Relations, Advertising, Public Relations, International Relations, Rookie of the Year, Dealer of the Year, Supplier Executive of the Year, Industry Leader of the Year.

see ALL STARS, page 32

Johnson Chevy sold in Texas

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

The former Johnson Chevrolet of Richardson, Texas, Chevrolet's largest-volume retail dealership in 1987, has been purchased by a Kansas megadealer.

Cecil Van Tuyl of Mission Hills, Kan., with his son, Larry, is an investor in 27 dealerships in eight states. He is a majority investor in 18 of those outlets, including the former Johnson Chevrolet.

Van Tuyl is a relative newcomer to the Texas scene. Just over a year ago, he purchased Crest Cadillac in Richardson, Texas. Last December, he bought Toyota of Richardson.

Van Tuyl

He also is moving an Oldsmobile franchise next door to Crest Cadillac, although a neighboring Oldsmobile dealer, Jim Allee, is protesting to the Texas Motor Vehicle Commission that it would put two Oldsmobile stores too close to each other.

Van Tuyl is operating the former Johnson Chevrolet as Reliable Chevrolet.

The dealership's general manager is Thomas Ryan. Ryan once was affiliated with Jim Johnson, former principal of Johnson Chevrolet, in an Austin, Texas, Chevrolet dealership. The partnership ended about six months ago, and Ryan was brought in by General Motors Acceptance Corp. to run Johnson Chevrolet. Jim Johnson continues to operate the Austin dealership.

Johnson Chevrolet was taken over by GMAC last September. The dealership owed GMAC millions of dollars. GMAC had been running the dealership as Patlan Chevrolet since taking it over last fall. At the same time, GMAC was searching for a buyer.

Shortly after the dealership was seized by GMAC, Johnson Chevrolet was placed in Chapter 7 involuntary bankruptcy after three Dallas-area newspapers filed petitions in U.S. Bankruptcy Court. The papers said the dealership owed them a total of more than $238,000.

Van Tuyl, who started as a Chevrolet dealer in Kansas in 1955, declined to reveal details of the Johnson Chevrolet transaction, including the purchase price. He did say he did not assume any of Johnson Chevrolet's debt, which sources had placed at $10 million to $15 million.

Correction

A headline in the May 1 issue should have said that Pontiac will shift its STE designaton to the Grand Prix for the 1990 model year, not the Grand Am. Pontiac's all-wheel-drive layout will remain on the 6000 in the 1990 model year. Pontiac officials said the 6000 won't be dropped after the 1990 model year as the story stated, though they would not give a date for its elimination from the lineup.

Worker screening gives edge

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

As two transplants add second shifts this month, an industry survey indicates both will have more long-term success with their work forces than older plants because of new recruitment procedures.

Diamond-Star Motors, the Mitsubishi Motors-Chrysler Notors joint-venture in Normal,Ill., begins a second shift this week that will eventually employ 1,000 workers, while in Georgetown, Ky., Toyota Motor Manufacturing has just completed training about 1,125 workers who will form a second shift this month.

Both plants are less than a year old. The second shifts will increase Toyota's work force to 2,800 and Diamond-Star's to 2,400.

The companies received state assistance in recruiting and screening employees and conducted extensive employee screening programs. According to an unpublished study by a national personnel consulting firm, that now-standard practice among transplants will probably give the companies long-term advantages over other companies in work force stability and efficiency.

"The company that pre-screens workers not only ends up with a more qualified employee for the immediate job, but there are apparently other, longer-term benefits that will become apparent several years down the road," said Mark Lifter, partner-in-charge at Arthur Andersen & Co.'s human resources consulting group in Detroit.

"Applicants typically demonstrate in the (screening) process that they can communicate better, work in groups and make decisions," he said.

Lifter's group recently completed a six-month study of employee screening practices at automotive plants to determine if they

see 2ND SHIFT, page 49

AUTOMOTIVE NEWS/JOE WILSSENS

Hyundai Chairman Chung Se Yung: Carefully studying overcapacity in U.S.

Hyundai reaches high in niche and capacity

By Kathleen Hamilton
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Korean automaker Hyundai is not ready to follow the Japanese into U.S. assembly because, as Chairman Chung Se Yung sees it, as many as 15 U.S. assembly plants may close within three years.

"Your demand is not increasing rapidly; however, you have about 2 million cars excess capacity coming in two to three years' time. So we're going to watch how that will be emerging, then we'll decide what to do here," he said.

Hyundai Motor Co. recently started up its new, highly automated plant in Bromont, Ontario, though, and plans to reach full capacity of 100,000 units annually by 1991 — at nearly the same cost of production as in Korea.

Chung and other Hyundai executives in Detroit for a U.S. government-sponsored conference on selling auto parts to the Koreans repeatedly emphasized that Korea is losing its status as low-cost producer.

"I think our wages will double in three years' time," said Chung, 62, chairman of both the parent Hyundai Group and Hyundai Motor Co. "Our wages average about $1,100 (U.S.) per month. That's very high."

One result is a booming Korean domestic market, which now accounts for 50 percent of Hyundai output, compared to 61 percent two years ago.

"In 1987, our (domestic) car market grew 48 percent from the previous year; last year it was only 35 percent because of short supplies because of labor disputes. But this year, if we can supply enough, we can expand 50 percent over last year, easily," Chung said.

Korea's shift in economy has another impact for Hyundai: It necessitates a shift in product.

The new intermediate-sized Sonata is one step along this path; a 2+2 based on a new Excel will be another.

"With Mercedes Benz, you are paying 100 percent for the car, 200 percent for the star," Chung laughed. "Toyota is the same, Honda is the same. So, when we build up our brand name, then naturally we can go up, too. So this is only a start."

He continued: "We hear a lot about our Sonota in the United States from our dealers. The qual-

see CHUNG, page 49

Chinese put brakes on Audi kit deal

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Shipment of Audi 100/200 kits to China under a licensing agreement signed last summer has been held up pending Chinese government approval for necessary hard currency payments.

But VW officials in Wolfsburg denied that the project with First Automobile Works in the city of Changchun has been stymied by ongoing student protests in China.

Students are demanding greater democracy and an end to what they perceive as the privileges of the Communist Party elite and corruption in government. While the government is resisting demand for greater democracy, it apparently offered a ban on the import of luxury cars as part of its initial response to the unrest, sources said.

But like most government pronouncements, the immediate impact of the announcement is unclear. Although Mercedes-Benz and VW each have small operations in China to assemble knockdown kits, the cars are still perceived by the Chinese as imports.

Meanwhile, substantive talks aimed at setting up a separate joint auto production venture in Changchun are being conducted. A delegation from First Automobile Works is visiting Wolfsburg.

The two sides are discussing the construction of a factory to build 150,000 Volkswagen cars annually, beginning in 1996. The vehicles would be for Chinese and export markets.

Volkswagen AG signed a series of agreements with First Automobile Works last year, covering licensing of the Audi 100/200, delivery of necessary tools and supplies, and delivery of parts for local assembly. The two sides also agreed to enter negotiations aimed at a second phase, which calls for construction of a new assembly plant.

The first 500 Audi kits were shipped to Changchun for assembly last summer and production was completed by November. Since that time no additional CKD units have been sent. VW plans to export another 2,000 Audi kits to China this year but the timing will depend on the central government's authorization for the funding.

The schedule announced with the signing of the licensing agreement last summer called for raising Audi output to 30,000 units annually by 1992.

A VW spokesman in Wolfsburg said there has been no delay in the timetable: "We are talking with the Chinese people about the time for shipment. It is still planned for this year, it is just a problem of financing it. They need permission from the government in Beijing because they have to pay in foreign currency. It has taken time, but it is no slower than expected."

He also said the current delay is unrelated to ongoing disturbances in China.

"The problems with the students are concentrated in Beijing, and Changchun is several hundred kilometers north of Beijing," he said.

The Changchun factory also produces a light-duty utility vehicle and the so-called Red Flag passenger car.

Volkswagen is moving forward in its negotiations with First Automobile Works on a separate joint venture in the same city.

He said a German delegation is planning a lengthy visit to China, probably in the early fall, to continue the talks. He said discussions now center on a "medium-sized" VW model, not an Audi. He said the model has not been decided.

Unlike the Audi licensing deal, he said it would be a joint venture in a new factory in Changchun, with Volkswagen holding a minority share.

Automotive News Staff Correspondent Stephen Vines in Hong Kong contributed to this report.

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Automotive News expands used-car data

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Wholesale prices of late-model used cars have climbed steadily since February, collectively posting gains of about $200 per month. The figure is based on auto auction reports to the NADA Official Used Car Guide.

The National Automobile Dealers Association unit will provide data on auction prices starting this week in Automotive News.

The new graphs will provide the same information as the ones Automotive News has published for more than two decades. The difference is that NADA's data base is larger.

Lynn Weaver, editor of the guide, said the market is lagging slightly compared to the same period in 1988. But he characterized the market as strong overall.

He cited a later break in the weather this spring and confusion in the new-car retail market as reasons for the slow start.

"Days' supplies of new vehicles are up and incentives are back in full force," he said. "More of the imports are playing the incentive game and have buyback programs."

Prices have eased from last year's because of the influx of a larger number of late-model import cars involved in buyback programs, said Weaver.

In those programs, automakers either sell vehicles to the rental-car companies and then buy them back or give the rental companies a guaranteed rate of depreciation.

If the vehicles are repurchased by the automakers, they are remarketed to dealers through auctions. Under the guaranteed depreciation program, the rental companies sell them at auction and the auto manufacturers make up the price difference.

Also, as new-car retail sales soften, there are fewer trade-ins, which indirectly affects the wholesale market.

Most surprising is the continued strength of 1989 models. They have risen an average of almost 15 percent in price since February. As more 1989s enter the market, Weaver expects prices to level out.

Meanwhile, prices for 1988 models are fluctuating downward as more vehicles enter the market.

Automotive News will publish the graphs twice a month rather than every week. They will reflect a 15-day average and a monthly average of auction prices.

Data is derived from 70 major dealer-only auto auctions reporting to the NADA Official Used Car Guide every week. Those auctions deal in late-model vehicles that will eventually be sold at retail.

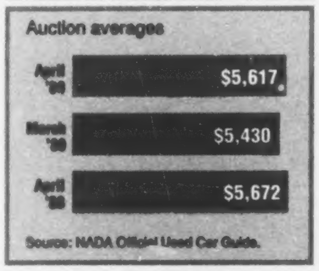
"This information will give Automotive News readers an opportunity to follow trends in the wholesale used-car market," said Weaver.

"It will reflect overall trends, not individual prices or local markets. It is a barometer of the used-car market."

A bar graph will show current month-to-date price average, month-ago price average and year-ago price average.

All types of vehicles sold at auctions are used in the samples, from high-dollar luxury cars to compact vehicles. "Any vehicle we get from the auto auctions except as-is or salvage vehicles go into the sample," Weaver said.

Used car sales



Source: NADA Official Used Car Guide.

Model breakdown

Year	April 1989	March 1989	Feb. 1989
1989	$11,334	$10,807	$9,854
1988	8,403	8,540	8,521
1987	6,410	6,337	6,101
1986	5,514	5,435	5,226
1985	4,457	4,399	4,184
1984	3,661	3,606	3,520
1983	2,843	2,872	2,675
1982	2,159	2,156	2,063
Overall Average	$5,617	$5,430	$5,234

Source: NADA Official Used Car Guide.

DOMESTIC CAR SALES

	Apr. 21, to Apr. 30, 1989	Same Period, 1988	Apr. 1989	Same Month, 1988	Jan. 1, to Apr. 30, 1989	Same Period, 1988
Alliance	0	229	0	543	0	2,990
Eagle	0	64	0	149	0	1,059
Premier	1,298	1,432	3,596	3,393	14,750	9,768
Total Eagle	1,298	1,725	3,596	4,085	14,750	13,817
Horizon	1,059	2,065	2,862	5,012	10,630	16,698
Laser	694	0	1,638	0	4,424	0
Sundance	2,745	3,105	7,109	7,208	27,275	25,539
Turismo	0	56	0	150	0	668
Reliant	1,212	4,172	3,497	10,701	13,335	47,421
Acclaim	3,289	0	9,139	0	22,771	0
Caravelle	20	518	58	1,482	377	7,645
Gran Fury	44	668	230	1,394	1,237	4,371
Total Plymouth	9,063	10,584	24,533	25,947	80,049	102,342
LeBaron K	19	1,001	79	2,674	477	10,434
LeBaron J	3,806	3,519	9,579	8,495	29,665	38,769
LeBaron GTS	165	581	490	1,485	2,001	5,970
Fifth Avenue	432	1,426	1,410	4,010	5,609	22,215
New Yorker C	3,430	2,406	9,465	5,178	35,427	18,102
New Yorker E	4	503	17	1,557	78	13,343
Total Chrysler	7,856	9,436	21,040	23,399	73,257	108,833
Omni	999	1,975	2,753	4,876	10,442	15,562
Shadow	2,495	3,277	6,485	7,803	26,778	29,332
Charger	0	72	0	147	0	649
Daytona	3,271	2,994	8,431	7,076	25,127	25,473
Aries	1,113	4,058	3,215	10,678	12,776	41,347
Lancer	90	341	293	850	1,217	3,936
Spirit	2,585	0	7,145	0	19,622	0
Diplomat	75	1,139	211	2,933	1,787	7,748
Dynasty	4,146	2,623	11,041	5,940	41,935	22,748
Dodge 600	23	464	78	1,436	382	6,874
Total Dodge	14,797	16,943	39,652	41,739	140,066	153,669
CHRYSLER MOTORS	33,014	38,688	88,821	95,170	308,122	378,661
Escort	8,691	10,938	27,078	28,643	114,996	120,702
Mustang	6,081	6,877	19,192	17,617	65,606	66,964
Tempo	6,152	9,411	21,172	22,671	80,955	94,921
Taurus	11,496	13,406	35,070	32,836	118,345	134,737
Thunderbird	4,057	4,381	12,897	10,811	43,289	44,748
Probe	4,371	1,496	11,325	3,354	41,255	5,755
Crown Victoria	3,192	3,827	9,745	9,816	35,225	40,689
Total Ford Div.	44,040	50,336	136,479	125,748	499,671	508,516
Lynx/Tracer	1,686	2,514	5,262	5,224	18,230	20,935
Topaz	2,542	3,324	8,148	7,423	31,958	27,795
Sable	3,680	5,379	12,685	10,861	38,592	42,030
Cougar	3,260	4,470	10,799	10,225	35,681	39,051
Grand Marquis	3,163	4,178	9,376	10,336	36,245	38,972
Total Mercury	14,331	19,865	46,270	44,069	160,706	168,783
Continental	1,499	1,459	5,052	3,585	19,559	14,085
Lincoln	3,235	5,068	11,982	10,853	37,732	40,692
Mark VII	733	842	2,351	1,920	8,628	7,644
Total Lincoln	5,467	7,369	19,385	16,358	65,919	62,421
Total L-M Division	19,798	27,234	65,655	60,427	226,625	231,204
FORD MOTOR CO.	63,838	77,570	202,134	186,175	726,296	739,720
Skyhawk	767	1,238	2,051	2,752	6,967	11,387
Somerset/Skylark	2,094	1,762	5,830	3,808	19,455	19,194
Century	5,390	3,474	12,441	8,358	47,419	38,523
Regal	3,083	3,996	7,636	9,627	26,942	39,716
LeSabre	5,028	5,134	12,155	11,520	38,464	55,013
Reatta	420	180	847	308	2,516	825
Electra	2,502	2,129	6,786	4,755	26,029	28,260
Riviera	1,191	238	2,486	788	6,877	3,747
Total Buick	20,475	18,151	50,232	41,916	174,669	196,665
Cimarron	0	309	15	659	227	2,514
Allante	81	177	278	325	1,101	1,134
Seville	658	1,430	1,992	2,281	8,022	6,977
DeVille	5,041	7,304	15,512	14,796	56,567	52,826
Brougham	961	1,849	3,072	4,080	12,227	13,631
Eldorado	958	1,469	2,895	2,983	10,925	9,261
Total Cadillac	7,699	12,538	23,764	25,124	89,069	86,343
Chevette	0	3	0	16	0	161
Geo Prizm/Nova	2,821	4,764	7,119	11,568	17,980	45,025
Cavalier	8,453	9,550	25,596	25,126	98,458	96,473
Camaro	4,016	3,686	12,205	9,640	36,910	32,562
Celebrity	5,098	8,501	18,022	21,896	74,978	93,184
Corsica/Beretta	11,245	13,803	33,197	36,427	119,964	137,547
Monte Carlo	586	1,271	586	3,536	1,444	15,216
Caprice	4,898	5,499	15,292	13,795	49,850	54,215
Corvette	663	930	1,930	2,446	6,267	8,634
Total Chevrolet	37,780	48,007	113,947	124,450	405,851	483,017
Firenza	1	546	1	910	9	5,132
Calais	3,171	3,694	8,718	8,214	30,459	34,050
Cutlass Ciera	6,505	8,063	18,380	18,347	67,137	77,798
Cutlass Supreme	2,640	3,811	6,852	8,818	34,298	35,276
Olds 88	4,698	6,194	13,753	14,623	48,707	61,542
Olds 98	2,322	2,701	6,787	5,628	24,189	26,607
Toronado	218	980	588	1,688	2,797	5,597
Total Oldsmobile	19,555	25,989	55,079	58,228	207,596	246,002
Fiero	129	894	327	2,107	1,264	9,975
Pontiac 1000	0	0	0	5	0	118
Sunbird	3,838	3,001	10,133	7,137	30,470	27,580
Firebird	2,693	2,557	7,492	6,155	21,516	21,725
Grand Am	7,124	8,452	17,910	20,676	66,472	60,880
Pontiac 6000	2,854	3,976	7,460	9,545	25,006	34,328
Grand Prix	3,778	3,645	10,285	9,445	46,735	26,681
Bonneville H	3,231	3,566	8,994	9,315	31,045	41,659
Paris./Safari	175	268	480	568	1,466	2,528
Total Pontiac	23,822	26,358	63,081	64,953	223,974	245,474
GENERAL MOTORS	109,331	131,043	306,103	314,671	1,101,159	1,257,501
HONDA	21,439	17,512	40,844	33,860	124,678	120,026
Civic	9,236	4,809	17,600	8,688	55,587	29,566
Accord	12,203	12,703	23,244	25,172	69,091	90,460
MAZDA	1,820	1,345	4,085	2,295	14,762	8,277
MITSUBISHI	730	0	1,939	0	5,817	0
NISSAN	3,663	6,545	7,226	10,649	34,315	28,270
TOYOTA	7,615	2,200	16,292	4,115	54,535	17,053
VOLKSWAGEN	0	2,712	0	4,625	0	16,074
DOMESTIC TOTAL	241,450	277,615	667,444	651,560	2,369,684	2,565,582
IMPORT TOTAL			242,555	247,020	892,179	981,127
INDUSTRY TOTAL			909,999	898,580	3,261,863	3,546,709

*—U.S.-built Volkswagen models sold after June 30, 1988, are included in import totals.

April sales up despite late slide

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Domestic car sales declined in late April despite a round of incentives from automakers that are the most generous in two years and were expected to bring buyers into the showrooms in bigger numbers.

Domestic car sales for the eight selling days in the April 21-30 period slipped 13.03 percent to 241,450 from 277,615 for nine selling days last year. The daily selling rate was 30,181 this year, compared to 30,846 last year, a 2.16 percent drop.

Industry car sales for the full month totaled 909,999, up 1.27 percent over 898,580 in April 1988.

Sales for domestic automakers were 667,444 for the month, up 2.44 percent from 651,560 a year ago. Import sales dropped to 242,555, down 1.81 percent from 247,020 in April 1988.

"April was good but not exceptional," said Perry Krabbenhoft, owner of Krabbenhoft Chevrolet-Pontiac-Buick in Northwood, N.D. "All of a sudden, it slowed down. Even our shop has slowed to a standstill."

Despite the spate of incentives offered by automakers, industry car sales for the first four months of the year fell 8.03 percent to 3,261,863 from 3,546,709.

Domestic car sales eased 7.64 percent to 2,369,684 from 2,565,582 in 1988. Import car sales skidded 9.07 percent to 892,179 from 981,127.

Ford Motor Co. was the only one of the Big 3 to report a sales gain in April; its dealers delivered 8.57 percent more cars than they did a year ago.

General Motors' sales were off 2.72 percent, and Chrysler Motors suffered a 6.67 percent decline for the month.

Conversely, three of the transplants moved up for the month. Sales of U.S.-built Hondas rose 20.63 percent; Mazda reported an advance of 78 percent; and Toyota sold almost four times as many U.S.-built autos as in 1988. Its new Georgetown, Ky., plant was the reason.

Nissan didn't share in the prosperity. Sales of Sentra models from its Smyrna, Tenn., plant declined 32.14 percent for the month.

Nissan fared better on the import side with an April increase of 9.94 percent. Honda's imports were up 30.25 percent. Hyundai sales slipped 33.19 percent in April from the year-ago total.

see SALES, page 49

MARKET SHARES, Apr. 1989

	Total Sales	Pct. of Total
SUBCOMPACT	89,769	9.86
COMPACT	167,122	18.37
INTERMEDIATE	291,386	32.03
STANDARD	115,785	12.72
SPECIALITY	3,382	0.37
IMPORT	242,555	26.65
TOTAL	909,999	100.00

IMPORTED CAR SALES

	April 1989	April 1988	4 Mos., 1989	4 Mos., 1988
Acura	12,716	10,600	43,499	39,095
Alfa Romeo	206	577	1,242	1,885
Audi	1,064	2,073	5,691	7,348
BMW	5,900	6,129	23,376	22,891
Chevrolet	12,496	8,855	36,009	39,973
Chrysler	769	797	2,559	3,202
Daihatsu	1,055	753	4,395	3,340
Dodge	3,904	4,735	13,824	18,914
Ford	6,426	5,461	25,780	23,523
Eagle	2,362	671	10,296	7,194
Honda	25,661	19,702	74,556	79,542
Hyundai	16,808	25,157	66,499	96,183
Isuzu	1,520	1,744	6,069	6,428
Jaquar	1,344	1,758	5,827	6,180
Maserati	21	98	111	347
Mazda	17,373	16,818	68,133	75,656
Mercedes-Benz	5,934	8,341	23,082	27,643
Mercury	729	947	3,281	3,214
Mitsubishi	5,347	6,054	22,546	22,327
Nissan	34,298	31,197	132,673	123,360
Peugeot	558	712	1,984	1,959
Plymouth	3,712	4,110	12,720	16,912
Pontiac	4,124	6,717	15,541	20,713
Porsche	789	1,523	2,597	5,949
Saab	2,693	2,807	10,611	12,598
Sterling	351	546	2,135	3,600
Subaru	12,529	11,535	50,307	48,033
Suzuki	414	0	2,000	0
Toyota	40,501	43,605	145,339	170,655
Volkswagen	11,388	11,922	42,076	48,343
Volvo	8,690	7,976	34,090	32,099
Yugo	873	3,100	3,331	12,021
TOTAL	242,555	247,020	892,179	981,127

*—Volkswagen totals include U.S.-built models sold after June 30, 1988. Sales charts compiled by Karen Detkowski

U.S. CAR SALES BY MARKETING UNITS

	April 1989	Percent Share	April 1988	Percent Share	4 Mos., 1989	Percent Share	4 Mos., 1988	Percent Share
Alfa Romeo	206	0.02	577	0.06	1,242	0.04	1,885	0.05
American Honda	79,221	8.71	64,162	7.14	242,733	7.44	238,663	6.73
BMW	5,900	0.65	6,129	0.68	23,376	0.72	22,891	0.65
Buick	50,232	5.52	41,916	4.66	174,669	5.35	196,665	5.54
Cadillac	23,764	2.61	25,124	2.80	89,069	2.73	86,343	2.43
Chevrolet	126,443	13.89	133,305	14.84	441,860	13.55	522,990	14.75
Chrysler	21,809	2.40	24,196	2.69	75,816	2.32	112,035	3.16
Daihatsu	1,055	0.12	753	0.08	4,395	0.13	3,340	0.09
Dodge	43,556	4.79	46,474	5.17	153,890	4.72	172,583	4.87
Eagle	5,958	0.65	4,756	0.53	25,046	0.77	21,011	0.59
Ford	142,905	15.70	131,209	14.60	525,451	16.11	532,039	15.00
Hyundai	16,808	1.85	25,157	2.80	66,499	2.04	96,183	2.71
Isuzu	1,520	0.17	1,744	0.19	6,069	0.19	6,428	0.18
Jaguar	1,344	0.15	1,758	0.20	5,827	0.18	6,180	0.17
Lincoln	19,385	2.13	16,358	1.82	65,919	2.02	62,421	1.76
Maserati	21	0.00	98	0.01	111	0.00	347	0.01
Mazda	21,458	2.36	19,113	2.13	82,895	2.54	83,933	2.37
Mercedes	5,934	0.65	8,341	0.93	23,082	0.71	27,643	0.78
Mercury	46,999	5.16	45,016	5.01	163,987	5.03	171,997	4.85
Mitsubishi	7,286	0.80	6,054	0.67	28,363	0.87	22,327	0.63
Nissan	41,524	4.56	41,846	4.66	166,988	5.12	151,630	4.28
Oldsmobile	55,079	6.05	58,228	6.48	207,596	6.36	246,002	6.94
Peugeot	558	0.06	712	0.08	1,984	0.06	1,959	0.06
Plymouth	28,245	3.10	30,057	3.34	92,769	2.84	119,254	3.36
Pontiac	67,205	7.39	71,670	7.98	239,515	7.34	266,187	7.51
Porsche	789	0.09	1,523	0.17	2,597	0.08	5,949	0.17
Saab	2,693	0.30	2,807	0.31	10,611	0.33	12,598	0.36
Sterling	351	0.04	546	0.06	2,135	0.07	3,600	0.10
Subaru	12,529	1.38	11,535	1.28	50,307	1.54	48,033	1.35
Suzuki	414	0.05	0	0.00	2,000	0.06	0	0.00
Toyota	56,793	6.24	47,720	5.31	199,874	6.13	187,706	5.29
Volvo	8,690	0.95	7,976	0.89	34,090	1.05	32,099	0.91
VWoA	12,452	1.37	18,620	2.07	47,767	1.46	71,765	2.02
Yugo	873	0.10	3,100	0.34	3,331	0.10	12,021	0.34
TOTAL	909,999	100.00	898,580	100.00	3,261,863	100.00	3,546,709	100.00
TOTAL GM	322,723	35.46	330,243	36.75	1,152,709	35.34	1,318,187	37.17
TOTAL FORD	209,289	23.00	192,583	21.43	755,357	23.16	766,457	21.61
TOTAL CHRYSLER	99,568	10.94	105,483	11.74	347,521	10.65	424,883	11.98
TOTAL JAPANESE	221,800	24.37	192,927	21.47	783,624	24.02	742,062	20.92
TOTAL EUROPEAN	39,811	4.37	52,187	5.81	156,153	4.79	198,937	5.61
TOTAL KOREAN	16,808	1.85	25,157	2.80	66,499	2.04	96,183	2.71

Big 3 totals include their captive imports. Percent shares may contain error of one or two points due to rounding.

Chrysler: CAFE hike possible

Ford, GM opposed; all back fuel tax to stem CO2

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — At a Senate hearing last week, Chrysler Corp. veered from the ranks of the Big 3 by acknowledging that modest increases in fuel-economy regulations are possible.

But all the domestic automakers lined up in favor of fuel taxes as the best way to slow the "greenhouse" effects of carbon dioxide emissions.

At issue is the threat of global warming, caused in part by the carbon dioxide "greenhouse gas" emissions from automobiles, industry and other sources. The amount of carbon dioxide produced by an automobile is tied directly to fuel economy; i.e. the higher the mileage, the less carbon dioxide.

"Certain modest levels of improvement can be achieved in corporate average fuel economy with adequate leadtime and with an appreciation of the very large costs involved in diffusing existing technology," Robert G. Liberatore, Chrysler Corp. executive director, public policy and legislative affairs, told the subcommittee.

"Existing technology can be diffused more quickly and major technological breakthroughs will be more likely at higher fuel prices," he said, adding, "We recommend energy taxes or fees as the most effective way to spur energy conservation."

Chrysler was also the only domestic automaker to speak in support of CAFE requirements as they now exist.

Liberatore said, "Chrysler believes that CAFE can and should serve as a regulatory safety net, ensuring that zigzags in market conditions do not lead producers to let new-car CAFE erode. . . . But CAFE cannot be a total substitute for market forces."

General Motors and Ford Motor Co. essentially summarized comments made in earlier hearings. Marina v.N. Whitman, GM vice president and group executive for the public affairs staffs, said market forces and not CAFE have resulted in mileage gains.

Helen O. Petrauskas, Ford vice president, environmental and safety engineering, said CAFE puts full-line U.S. automakers at a competitive disadvantage with Asians.

Some members of the subcommittee expressed their displeasure with the GM and Ford positions.

"Your arguments (that CAFE increases will change the American lifestyle) sound like deja vu (compared with the same arguments made before CAFE regulations were first put into effect)," Sen. Richard Bryan, D.-Nev., told Whitman, "Frankly, I am not persuaded that CAFE has not had an impact on fuel economy."

New technologies, Petrauskas said, should yield incremental fuel economy improvements but will require some leadtime and could result in higher consumer costs.

But Subcommittee Chairman Albert Gore, D.-Tenn., said the U.S. fleet contributes as much as one-third of CO2 emissions and the United States emits more CO2 than any other nation. Gore said Ford's suggestions for change were so minimal that the United States would hold no weight in asking other countries to take action on global warming.

Gore has sponsored a bill that would raise CAFE in response to global warming concerns (see box).

Clarence M. Ditlow, director of the Center for Auto Safety, said that current auto company arguments against raising fuel economy mirror those presented in 1975 when CAFE levels were set at 20 mpg for 1980 and 27.5 mpg for 1985.

Ford, Ditlow said, argued that its product line would consist of sub-Pinto-sized vehicles or range in size from below subcompacts to Maverick dimensions. Chrysler, he said, predicted the legislation would outlaw most full-sized sedans and station wagons, and GM said it would restrict the availability of five- and six-passenger cars.

Deborah Lynn Bleviss, executive director of the International Institute for Energy Conservation, and Marc Ledbetter of the American Council for an Energy Efficient Economy, advocated a CAFE system based on percentage improvements over an automaker's CAFE in a baseline year. All CAFE bills now before Congress include such a system. Bleviss and Ledbetter called for a CAFE setup that would provide for a goal of 45 mpg for cars and 35 mpg for light trucks.

Although Ford does not support CAFE increases, Petrauskas said such a system based on percentage improvements would affect all manufacturers equally.

If Congress believes CAFE increases are necessary, the system should take into account the differing size mix among manufacturers and also safety, emissions and other requirements that have an impact on fuel economy, Petrauskas said.

"CAFE is a poor measure of a manufacturer's technical effort because market changes can easily offset the application of new technology," she said. "An equal percentage task for all manufacturers that is independent of sales mix would avoid these inequities."

Petrauskas added that those improvements should be made over a long period of time and not in just one year.

1995 FUEL ECONOMY GAINS BY AVAILABLE TECHNOLOGY*

	Office of Technology Assessment			Department of Energy		
Technology	Pct fuel-economy gain	Pct. penetration increase 1987-1995	Pct. fleet fuel economy gain	Pct. fuel-economy gain	Pct. penetration increase 1987-1995	Pct. Fleet fuel-economy gain
Front-wheel drive	12.0	10	1.2	12.0	10	1.2
4/6-cylinder/4-valve	10.0/5.0	40	3.0	10.0	40	4.0
Four-speed automatic	7.5	40	3.0	7.5	40	3.0
Electronic transmission control	1.5	80	1.2	1.5	75	1.1
Aerodynamics	3.4	100	3.4	3.4	80	2.7
Tires	0.5	100	0.5	0.5	100	0.5
Lubricants	—	—	—	0.5	100	0.5
Accessories	1.0	100	1.0	1.0	100	1.0
Engine improvements						
Overhead cam engines	6.0	20	1.2	—	—	—
Overhead camshafts	—	—	—	6.0	10	0.6
Roller cams	1.5	40	0.6	1.5	80	1.2
Low friction rings/pistons	1.5	80	1.2	2.0	80	1.6
Throttle body fuel injection	3.0	10	0.3	3.0	10	0.3
Multipoint fuel injection	7.0	10	0.7	3.0	10	0.3
Total percentage increase			17.3			18.3
	1995 Fuel Economy = 32.8 mpg			1995 Fuel Economy = 31.9 mpg		

*Estimates

No easy answer to new fuels, high CAFE, low emissions

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON —Automakers, faced with the prospect of greatly increased fuel economy requirements as a response to global warming concerns, contend there is no Buck Rogers solution to doubling fuel efficiency.

Rather, many of the improvements will be incremental and focus on existing technology in the short term, while alternate fuels, such as alcohol blends, may provide a bridge between existing engines and exotic approaches such as turbines, fuel cells or hydrogen power in the distant future.

One of the most promising technologies just now gaining a foothold in production cars involves engines using four valves per cylinder instead of two.

A Department of Energy study estimates four-valve technology can improve fuel economy by 10 percent per car.

As a result, the study predicts this technology will generate a 4 percentage point chunk of the 18.3 percent increase in corporate average fuel economy expected to occur from all market-driven technology by 1995. That gain is predicated on four-valve penetration increasing 40 percent from 1987's level of just 5 percent of the fleet.

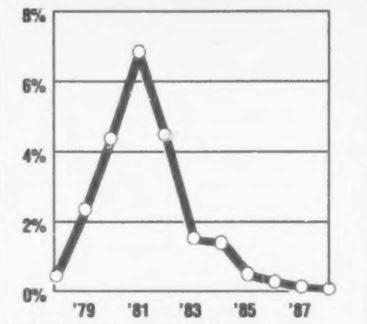
In 1988, 0.8 percent of domestically built cars had four-valve-per-cylinder engines. In import cars the percentage is considerably higher because most of the Japanese and many European automakers offer such engines.

As a well-trained athlete strains less than an unfit individual, even during light exercise, a four-valve engine can be more efficient. It is able to inhale fuel/air mixture and exhale exhaust gases more easily and in a shorter period of time than a two-valve design.

If manufacturers choose to replace large two-valve-per-cylinder engines with smaller four-valve-per-cylinder engines, the customer can get a car with the same performance and improved fuel economy.

Diesel engine installations

Percentage of domestic diesel installations dropped to zero in 1988 from an all-time high of 6.8% of total production in 1981.



*Pecentages include all engine sizes.

Source: Automotive News Market Data Book.

AUTOMOTIVE NEWS / C. BEEVER

But, if a large two-valve-per-cylinder engine is replaced with a four-valve-per-cylinder engine of the same size, the engine will likely be tuned for power and the customer is likely to use that extra power for more acceleration and speed, according to Carmen Difiglio, deputy director of the Department of Energy's Office of Policy Integration.

And that, in fact is what is happening. Most domestic automakers are concentrating their four-valve technology on larger V-6 and V-8 powerplants, while the imports have used the design on smaller four- and six-cylinder engines. General Motors' Quad 4 is the only domestically produced four-valve four-cylinder engine to date.

Ford Motor Co. is developing a 2.3-liter multi-valve four-cylinder engine, code-named Zeta, for the 1990s.

Interest in diesel-engine technology, which was a source of great interest to automakers as a means of boosting fuel economy in the 1970s and early 1980s, has diminished, the victim of stable gasoline prices, problems with diesels converted from gasoline powerplants, and concern about particulate emissions.

Particulate emissions aside, diesels generally are about about 25 percent more fuel efficient than gasoline engines, and nitrogen oxide emissions, a component of photochemical smog, are lower.

"The studies often cited to support high CAFE levels are based on concept vehicles that use diesel technologies, weigh no more than 900 to 1,900 pounds, carry two to four passengers and generally do not meet U.S. safety or emissions requirements," said Helen O. Petrauskas, Ford Motor Co. vice president of environmental and safety engineering. Petrauskas spoke last month before the Senate subcommittee on energy regulation and conservation.

Current research and development efforts at heavy-duty diesel engine manufacturers are primarily aimed at meeting EPA emissions standards rather than CAFE standards, the Department of Energy said.

But, development work on low heat rejection or adiabatic diesel engines continues at the Department of Energy and in programs supported by foreign governments. Adiabatic engine development efforts include the Ceramics Applied to Reciprocating Engine project in Great Britain, Eureka programs involving France and West Germany, the KEBOD program in West Germany and the Japanese Moonlight program.

These engines, which minimize heat loss, are expected to get as much as 30 percent greater fuel efficiency than standard diesel powerplants, the Department of Energy reports. The most likely application will be in the heavy-duty truck segment.

An energy department study released last year, assessing the costs and benefits of alternative fuels, said there are four alternative fuels that could be introduced on a large scale in the United States during the 1990s. They are are methanol, ethanol, compressed natural gas and electricity. Beyond that, technologies offering promise include fuel cells, turbines and hydrogen power.

Alcohol fuels

All of the domestic automakers have built vehicles that can run on methanol, ethanol, gasoline or a combination of the three fuels. Although there are some glitches to be worked out, they apparently offer a practical alternative to gasoline-powered vehicles.

As a result of legislation, manufacturers who introduce such vehicles can add a minimum 1.2 mpg to their CAFE fleet average for flexible-fuel vehicles to unlimited credits from dedicated alcohol-fueled vehicles.

All domestic manufacturers have said a multi-fueled vehicle could be production-ready in the early to mid-1990s.

Late last year, Ford had about 30 flexible-fueled vehicles operating in the United States and Canada. Ford uses an optical sensor coupled to an electronic engine control unit to determine the type of fuel in the car. It adjusts engine performance accordingly.

Ford also built 630 methanol-fueled vehi-

see TECHNOLOGY, page 23

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Sales drop continues in Canada

By Bill Vance
SPECIAL CORRESPONDENT

TORONTO — Combined sales of new domestic and imported cars and trucks in Canada declined in March for the third consecutive month, as car sales took their steepest drop of the year.

Rising interest rates were blamed for the downturn. Manufacturers dusted off incentive programs to spur the market.

Combined domestic and imported vehicle sales were down 16.04 percent, compared with the year-earlier period, and were off 9.53 percent for the first quarter.

Combined domestic and imported passenger-car sales were down 16.21 percent in March, compared with the year-earlier period, and declined 11.50 percent for the first quarter.

Domestic and imported truck sales, meanwhile, skidded 15.67 percent in March and slipped 5.32 percent for the first quarter.

"A slowdown in the pace of sales, since the beginning of this calendar year, has been evident and is attributable to the rise in interest rates," said William Atkinson, General Motors of Canada vice president for sales, service and marketing.

Car-sales activity picked up during the second half of March after GM introduced 9.9 percent financing. But GM's car sales were still down 21.87 percent from the year-earlier month.

Ford of Canada's domestic-car sales slipped 17.43 percent in March, prompting the company also to offer low-interest loans.

"It's clear we've got a battle on our hands to combat consumer apprehension about current interest rates," said Jack Clissold, Ford of Canada vice president for sales and marketing. "The industry now is doing that with the most aggressive finance subvention rates in years."

In mid-March, Ford offered loans with interest rates as low as 8.9 percent. "It's definitely a buyer's market out there," said Clissold.

Chrysler Motors suffered the biggest decline among the domestic automakers on a percentage basis as car sales dropped 32.97 percent. In response, it launched the most aggressive incentive program of the Big 3, offering loans with interest rates as low as 6.9 percent for a 24-month term.

Among the imports, Toyota had the highest increase in car sales on a unit basis, with deliveries up 1,166 units over March 1988. Overall, imported-car sales dropped 6.06 percent for the month.

Sales of the Big 3's domestic trucks dropped 19.56 percent in March from the year-earlier period.

Imported trucks also were down, although models sold by GM, Suzuki and Mazda all posted gains. Mazda was the import-truck sales leader for the second consecutive month on the strength of its MPV minivan.

CANADIAN CAR AND TRUCK SALES

Domestic cars	March 1989	March 1988	3 mos., 1989	3 mos., 1988
General Motors	29,736	38,062	68,209	80,219
Ford	16,656	20,173	38,268	45,654
Chrysler	11,532	17,204	25,858	34,599
Honda	2,536	881	7,300	1,824
Volvo	321	178	877	440
Domestic car total	**60,781**	**76,498**	**140,512**	**162,736**
Import cars				
Toyota	7,323	6,157	16,193	14,707
Honda	4,618	5,560	9,970	13,064
Nissan	2,977	3,819	6,100	6,921
General Motors	2,784	2,191	6,019	4,997
Mazda	2,703	3,138	6,038	7,050
Volkswagen	2,548	3,851	5,943	8,773
Hyundai	2,182	3,024	6,385	7,230
Chrysler	2,035	1,285	4,651	2,971
Ford	886	589	1,608	1,411
Suzuki	824	901	1,757	1,766
Subaru	433	414	1,204	1,359
BMW	401	450	1,095	1,115
Mercedes-Benz	345	433	864	926
Volvo	234	333	656	952
Jaguar	151	190	397	605
Saab	116	161	361	349
Lada	47	91	161	248
Skoda	23	53	69	146
Peugeot	44	9	71	21
Import car total	**30,674**	**32,649**	**69,542**	**74,611**
TOTAL — ALL CARS	**91,455**	**109,147**	**210,054**	**237,347**
Domestic trucks (including vans)				
GM	14,386	18,862	34,689	39,954
Ford	13,114	14,129	32,452	33,385
Chrysler	8,862	12,215	22,818	25,884
Domestic truck total	**36,362**	**45,206**	**89,959**	**99,223**
Import trucks (including vans)				
Mazda	1,770	1,234	4,058	2,337
Toyota	1,412	1,588	3,505	3,524
Nissan	1,269	1,347	2,994	3,202
Suzuki	843	676	1,823	1,433
GM	697	83	1,981	244
Chrysler	199	345	652	870
Volkswagen	66	67	125	190
Lada	16	9	50	27
Import truck total	**6,272**	**5,349**	**15,188**	**11,827**
TOTAL — ALL TRUCKS	**42,634**	**50,555**	**105,147**	**111,050**
TOTAL — CARS, TRUCKS	**134,089**	**159,702**	**315,201**	**348,397**

SUNDAY BAN: *VW Canada limits ad melody that resembles popular hymn*

By Alex Law
STAFF CORRESPONDENT

TORONTO — Complaints about the similarity between the music in one of its television commercials and a popular hymn have lead Volkswagen Canada to stop airing the commercial on Sundays.

The melody in the commercial, titled "Changes," is nearly identical to "What a Friend We have in Jesus." Approximately 50 people complained about what they called the misuse of the hymn since the commercial began airing last month in Canada.

Bill Wilson, Volkswagen's advertising and merchandising manager, said some people believe it is sacrilegious to use a hymn for secular purposes. The lyrics to the song used in the VW commercial, which were written by Alan Price for the movie "O Lucky Man" in 1973, deal with the inevitability of change in life.

The commercial, which brought a similar response in Great Britain, shows a woman walking out on her husband or lover. On her way out she discards a ring, a string of pearls, a brooch and a fur coat. When she gets to a Volkswagen GTi, she contemplates throwing the keys down a drain but changes her mind and drives off in the car.

As is the practice with all commercials, Canada's two national networks, the Canadian Broadcasting Corp. and Canadian TeleVision, considered the VW spot before it ran. When complaints were received, they reconsidered it and again gave their approval. A Canadian TeleVision affiliate in Ottawa, Canada's capital, has stopped running the commercial.

Wilson said that to him, Price's song and the hymn sound similar. As a courtesy, and to show that the company had no disrespect for the Christian faith, VW asked the networks to stop airing the advertisement on Sundays.

Future GM cars will use powerful microchip

AUSTIN, Texas — General Motors has told Motorola Inc. it plans to use a new Motorola 32-bit microprocessor for managing a number of functions in its next-generation vehicles.

The microprocessor, a single chip, is the 68332 and is the first in a new Motorola product line, the 68300 family.

Peripheral devices mounted on the chip in addition to its 32-bit core boost overall system performance to more than 10 times that of conventional controllers, said Gary Daniels, general manager of Motorola's microcontroller division here.

"We're putting the power of a Macintosh II into a car," Daniels said. Most high-performance computers rely on a single central processing unit, but the 332 distributes processing power among several units.

Microprocessors are used in cars for such applications as engine and transmission control, traction management, anti-lock brakes, instrument panel displays, radios and tape players and on-board diagnostics.

Truck output sets record for April

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

U.S. truckmakers set an April record with assembly of 367,592 units. The total surpassed the previous April peak of 340,385 in 1988.

But despite the monthly high, truck output dipped 7.18 percent from the March total of 396,020.

Scheduled truck production of 89,585 last week dropped slightly (0.15 percent) from the prior week's 89,720 and slipped a bit (0.48 percent) from the year-ago week's 90,021.

Year-to-date, 1,615,080 trucks have been assembled, 6.47 percent more than the 1,516,864 completed last year at this point.

Carmakers built 637,187 units during April, 2.29 percent below the March assembly of 652,146 but 4.42 percent more than the year-ago month's 610,206.

Last week's targeted auto production of 155,258 was 4.70 percent below the previous week's 162,922 and was 3.33 percent below the year-ago week's 160,603.

So far this year, 2,698,491 cars have been built, 7.99 percent more than the 2,498,937 cars built last year at this point.

Companies split last week's scheduled output as follows:

General Motors, 47.09 percent; Ford Motor Co., 24.71 percent; Chrysler Motors, 14.04 percent; Honda of America Manufacturing, 4.99 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 2.89 percent; New United Motor Manufacturing Inc., 2.58 percent; Nissan Motor Manufacturing Corp. U.S.A., 1.49 percent; Toyota Motor Manufacturing U.S.A., 1.40 percent; and Diamond-Star Motors, 0.81 percent.

GM shut down its Reatta Craft Centre in Lansing, Mich., last week because of high inventory. The plant was expected to resume operations today.

April build tops 1988 in Canada

Canadian automakers produced 85,296 cars in April, a decline of 22.57 percent from the March build of 110,143 but an increase of 23.51 percent over the year-ago month's 69,050.

Last week's targeted car output of 21,205 rose 4.60 percent over the previous week's 20,272 but fell 20.66 percent below the year-ago week's 26,727.

So far this year, 358,159 cars have been assembled, 14.44 percent below the 418,596 completed last year at this time.

April's truck production of 82,509 was 5.57 percent below the March output of 87,379 but 2.58 percent more than the year-ago month's 80,437.

Truckmakers scheduled production of 21,137 units last week, slightly above (0.55 percent) the prior week's 21,022 and 3.82 percent more than the year-ago week's 20,359.

Year-to-date, 362,770 trucks have been built, 4.71 percent more than the 346,456 assembled last year at this point.

U.S. CAR	Week Ended May 6, 1989	Week Ended May 7, 1988	Week Ended Apr. 29, 1989	Apr. Total	Jan. 1 to May 6, 1989	Jan. 1 to May 7, 1988
Horizon	800	2,183	853	3,302	4,805	32,985
Sundance	2,500	1,873	2,351	9,610	42,205	38,643
Reliant	0	2,634	0	0	0	34,907
Acclaim	3,000	0	2,699	11,161	42,909	0
Caravelle	0	469	0	0	0	7,410
Gran Fury	0	284	0	0	0	4,422
Total Plymouth	6,300	7,443	5,903	24,073	89,919	118,367
LeBaron K	0	499	0	0	0	6,843
LeBaron J	2,700	1,921	2,615	10,808	42,030	22,928
LeBaron GTS	0	186	0	0	2,946	3,060
N. Yorker C-Class	1,900	2,814	1,864	7,623	41,976	41,172
Fifth Avenue	0	329	0	0	0	12,913
Total Chrysler	4,600	5,749	4,479	18,431	86,952	85,216
Omni	900	2,112	937	3,752	5,550	32,930
Daytona	1,800	1,924	1,766	7,345	37,744	22,065
Shadow	2,200	2,574	2,448	9,559	42,225	39,182
Aries	0	2,286	0	0	0	29,294
Dodge 600	0	462	0	0	0	6,598
Dynasty	3,300	2,331	3,621	13,063	57,404	40,030
Lancer	0	217	0	0	1,528	4,148
Spirit	2,700	0	2,512	10,749	40,206	0
Diplomat	0	525	0	0	0	8,454
Total Dodge	10,900	12,431	11,284	44,468	184,657	182,701
CHRYSLER MOTORS	21,800	25,623	21,666	86,972	361,528	386,284
Escort	8,637	9,339	8,438	33,758	123,569	126,559
Mustang	3,677	4,172	3,498	16,247	84,451	77,249
Tempo	2,721	4,096	2,989	12,771	58,280	72,565
Taurus	8,039	8,729	8,063	34,846	143,273	144,117
Thunderbird	3,268	2,872	3,357	14,138	63,721	57,315
Total Ford Div.	26,342	29,208	26,345	111,760	473,294	477,805
Topaz	1,789	1,420	1,521	7,222	25,608	26,977
Cougar	3,254	2,860	3,360	12,559	54,859	43,918
Sable	2,705	3,524	2,690	9,066	46,983	49,387
Total Mercury	7,748	7,804	7,571	28,847	127,450	120,282
Continental	1,446	1,117	1,449	6,001	26,349	16,351
Mark VII	310	544	409	1,905	9,765	9,268
Lincoln	2,512	3,327	2,627	11,689	48,145	53,246
Total Lincoln	4,268	4,988	4,485	19,595	84,259	78,865
Total L-M Division	12,016	12,792	12,056	48,442	211,709	199,147
FORD MOTOR CO.	38,358	42,000	38,401	160,202	685,003	676,952
Skyhawk	294	0	385	1,653	6,029	11,350
Skylark/Somerset	1,405	1,836	1,292	5,226	20,181	13,798
Century	2,615	3,190	2,658	9,586	43,740	33,439
Riviera	337	147	337	1,970	9,769	2,519
Electra	0	2,370	1,965	7,988	29,084	28,654
LeSabre (fwd)	4,960	2,500	4,980	19,875	51,459	46,686
LeSabre (rwd)	75	274	217	768	3,323	3,305
Reatta	0	154	210	612	2,392	1,800
Total Buick	9,686	10,471	12,044	47,678	165,977	141,551
Cimmaron	0	113	0	0	0	3,634
Eldorado	989	1,170	954	3,654	14,399	14,613
Seville	720	701	697	2,649	10,578	9,263
Brougham (rwd)	705	977	634	2,882	15,132	12,894
Deville (fwd)	4,341	3,555	5,807	19,851	81,586	67,043
Allante	75	65	75	225	1,228	930
Total Cadillac	6,830	6,581	8,167	29,261	122,923	108,377
Cavalier	7,848	7,150	8,298	32,723	143,374	122,844
Camaro	2,720	2,572	2,669	10,655	44,564	28,755
Celebrity	2,045	5,140	2,203	9,147	52,070	59,862
Corsica/Beretta	8,965	9,282	8,970	34,380	153,005	144,654
Caprice	4,495	4,357	3,942	18,388	74,060	69,504
Corvette	560	448	561	2,241	9,449	7,692
Total Chevrolet	26,633	28,949	26,643	107,534	476,522	433,311
Calais	2,195	2,949	2,275	9,197	34,714	39,691
Firenza	0	0	0	0	0	5,220
Cutlass Ciera	1,430	0	1,935	7,352	30,412	0
Cutlass Supreme	3,333	3,995	3,537	6,995	37,593	76,156
Toronado	202	471	194	735	3,863	6,573
88 (fwd)	3,165	3,962	3,497	13,615	57,161	59,388
88 (rwd)	205	268	223	756	2,847	4,702
Olds 98	859	1,584	2,393	8,798	33,540	30,731
Total Oldsmobile	11,389	13,229	14,054	47,448	200,130	222,461
Sunbird	3,126	2,292	3,756	14,672	55,013	38,174
Grand Am	6,300	5,301	5,285	22,924	92,283	86,095
Firebird	1,375	1,478	1,347	5,475	25,797	21,796
Grand Prix	4,050	3,629	4,000	16,000	54,427	39,912
Pontiac 6000	1,350	1,838	2,569	9,824	34,290	27,895
Bonneville	2,255	3,142	2,944	11,568	37,127	37,980
Safari/Parisienne	140	227	139	478	1,995	3,059
Fiero	0	512	0	0	0	7,193
Total Pontiac	18,596	18,419	20,040	80,941	300,932	262,104
GENERAL MOTORS	73,134	77,649	80,948	312,862	1,266,484	1,167,804
DIAMOND-STAR	1,253	0	1,132	4,848	15,333	0
HONDA	7,750	7,221	7,689	30,633	138,299	132,543
Civic	2,666	1,815	2,716	10,637	46,736	34,303
Accord	5,084	5,406	4,973	19,996	91,563	98,240
MAZDA†	4,482	2,278	4,924	9,060	86,095	27,701
NISSAN	2,306	2,516	1,981	8,479	40,342	32,759
NUMMI	4,000	3,316	4,214	16,288	70,322	57,610
Corolla	1,600	1,215	1,550	6,028	28,811	21,234
Geo Prizm/Nova	2,400	2,101	2,664	10,260	41,511	36,376
TOYOTA	2,175	0	1,967	7,843	35,085	0
VOLKSWAGEN	0	0	0	0	0	17,284
Golf/GTI	0	0	0	0	0	11,731
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	155,258	160,603	162,922	637,187	2,698,491	2,498,937
Total Cars, Canada	21,205	26,727	20,272	85,286	358,159	418,596
U.S., Canada Cars	176,463	187,330	183,194	722,473	3,056,650	2,917,533
U.S., Canada Cars and Trucks	287,185	297,710	293,936	1,172,574	5,034,500	4,780,853

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended May 6, 1989	Week Ended May 7, 1988	Week Ended Apr. 29, 1989	Apr. Total	Jan. 1 to May 6, 1989	Jan. 1 to May 7, 1988
Premier	0	1,658	0	2,295	14,885	25,867
CHRYSLER MOTORS	0	1,658	0	2,295	14,885	25,867
Tempo	3,360	4,164	3,341	13,419	60,063	74,424
Topaz	1,440	1,393	1,447	5,727	25,388	25,352
Crown Victoria	2,918	2,890	2,613	10,345	48,050	50,438
Grand Marquis	2,842	2,901	3,152	12,561	54,079	49,964
FORD MOTOR CO.	10,560	11,348	10,553	42,052	187,580	200,178
Celebrity	565	633	705	1,396	4,456	6,651
Cutlass Ciera	2,995	7,125	3,319	14,799	65,101	93,772
Lumina	4,549	0	3,546	12,446	25,745	0
Pontiac 6000	0	1,402	0	0	0	18,406
Regal	446	3,670	1	3,903	25,090	59,613
GENERAL MOTORS	8,555	12,830	7,571	32,544	120,392	178,442
HONDA	1,650	730	1,680	6,592	29,389	11,774
TOYOTA	260	0	288	1,083	2,814	0
VOLVO	180	161	180	720	3,099	2,335
Total Cars, Canada	21,205	26,727	20,272	85,286	358,159	418,596

U.S. TRUCK☆	Week Ended May 6, 1989	Week Ended May 7, 1988	Week Ended Apr. 29, 1989	Apr. Total	Jan. 1 to May 6, 1989	Jan. 1 to May 7, 1988
Caravan	1,900	2,190	2,416	9,974	40,114	36,372
Dakota	2,500	2,016	2,483	9,929	41,144	44,355
Caravan C/V	100	325	195	856	3,544	5,586
Ram Pickups	2,500	1,997	2,488	9,947	41,142	21,894
Total Dodge	7,000	6,528	7,582	30,706	125,944	108,207
Cherokee	4,600	4,415	5,413	21,654	83,011	63,864
Comanche	500	995	657	2,626	12,014	17,472
Grand Wagoneer	300	350	345	690	5,373	5,265
Wagoneer	100	282	230	898	3,529	4,817
Total Jeep	5,500	6,042	6,645	25,860	103,927	96,618
Voyager	1,800	2,057	2,114	9,267	38,350	33,537
Total Plymouth	1,800	2,057	2,114	9,267	38,350	33,537
CHRYSLER MOTORS	14,300	14,627	16,341	65,833	268,221	238,362
Aerostar	5,800	4,413	4,920	21,337	90,670	80,357
Bronco	1,714	1,236	1,425	6,077	31,657	22,186
Bronco II	2,572	2,345	2,391	10,141	48,650	50,919
Econoline	5,182	5,163	5,241	20,465	89,709	90,193
Heavy trucks	1,439	1,473	1,449	6,164	25,234	24,360
Light trucks	12,982	11,597	11,629	48,048	201,263	185,242
Ranger	7,474	7,589	6,744	28,881	130,493	131,533
Total Ford Div.	37,163	33,816	33,799	141,113	615,676	584,790
FORD MOTOR CO.	37,163	33,816	33,799	141,113	615,676	584,790
Astro	3,397	3,721	3,340	13,823	62,561	62,858
Blazer	621	628	546	2,545	10,235	10,003
Mediums/Heavies	0	476	0	0	1,312	6,325
P-Model	856	802	880	3,264	12,037	14,146
Pickups	7,620	7,623	7,049	27,808	146,023	117,659
S-10	4,482	7,273	4,895	19,779	100,941	102,725
S-10 Blazer	3,557	4,386	3,859	15,594	69,474	57,146
Sportsvan/Van	1,981	1,954	2,197	9,081	35,414	29,051
Suburban	1,685	1,815	1,497	6,838	28,390	26,329
Total Chevrolet	24,199	28,678	24,263	98,732	466,387	426,242
Jimmy	172	210	156	639	3,045	3,094
Mediums/Heavies	0	797	0	0	1,496	16,817
P-Model	87	181	86	352	1,563	1,596
Pickups	2,392	1,624	3,041	11,683	44,490	38,096
S-15	1,076	904	1,203	5,015	23,904	25,141
S-15 Jimmy	926	766	1,048	4,463	19,781	15,355
Safari	630	926	974	4,011	15,598	16,237
Suburban	578	698	609	2,722	11,368	12,970
Vandura/Rally Vans	525	537	816	2,727	9,610	14,221
Total GMC	6,386	6,643	7,933	31,612	130,855	143,527
GENERAL MOTORS	30,585	35,321	32,196	130,344	597,242	569,769
NAVISTAR	1,907	1,890	1,740	7,172	31,373	31,533
NISSAN	2,180	1,617	2,194	9,330	46,548	43,460
AM GENERAL	450	450	450	1,800	7,920	8,010
MISCELLANEOUS	3,000	2,300	3,000	12,000	48,100	40,940
Total Trucks, U.S.	89,585	90,021	89,720	367,592	1,615,080	1,516,864

CANADIAN TRUCK	Week Ended May 6, 1989	Week Ended May 7, 1988	Week Ended Apr. 29, 1989	Apr. Total	Jan. 1 to May 6, 1989	Jan. 1 to May 7, 1988
Caravan	3,114	3,100	3,157	13,136	55,619	54,326
Caravan C/V	336	344	349	1,287	4,149	5,140
Ram Wagon	660	554	665	2,012	10,499	8,782
Ram Van	1,690	1,467	1,755	5,198	27,308	22,336
Total Dodge	5,800	5,465	5,926	21,633	97,575	90,584
Voyager	2,694	2,773	2,731	11,596	48,439	50,019
Total Plymouth	2,694	2,773	2,731	11,596	48,439	50,019
Wrangler	1,700	1,035	1,841	7,416	29,598	18,444
Total Jeep	1,700	1,035	1,841	7,416	29,598	18,444
CHRYSLER MOTORS	10,194	9,273	10,498	40,645	175,612	159,047
FORD MTR. (lt. trks.)	3,648	3,669	3,641	14,338	62,126	64,162
Light trucks	3,270	3,470	2,837	9,990	56,379	57,270
Vans	1,479	1,334	1,536	5,769	24,745	22,127
Total Chevrolet	4,749	4,804	4,373	15,759	81,124	79,397
Light trucks	1,610	1,648	1,688	7,977	27,378	27,574
Vans	666	743	549	2,711	12,032	12,375
Total GMC	2,276	2,391	2,237	10,688	39,410	39,949
GENERAL MOTORS	7,025	7,195	6,610	26,447	120,534	119,346
NAVISTAR	270	222	273	1,079	4,496	3,901
Total Trks., Canada	21,137	20,359	21,022	82,509	362,770	346,456
U.S., Canada Trks.	110,722	110,380	110,742	450,101	1,977,850	1,863,320

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Imports vie for dealers

Asians may draw recruits from domestics as they expand in Midwest and Southeast

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — Asian-based automakers are poised to add as many as 2,000 dealers in America's heartland by the end of 1992 to compete with the Big 3 in their strongest markets.

Many of those new dealers, mostly in the Midwest and Southeast, may come from the ranks of domestic [illegible] makers and will handle output from Japanese and K[illegible]th American transplants.

After years and billions of dollars o[illegible] in building U.S. and Canadian assembly plants and s[illegible]astructure, Asian manufacturers are turning their atten[illegible]heir distribution systems.

Through 1992, Asian makes are likely to add 1,600 dealers and capture an additional 6 percentage points of the U.S. car market, estimates Christopher Cedergren, senior analyst for J.D. Power and Associates of Agoura Hills, Calif.

"That's an incredibly large and rapid swing, but I think our figures are conservative," Cedergren said.

Publicly stated sales goals of the nine Japanese automakers in the United States and Hyundai Motor America are far higher. Long-term sales projections, often based on available production capacity, are traditionally optimistic, but Asian automakers are on the record as seeking more than 1.8 million additional car and truck sales by 1992.

And they are committed to adding more than 2,000 dealer franchises by 1992.

Much of the import dealership growth will come at the expense of domestic dealers, said Dennis Virag, vice president and managing director of Automotive Consulting Group, Toledo, Ohio.

"Some dealers are going to get tired of dealing with a domestic and see an opportunity to replace a domestic," Virag said.

McCurry says Toyota is not interested in megadealers for its new small-town points

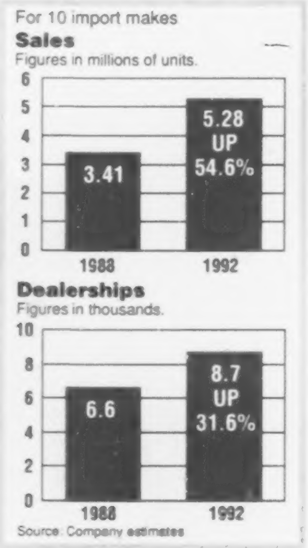
He cited dealer unrest over General Motors' current dealer improvement program.

"GM needs to be careful they don't alienate their dealer body," he said. "Dealer bodies are going to be a strategic element in the auto industry of the 1990s. The companies with strong dealer bodies are going to have a significant strategic advantage."

Seeking domestic dealers in smaller markets in the Midwest and Southeast is a radical departure from import distribution strategies of the past in which the importers concentrated on large metropolitan markets and saturated both the East and West coasts.

see ASIA, page 48

Asians plot sales, dealer growth



Source: Company estimates

Ford may kill carryover allowance

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. has told dealers it will not offer the usual 5 percent payment for 1989 vehicles left in inventory at the start of the 1990 model year if General Motors doesn't.

As a result, the Ford Dealer Council said it has warned the company that the automaker could lose sales momentum and market share if it drops the so-called carryover allowance this fall.

GM announced earlier this year that it planned to eliminate the 5 percent carryover allowance, but it did not say how it plans to help dealers clear out 1989 models once the new year begins.

Separately, Ford announced last week that it raised prices on certain options. The move echoed action taken recently by GM. Ford also lifted prices on four vehicle lines.

The carryover allowance has emerged as the No. 1 issue on dealers' minds, said Henry Hansel, chairman of the Ford Dealer Council.

In a letter to be sent to Ford dealers this week, the council will outline its opposition to eliminating or diluting the payout. Ford and its dealers will suffer if it is discontinued, the letter says.

In recent years, the carryover allowance was occasionally trimmed below 5 percent on some vehicles that carried incentives. But the payouts were less important because sales were strong and dealers had little fear of not being able to move inventory.

This year, industry car sales are off [illegible] percent and inventories are up. Although Ford sales are down less than 2 percent and car market share has risen above 23 percent, dealers say they are skittish about ordering new product. Uncertainty over the carryover allowance is making them even more hesitant as they head into the end-of-year buildout period.

On a $10,000 car, the carryover payment gives dealers $500 they can put toward advertising or other marketing efforts. Without that kind of assurance, dealers said, year-end orders become more of a risk.

For the most part, those orders must be submitted by mid-June. They are one of the factors that will help

see FORD DEAL, page 47

Europe's new game: Pick '92 winners

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — As 1992 market unification edges closer, a growing sport in Europe is handicapping the winners and losers among the six volume makers.

The makers are Fiat S.p.A., Peugeot SA, Volkswagen AG, Renault, General Motors and Ford Motor Co. Each has long held more than 10 percent of the market, and each is battling fiercely for the lead.

While the battle has been between VW and Fiat, with Peugeot closing the gap, analysts feel the latter two may be supplanted by the two U.S.-owned competitors after Europe merges 12 middle-size nations into a single market of 323 million consumers.

That consensus favoring GM, Ford and VW is based mainly on their even distribution of production and sales across Europe. The thinking is that Fiat, Renault and Peugeot, which rely heavily on restricted national markets, may be more vulnerable.

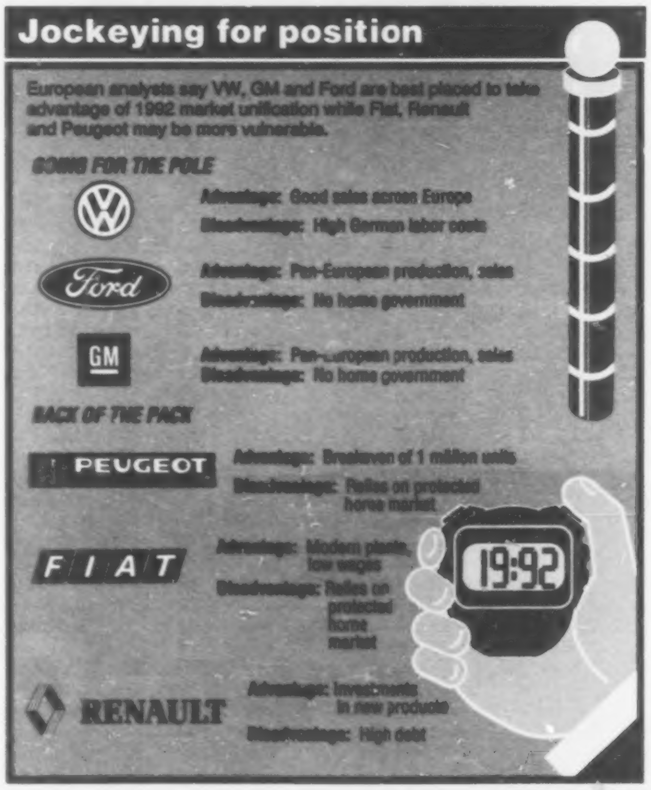
Fiat Managing Director Cesare Romiti told the European Parliament recently, "It is reasonable to expect that this situation will change after 1992 and that the integration of the European market will give rise to a strenuous process of competitive selection."

Picking the winners and losers is not simple. Some analysts consider Fiat the most vulnerable. Fiat relies on the Italian market for nearly two-thirds of its European sales, and that market allows little competition from the Japanese.

But at the same time, Fiat is Europe's sales leader, has ample cash reserves and is considered to be the lowest-cost manufacturer in Europe and a world leader — Japanese included — in modernization of production facilities.

"If I would have to name the least vulnerable, I would say probably Fiat," said analyst Enrico Ponzone of Kleinwort-Benson in London. "In terms of

see EURO, page 47



Jockeying for position
European analysts say VW, GM and Ford are best placed to take advantage of 1992 market unification while Fiat, Renault and Peugeot may be more vulnerable.
GOING FOR THE POLE
Advantage: Good sales across Europe
Disadvantage: High German labor costs
Ford
Advantage: Pan-European production, sales
Disadvantage: No home government
GM
Advantage: Pan-European production, sales
Disadvantage: No home government
BACK OF THE PACK
PEUGEOT
Advantage: Breakeven of 1 million units
Disadvantage: Relies on protected home market
FIAT
Advantage: Modern plants, low wages
Disadvantage: Relies on protected home market
19:92
RENAULT
Advantage: Investments in new products
Disadvantage: High debt

AUTOMOTIVE NEWS / L. BEEVER

Acura to plug price gap with new mid-size model

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — American Honda's Acura Division plans to add a new model, positioned between its mid-priced Integra and its luxury-class Legend. It will arrive in the United States as early as next year.

The new car may carry a five-cylinder engine, originally thought to be slated for the next-generation Accord that will bow this fall. The new engine also is expected to appear in Accords sold outside the United States.

And, contrary to a statement by a top Honda official earlier this year, Acura's V-8 engine program is not dead, and the engine could appear in a new flagship model.

Referring to dealer expectations about a product between the Integra and a larger 1991 Legend, Tom Elliott, executive vice president of American Honda Motor Co., said, "I think we'll accommodate them."

The as-yet unnamed model will be positioned between Integra and Legend in both size and price, said Gerald Bengston, American Honda general sales man-

see ACURA, page 48

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ily named committees
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VW diesel hits showrooms in U.S.
Page 3

GM small-car plans tied to one platform
Page 3

VW diesel hits U.S. showrooms; fuel price hikes cited

> **'There are more than 2.5 million people who own other brands (of diesels) and appreciate the simplicity, low cost of operation and the long cruising range.'**
> **— Bill Young**

By Jack Keebler
AUTOMOTIVE NEWS STAFF REPORTER

Volkswagen United States is back in the passenger-car diesel business it left in 1986.

Some dealerships already have four-door, diesel-powered Jettas on showroom floors, although VW will not say how many are in inventory or how many it expects to sell.

The cars are equipped with a refined 1.6-liter engine and a five-speed manual transmission and priced at $10,110. The gas-engined version sells for $9,910.

Sales of diesel-powered VWs in the United States peaked in 198 when 125,019 were sold. But by 1986, when VW decided to no longer sell a diesel model, sales had sagged to 14,630 units.

VW's experience tracked that of the domestic industry. In 1981, nearly 7 percent of the cars built in the United States were equipped with diesel engines, but the share had dropped to nearly nothing by 1987.

Bill Young, vice president in charge of VW United States, said the rise in the cost of crude oil and a 16 cent-per-gallon increase in gasoline in just the last two months stimulated renewed interest in fuel-efficient cars.

"In addition to a very loyal group of Volkswagen diesel owners who have been pleading for new VW diesels, there are more than 2.5 million people in this country who own other brands of diesel automobiles and appreciate the simplicity, low cost of operation and the long cruising range of diesel-powered cars," said Young.

Said VW U.S. Manager of Public Relations Jay Amestoy, "We have a lot of customers out there who have been well satisfied with their diesel car's performance, and now they're ready to trade in and replace with another diesel. So we want to satisfy those buyers looking for the diesel's long cruising range and low maintenance.

"This is a refined, cleaner, quieter-running engine that starts better at all temperatures" than did the old model, Amestoy said.

"Volkswagen spent lots of money developing the diesel. And there are even more sophisticated engines in development. Those more efficient and environmentally clean diesel engines could be introduced if the demand is there."

GM small-car plans ride on one platform

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

LANSING, Mich. — General Motors has hedged its small-car bets for the 1990s, backing up its showcase Saturn project with strategic shifts in existing car lines.

While GM's highly touted Saturn Corp. will use a clean-sheet-of-paper approach to produce a small car in the United States for the 1990 model year, other GM operations have quietly plotted their small-car strategy to battle the imports well into the 1990s.

The Lansing automotive division of the Buick-Oldsmobile-Cadillac Group plans to tighten production capacity so that demand exceeds capacity, focus each plant on a single product family and simplify products by eliminating models and sharing components, including body platforms, across the small-car line.

The object of the multi-pronged approach is to make GM's domestic small cars competitive in cost and quality with competitors — particularly imports — well into the 1990s.

The B-O-C Lansing automotive division is responsible for the engineering and manufacturing of about one million J-cars and N-cars annually.

The division has simplified its small-car lineup with the elimination of the Oldsmobile Firenza and Cadillac Cimarron J-cars. The Buick Skyhawk J-car will be discontinued after the 1989 model year.

In the 1990s, GM's small-car line will be further simplified by use of the same L-body platform — now exclusive to the Chevrolet Corsica and Beretta — for all domestic small cars except Saturn.

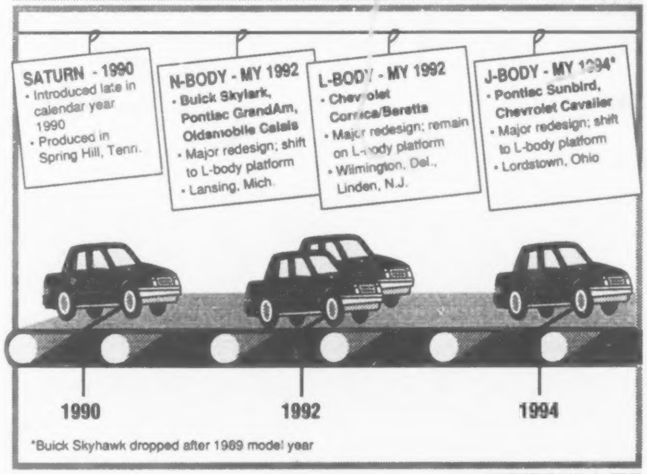
In 1992, the N-cars will undergo a major redesign and will be shifted to the L-body platform. The N-cars are the Buick Skylark, Oldsmobile Cutlass Calais and Pontiac Grand Am. Two years later, the J-body Chevrolet Cavalier and Pontiac Sunbird will be redesigned and also will move to the L-body.

The shift to a single platform saves money by driving complexity out of vehicle assembly and the component-making business.

For example, GM's Delco Moraine Division is developing an anti-lock brake system — less costly than those currently available — that likely will become standard in small cars. Delco Moraine can then develop one system instead of several.

Donald Hackworth, Lansing automotive division product manager, argues that sharing components is not a return to GM's days of look-alike cars. Different sheet metal, interiors, powertrains and suspensions will make each line distinct. Shared components will be those that are not noticeable to the customer.

GM's small-car product plans



*Buick Skyhawk dropped after 1989 model year

AUTOMOTIVE NEWS / C. BEEVER

GM's Saturn project is not the automaker's only small-car strategy. As the chart above shows, existing GM car divisions have a timetable for small-car consolidation on the L-body platform. Donald Hackworth, Lansing division product manager, right, said the move will enhance production flexibility.

Shared componentry also permits assembly flexibility. Production can be shifted among assembly plants producing models with shared components. If one model outsells its capacity, production can be added at a plant assembling another model with the same components.

Hackworth said reducing fixed overhead in the intensely competitive small-car segment is crucial.

"If we're going to succeed in this end of the marketplace, we want demand to lead capacity and not

see HACKWORTH, page 46

Dallas dealer files Chap. 11

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Forest Lane Porsche-Audi-Alfa Romeo in Dallas, one of the largest Porsche and Alfa Romeo dealerships in the country, has voluntarily filed for bankruptcy under Chapter 11 of the U.S. Bankruptcy Code.

Scot Sauder, attorney for Forest Lane, blamed the dealership's financial woes on both the five-year decline in the Dallas-area economy, which substantially reduced demand for high-end European luxury and sports cars, and negative national publicity for the Audi brand.

Last week, a Dallas bankruptcy judged allowed Forest Lane to continue to operate its sales and service facility, and he set up a payment system for one of its largest creditors, Transamerica Commercial Finance.

Other lenders are lining up at Forest Lane's doorstep. The dealership has not filed its bankruptcy schedules, but, Sauder said the store has assets in excess of $8 million and liabilities of $6 million to $7 million.

In February, the dealership's financial troubles led Deposit Insurance Bridge Bank, formerly MBank Dallas, to post the dealership's property for foreclosure. The property includes the dealership's two-year-old, 30,000-square-foot building that features a showroom with a black granite floor.

In its bankruptcy petition, Forest Lane said that in the summer of 1988, it could not meet the terms of a $1.9 million loan with Transamerica, which was financing the dealership's new-car and parts inventories.

Under the loan agreement, the dealership was to hold money generated from new-car sales in trust for Transamerica. Transamerica later sued Forest Lane in Harris County (Texas) District Court to collect all the money due.

In October 1988, Transamerica agreed to continue to fund the revolving loan if the dealership would pay Transamerica $30,000 a month for cars out of trust.

The dealership failed to make the required $30,000 payment in February and to pay the $300,000 out-of-trust balance due March 31.

In an agreement set down by the bankruptcy judge last week, Forest Lane is allowed to deposit 92 percent of the funds from the dealership's new-car sales in an account for which the dealer and Transamerica are both signatories.

Once every 30 days, Transamerica is allowed to take out one-third of the money on deposit. The

see BANKRUPT, page 48

Found: Liz, Jerry, Katheryn, but not Dale

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF WRITER

Found: Geraldine Elizabeth Carmichael.

For those whose memories may have dimmed, Liz Carmichael bilked thousands of people out of roughly $3 million in 1974 when she introduced a gasoline miser dubbed the "Dale."

The three-wheel vehicle promised a nation thirsting for gasoline 70 mpg at high speeds.

It was a hoax. In 1977 she was convicted of 29 counts of grand theft, three counts of corporate security fraud and one count of conspiracy in Los Angeles, where her company, 20th Century Motor Car Corp., was headquartered.

She was sentenced to two consecutive terms of one-to-10 years each and fined $30,000 for securities fraud. While out on bond awaiting appeal of her conviction, she disappeared.

But the most startling revelation about the towering, almost burly Carmichael — learned just prior to the start of the trial — was that she was really a he named Jerry Dean Michael.

He dressed as a woman during the entire promotion of the Dale and subsequent trial, and claimed to have had hormone shots that made him a woman.

Moreover, it was learned before the trial, that federal authorities had charged him with counterfeiting in 1961. He had jumped bail then and was a fugitive until surfacing 13 years later as Liz Carmichael.

For nearly a decade Michael again evaded police, but on April 5 of this year, an NBC television program called "Unsolved Mysteries," aired an episode about the swindle and Michael's disappearance. It also asked if anyone knew his whereabouts.

Program producers pointed out

see DALE, page 46

Liz Carmichael with the Dale in 1975

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EUROPE'S BOOM

DRI now says '89 sales will match '88

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — European new-car sales — once expected to drop in 1989 — will match last year's record, according to an updated forecast by Data Resources Inc.-Europe.

But DRI-Europe projected a 2.5 percent decline for 1990 at its World Auto Outlook Conference last week.

The upward revision follows stronger than expected first-quarter sales.

Other revised forecasts have led to a consensus among analysts that Fiat will almost certainly win the 1989 European sales race. DRI-Europe last week declared Fiat the winner of the closely contested 1988 race — which most industry estimates have given to VW by the narrowest of margins.

The London-based research group is now projecting European passenger-car registrations of 12.9 million for 1989. Last fall, DRI-Europe had forecast that registrations would shrink 5 to 6 percent for the year to about 12 million units.

DRI-Europe and most industry analysts forecast a decline in the second half. But the first quarter was strong, leading many to believe the full calendar year could match last year's record.

Sales in Western Europe last year totaled 12.91 million units, the fourth successive year of substantial growth since a 2.4 percent dip in 1984.

Through the first quarter, sales were up 6 percent. But March sales were down 0.6 percent, as sales fell in 10 of 16 countries.

"We still expect demand to fall in the second half of the year, but because of the strong growth already achieved, we forecast a flat market for the year as a whole," states the DRI-Europe report.

The firm expects the decline to continue into 1990 when it expects sales to fall 2.5 percent to 12.59 million units.

With interest rates on the rise, DRI said that it is becoming more difficult for manufacturers to maintain low and interest-free financing, further impacting registration totals.

DRI gave the 1988 sales race crown to Fiat, which includes Alfa Romeo and Lancia, on the basis of having adjusted its figures from the Spanish market to reflect sales instead of registrations. The research firm said the change results in Fiat edging out Volkswagen, which includes Audi and Seat, by only 7,000 units. VW, which claims to have led Europe in 1988 sales, has been the top make since 1985.

"For 1989 we expect the gap between the two market leaders to widen considerably in favor of Fiat," said DRI-Europe. "This is partly because we expect the Italian market to remain strong this year while the West German market falls by 2 percent."

DRI also said that Fiat's 15-month-old Tipo subcompact will have increased availability in export markets this year and should take some sales from VW's Golf.

Other analysts also point out that Fiat has traditionally achieved its best sales in the first half of the year, while VW comes on strong in the second half. Fiat held a wide lead in Europe during most of 1988. A weak second-half market throughout Europe would presumably blunt VW's chances of staging another late surge.

Dodge Spirit gets bad crash mark

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The 1989 Spirit, the car replacing Aries in the Dodge lineup, fared poorly in a vehicle crash that was 5 mph faster than required by NHTSA.

Performing better in the 35-mph crashes were the 1989 Dodge Daytona, Honda Civic CRX and Ford Thunderbird. The results were part of NHTSA's New Car Assessment Program.

While a 35-mph crash generates a third more force than the 30-mph limit required, the Spirit registered a driver head-injury criterion rating of 1421, compared to the 1000 HIC level that is considered the limit for survival in the 30-mph crash. The Spirit's passenger-side HIC was 537.

Chrysler dismissed the crash results, saying its vehicles meet or exceed the 30-mph standards.

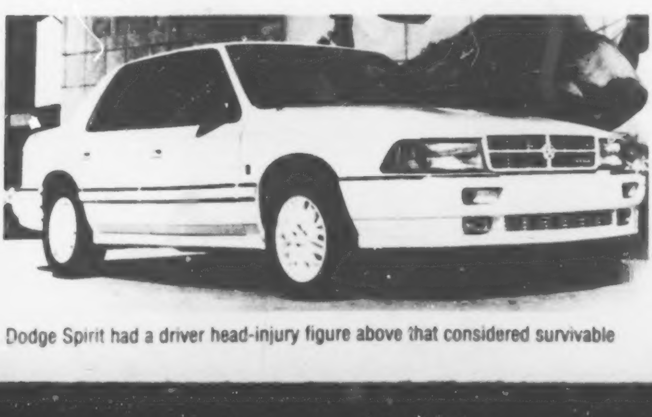
"The 35-mph barrier tests indicate nothing about vehicle performance in most accidents nor do they relate to federal standards," a spokesman said.

The Dodge Daytona had a driver HIC level of 399, passenger HIC, 297; Honda Civic CRX, driver HIC, 750, passenger HIC, 520; and Ford Thunderbird, driver HIC, 541, passenger HIC, 496. The Daytona and Thunderbird were equipped with passive restraints.

The Spirit fared better in chest-deceleration, scoring 47 G's for the driver and 45 for the passenger. In a 30-mph crash, NHTSA considers a chest-deceleration number below 60 to be survivable.

The Civic CRX tallied 39 G's for the driver, 37 passenger; Daytona, 39 driver, 32 passenger; and Thunderbird, 44 driver, 40 passenger.

Previously crashed 1989 cars include the Mitsubishi Mirage and Galant and Eagle Medallion, all of which passed the 30-mph criteria at the higher speed.



Dodge Spirit had a driver head-injury figure above that considered survivable

DOMESTIC DAYS' SUPPLIES

	May 1, 1989	Apr. 1, 1989	May 1, 1988
Alliance	—	—	69
Eagle	—	—	61
Premier	132	111	134
Total Eagle	132	111	123
Horizon	81	91	89
Laser	59	57	—
Sundance	83	92	66
Turismo	—	—	77
Reliant	65	78	42
Acclaim	47	59	—
Caravelle	153	118	67
Gran Fury	22	71	38
Total Plymouth	65	76	59
LeBaron K	98	87	88
LeBaron J	74	106	57
LeBaron GTS	209	253	134
Fifth Avenue	103	117	55
New Yorker C	51	69	102
New Yorker E	234	189	26
Total Chrysler	69	93	73
Omni	92	97	97
Shadow	81	75	60
Charger	—	—	69
Daytona	70	91	48
Aries	68	77	41
Lancer	254	308	185
Spirit	64	71	—
Diplomat	91	87	52
Dynasty	44	44	53
Dodge 600	137	148	70
Total Dodge	66	71	59
CHRYSLER MTRS.	69	80	65
Escort	100	97	73
Mustang	45	62	44
Tempo	79	93	70
Taurus	56	73	53
Thunderbird	69	73	97
Probe	95	96	60
Crown Victoria	78	84	60
Total Ford Div.	73	83	64
Lynx/Tracer	102	122	98
Topaz	80	76	70
Sable	57	91	56
Cougar	65	63	79
Grand Marquis	74	69	45
Total Mercury	71	79	66
Continental	56	55	16
Lincoln	51	70	69
Mark VII	103	108	65
Total Lincoln	59	71	57
Total L-M Division	68	77	64
FORD MOTOR CO.	71	81	64
Skyhawk	112	130	100
Somerset/Skylark	68	78	101
Century	52	66	70
Regal	91	124	96
LeS[illegible]	72	74	58
Reatta	110	155	87
Electra	97	93	101
Riviera	68	114	62
Total Buick	75	88	81
Cimarron	22	7	135
Allante	112	106	139
Seville	79	60	64
DeVille	68	71	64
Brougham	81	71	94
Eldorado	90	75	76
Total Cadillac	74	71	73
Chevette	—	—	298
Geo Prizm/Nova	128	246	64
Cavalier	69	71	62
Camaro	65	96	74
Celebrity	44	46	65
Corsica/Beretta	79	81	59
Monte Carlo	—	121	109
Caprice	77	85	77
Corvette	108	125	69
Total Chevrolet	72	80	66
Firenza	75	57	115
Calais	98	120	84
Cutlass Ciera	74	89	58
Cutlass Supreme	128	150	98
Olds 88	71	85	60
Olds 98	79	79	83
Toronado	184	149	63
Total Oldsmobile	85	100	72
Fiero	53	80	120
Pontiac 1000	—	—	157
Sunbird	58	71	56
Firebird	65	84	53
Grand Am	68	74	45
Pontiac 6000	70	86	54
Grand Prix	90	72	45
Bonneville H	79	89	47
Paris./Safari	93	127	92
Total Pontiac	72	78	52
GENERAL MTRS.	75	83	67
HONDA	20	29	12
MAZDA	58	52	42
MITSUBISHI	29	26	—
NISSAN	78	53	51
TOYOTA*	44	25	43
VOLKSWAGEN	—	—	113
DOM. TOTAL	69	77	63
Subcompact	53	57	48
Compact	65	73	54
Intermediate	66	77	65
Standard	73	80	64
Specialty	104	125	95

*Estimate.

Days' supply of cars dips, but stocks remain swollen

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

The current round of retail incentives reduced the days' supply of unsold vehicles in April, but the May 1 figure remained higher than that of a year ago.

The month-to-month dips were not overpowering in most instances. That could mean additional retail incentives, a spate of dealer incentives or production cuts if early-May sales reports due this week do not show an acceleration in the sales pace.

Domestic new-car stocks equaled a 69-day supply on May 1 compared with a 77-day supply on April 1 and a 63-day supply on May 1, 1988, at then-current sales rates.

Although retail incentives increased the daily selling rate, the total inventory of unsold domestic cars rose slightly to 1,835,840 on May 1 from 1,822,224 on April 1. The May 1 total was the highest since the record of 1,900,096 unsold cars on July 1, 1987.

David Healy, auto analyst for Drexel Burnham Lambert, called May 1 inventories "uncomfortably-high, but not a disaster."

He said that based on present conditions, the days' supply for the Big 3 will remain high, which will probably mean continued heavy incentives and could mean production cuts later in the year.

Unsold stocks of imported cars declined to a 72-day supply on May 1 from a 79-day supply on April 1. The May 1, 1988, inventory equaled a 63-day supply. There were 698,896 imported cars on hand May 1, down from 713,783 on April 1.

The May 1 supply of imported trucks rose to a 76-day supply from a 73-day supply on April 1. On May 1, 1988, there was an 84-day supply.

The days' supply of unsold imported cars and trucks declined to 73 days on May 1 from 77 days a month earlier. One year ago, there was a 75-day supply of unsold imported vehicles.

Among the Big 3, Chrysler Motors — which is offering zero-percent financing on short-term loans to low-risk buyers — reduced its days' supply of cars by the widest margin from April to May.

Chrysler's inventory on May 1 equaled a 69-day supply, down from an 80-day supply April 1, but slightly higher than the 65-day supply on May 1, 1988.

Ford Motor Co. reduced its supply to 71 days on May 1 from 81 days on April 1. On May 1, 1988, Ford had a 64-day supply.

General Motors' stocks declined from an 83-day supply on April 1 to a 75-day supply on May 1. A year ago, GM had a 67-day supply.

By market segments for domestic cars, subcompacts were in the tightest supply with a 53 day supply on May 1.

Domestic specialty cars, with a 104-day supply, were the most overstocked.

Importers of Japanese cars reduced their days' supply the most in April. Their May 1 inventory equaled a 65-day supply, compared with a 73-day supply on April 1 and a 69-day supply on May 1, 1988.

Honda reduced its import stockpile from 40 days on April 1 to 27 days on May 1. Toyota's import inventory fell from 28 days on April 1 to 18 on May 1.

The stock of unsold Nissan imported cars rose to 106 days on May 1 from 88 days a month earlier.

Isuzu stocks remained high at 169 days. On May 1, Mitsubishi had a 101-day supply of imported cars, up from 71 days on April 1, and Suzuki had a 240-day supply of cars, down from 253 days on April 1.

Days' supplies were also far above average for Japanese cars imported for Chevrolet (114 days) and Chrysler Motors (138).

Inventory levels remained fairly stable for West German makes. On May 1, the days' supply of was 94, compared to 98 on April 1 and 85 on May 1, 1988.

At the beginning of the month, Audi stocks — the highest among the German makes — represented a 234-day supply, up from a 182-day supply on April 1, despite incentive programs including extended warranties and guaranteed resale value. Porsche's level was next-highest, at 132 days, but it was down from 170 days a month earlier. Volkswagen stocks declined during the month, to a 103-day supply.

Other importers had varying degrees of success in reducing inventories.

Sterling had a 139-day supply as of May 1, compared to 124 days a month earlier, despite its low-interest financing program and a new ad campaign.

Yugo America reduced its days' supply to 197 on May 1 from 242 on April 1. The company recently began offering dealer incentives in an effort to re-start sales following its January bankruptcy filing.

IMPORT DAYS' SUPPLIES

	May 1, 1989	Apr. 1, 1989	May 1, 1988
Chevrolet	114	200	169
Chrysler Motors	138	173	143
Acura	58	79	35
Daihatsu	85	87	90
Honda	27	40	11
Isuzu	169	171	160
Mazda	60	59	58
Mitsubishi	101	71	100
Nissan	106	88	112
Subaru	63	58	110
Suzuki	240	253	-
Toyota	18	28	22
JAPAN	65	73	69
Audi	234	182	189
BMW	79	74	85
Mercedes-Benz	58	51	29
Merkur	110	100	181
Porsche	132	170	90
VW	103	121	97
GERMANY	94	98	85
Alfa Romeo	131	166	85
Festiva	97	119	130
Hyundai	59	52	53
Jaguar	62	63	65
Peugeot	96	97	90
Pontiac	148	161	76
Eagle/Renault	162	144	253
Saab	85	88	87
Sterling	139	124	107
Volvo	74	76	71
Yugo	197	242	127
Other Countries	87	87	76
Total Import Cars	72	79	73
Geo Tracker	166	185	-
Isuzu	116	115	152
Mazda	64	62	61
Mitsubishi	93	90	74
Nissan*	57	38	104
Range Rover	34	34	42
Suzuki	184	114	104
Toyota	46	54	43
Chrysler	181	206	122
Total Imp. Trucks	76	73	84
Total Imp. Vehicles	73	77	75

*Includes domestic vehicles.

Truck sales rise in April; year is down

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Heavy incentive activity pushed light-truck sales to a marginal increase in April, as domestic manufacturers continued to boost their market share.

Total retail deliveries of 418,417 light trucks in April were up 2.90 percent from last year's 406,614.

The April gain partially offset a decline in sales during the first quarter of this year.

Four-month sales of 1,546,492 light-duty trucks were down 4.56 percent from 1,620,333 last year.

In April, Detroit's Big 3 garnered 87.56 percent of the market up nearly 2 percentage points from 85.71 percent last year.

In the first four months of the year, Detroit's market share increased to 86.48 percent from 85.54 percent last year.

GMC was the only U.S.-based manufacturer that posted sales gains for both the month and the first four months of calendar 1989.

Ford, Chevrolet and Jeep all had moderate gains in April, but were down in the year-to-date column.

The Plymouth-Dodge total was off both in April and for the first four months.

Ford's reported light-truck sales total for the first four months included more than 9,000 Class 4 Super Duty models, which some truck industry officials do not include in the light-truck count. Ford is now selling well over 2,000 medium-duty Super Duty models a month, but continues to count them as part of its light-truck total.

Among the imports, Isuzu and Range Rover bucked the overall trend by posting strong gains for January and for the first four months of the year.

Suzuki had the sharpest monthly and year-to-date reversals.

LIGHT-DUTY TRUCK SALES

	April 1989	April 1988	4 Mos. 1989	4 Mos. 1988
Vans	15,655	15,196	56,793	64,200
Aerostar	17,179	16,358	64,530	63,125
Club Wagon	2,446	2,171	8,599	9,441
Ranger	24,112	25,121	90,981	100,006
Bronco	4,839	4,551	20,910	18,406
Bronco II	8,379	9,226	35,769	39,399
Pickups	54,519	52,226	196,211	202,927
Ford	**127,129**	**124,849**	**473,793**	**497,504**
Vans	9,581	11,721	34,182	45,078
Sportsvan	770	1,044	3,364	5,284
Geo Tracker	743	0	2,924	0
Astro	12,010	13,173	43,070	54,820
S-10	22,034	17,659	75,533	79,327
S-10 Blazer	14,306	13,895	56,596	49,930
El Camino	0	38	0	390
Blazer	1,899	1,958	7,586	9,935
Suburban	5,291	5,201	20,148	20,841
Pickups	51,661	42,056	177,828	170,980
Chevrolet	**118,295**	**106,745**	**421,231**	**436,585**
Vans	8,163	5,925	23,685	21,015
Ram Wagon	2,643	2,556	8,545	9,155
Voyager	17,224	17,606	61,746	61,673
Caravan	17,803	18,077	67,585	68,043
Mini Ram Van	1,103	1,704	5,202	6,025
Ram 50	2,808	5,588	10,414	21,461
Raider	360	404	1,817	2,461
Ramcharger	1,805	1,453	7,858	7,433
Dakota	8,523	9,142	32,621	33,136
Pickups	8,007	8,415	31,060	30,163
Chrysler	**68,439**	**70,870**	**250,533**	**260,565**
Vans	3,490	3,931	12,721	15,267
Safari	2,977	2,718	10,358	10,612
S-15	4,977	3,314	16,816	16,464
S-15 Jimmy	3,740	2,797	13,974	11,579
Jimmy	497	503	2,237	2,644
Caballero	0	1	0	55
Suburban	1,953	1,624	7,357	7,107
Pickups	13,584	10,504	49,210	46,654
P Model	352	471	1,364	1,466
W-4	130	146	433	475
GMC	**31,700**	**26,009**	**114,470**	**112,323**
Wrangler	4,796	3,670	15,813	12,391
Wagoneer	483	684	2,288	3,094
Cherokee	12,029	10,924	46,529	45,720
Grand Wagoneer	764	819	3,542	4,272
Comanche	2,738	3,903	9,196	13,452
J-10/J-20	0	19	0	120
Jeep	**20,810**	**20,019**	**77,368**	**79,049**
Toyota	21,131	19,406	70,787	77,134
Nissan	11,085	13,899	57,159	55,587
Mazda	7,307	8,522	28,811	35,513
Isuzu	7,817	5,734	29,629	24,861
Mitsubishi	2,734	4,146	12,044	17,110
Suzuki	1,562	6,165	9,068	22,948
Subaru	0	2	0	9
Range Rover	408	248	1,599	1,145
Imports	**52,044**	**58,122**	**209,097**	**234,307**
Industry Total	**418,417**	**406,614**	**1,546,492**	**1,620,333**

Compiled by Karen Detkowski

Ford demonstrates engine durability
Ford New Holland technicians Tom Cline, center, and Terry Cuthbertson tear down a 6.6-liter Ford diesel engine from a Cargo CF-7000 truck owned by Harry Kuck, right. The exercise, at the New England Truck Show in Boston, was to demonstrate the engine's durability. Kuck logged 318,350 miles with the engine, which he said has never been overhauled. Kuck is an owner-operator based in Chicago.

Utilimaster's Aeromate takes off

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

ORLANDO, Fla. — Utilimaster Motor Corp.'s strategy of producing delivery vans on its own chassis and selling them through a variety of dealers has been paying off.

B. Ross Dubec, general sales manager of the Wakarusa, Ind., company, said 70 dealers have been signed to handle its downsized special-delivery vehicle, known as Aeromate. Most are auto dealers selling Chrysler, Ford, Chevrolet, Nissan and other makes. Utilimaster hopes to have 140 dealers by the end of this year.

"That should give us all the dealers we need, without having too many," Dubec said during the American Truck Dealers convention here.

Aeromate uses drivetrains and other mechanicals — such as wiring harnesses — supplied by Chrysler's Acustar Division.

The vehicle is designed to fill the market gap between Detroit's smaller conventional cargo vans and the high-cube vans that Detroit makers and other body builders produce. The model is being purchased by florists, dry cleaners and caterers and also is being used in "applications we never considered," Dubec said.

Funeral homes engaged in multiple-body pickups, the result of plane crashes or other disasters, have purchased the vehicle. So have paraplegics, who bought it for personal use. One entrepreneur purchased the vehicle for a pet grooming service in which she goes house-to-house, clipping and washing dogs. The rear box is all aluminum, which means it will not rust.

Dubec said sales acceptance has been good. The company began shipping vehicles last September. It expects to sell 2,000 this year and 4,000 in 1990, Dubec said.

The vehicle also is being tested for fleet use by United Parcel Service and Federal Express.

The company generally doesn't sell directly to fleets. The exceptions were two national accounts, which required unique versions of the vehicle.

Utilimaster has been producing walk-in vans for 15 years. It also sells a walk-in van with a 14-foot box, built on General Motors and Ford Motor Co. chassis.

Aeromate is different from previous Utilimaster models in that it uses the company's own chassis, placing the firm in direct competition with Detroit's manufacturers for the first time.

Chassis production "gives us better control" over the vehicle's distribution, Dubec said. "We can franchise whomever we want."

The suggested retail price of the downsized special-delivery van, depending on options, is about $17,500. Automatic transmission, power steering, power brakes, tinted windshield, tilt steering and various other items are standard.

Paccar profits

BELLEVUE, Wash. — Paccar had its fifth straight record quarterly profit for the three months ended March 31. Net income of $47.3 million for the period was up from $39.9 million in like 1988.

Charles M. Pigott, Paccar chairman, said demand for the company's Kenworth, Peterbilt and Foden trucks kept truck order backlogs high and plants operating at near capacity. Pigott said sales and profits of foreign truck operations in Canada, Australia and the United Kingdom also improved.

TRUCK BRIEFS

Swift expands fleet

PHOENIX, Ariz. — Swift Transportation Co., one of the largest private trucking firms, announced a $42.5 million expansion program, including the addition of 1,050 trucks and trailers.

The expansion will be financed through long-term borrowing agreements with several lenders, such as banks, insurance companies and the finance units of equipment manufacturers.

The company will spend $32 million for equipment and $8 million to expand offices and terminals in Phoenix; Stockton, Calif.; Renton, Wash.; and Lindon, Utah. It will spend $2.5 million to build a terminal near Los Angeles.

It will add 350 tractors, 700 trailers and 450 drivers to its fleet. For the balance of calendar 1989 and for 1990, it will buy mostly Kenworth, Peterbilt and Navistar International trucks.

The company is expanding two college-based driver training programs to meet its driver needs.

Swift's revenue has increased about 300 percent in the past several years and totaled $85 million in 1988. The company expects to reach $120 million this year.

It operates in 48 states with 1,000 trucks, 1,800 trailers and 1,500 employees.

Allied-Cantire deal

ETOBICOKE, Ontario — Allied-Signal Automotive acquired certain disc brake and drum brake friction material assets from the Cantire Products Division of Canadian Tire Corp.

The acquisition includes the production operations in a 39,000-square-foot leased facility that supplies disc brake pads for cars and light trucks in the North American aftermarket.

The remanufacturing equipment and inventory will be relocated to Allied-Signal Canada's Certified Brake Division plant in Toronto.

Schwitzer restructures

PROSPECT HEIGHTS, Ill. — Schwitzer, a major manufacturer of heavy-duty truck and engine components, formed Schwitzer Inc., a new publicly held company.

Schwitzer formerly was a division of Household Manufacturing here.

It was spun off when the latter firm decided to restructure and has become a holding company for four subsidiaries: Schwitzer U.S. of Indianapolis; Schwitzer (Europe) of Bradford, England; Schwitzer Manufacturing Canada of Stratford, Ontario; and Lacom Schwitzer Equipamentos of Campinas, Brazil.

Navistar problems

CHICAGO — Navistar International Corp. expects profits to be significantly less than projected this year due to far greater than expected start-up costs related to the introduction of new products.

Deutsche Bank Capital Corp. of New York quoted management as saying costs of new lines of medium and heavy-duty trucks will be $60 million to $65 million more than anticipated.

The vehicles went into production earlier this year at Navistar's Springfield, Ohio, plant, which accounts for 60 percent of Navistar's dollar sales, according to Deutsche Bank.

Difficulties began to surface in mid-February and became more serious by mid-March. The problems, not caught in initial runs, were complicated later by more complex special-order vehicles and a just-in-time inventory system.

For example, a supplier was shipping hoods for two series of vehicles, upper Class 7 and lower Class 8 trucks, that didn't fit, Deutsche Bank said.

The vehicles accounted for about 10 percent of the production schedules and they had to be produced without hoods and pulled from the assembly line until the proper hoods could be obtained from the suppler. Navistar's paint plant is also not yet running as desired.

Navistar said such start-up problems are not uncommon in the industry. They have resulted in canceled orders and will reduce Navistar's sales. The biggest difficulties appear to be in Navistar heavy-truck production. Medium-duty production is running close to target, Deutsche Bank said.

Auto spending in newspapers climbs to record $687 million

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

U.S. automakers, dealers and importers spent a record amount on newspaper advertising for cars in calendar 1988.

The Newspaper Advertising Bureau said the auto industry, including factories, dealer associations and dealers, spent $687.8 million in 1988, up 5.3 percent from $652.9 million in 1987, the previous peak. The increase slightly outpaced the 4.1 percent rate of inflation.

The spending numbers, projected for 125 markets, are collected by Media Records. The numbers do not include national newspapers such as The Wall Street Journal or USA Today.

William J. Tausch, vice president of automotive marketing for the Newspaper Advertising Bureau, said the record 1988 expenditures were buoyed by strong increases in dealer association spending.

T.V. ad spending up, see Page 20

Dealer association expenditures on newspaper advertising showed the largest increase in 1988. Dealer advertising groups spent $87.7 million, up 42.4 percent over the $61.6 million spent in 1987. Tausch attributed the rise to an increase in he number of dealer groups and a flurry of incentives advertised by the groups.

General Motors' dealer groups increased their newspaper spending 84 percent in 1988. They spent $22.9 million, compared to $12.4 million in 1987. GM executives have said they have made an effort to be more competitive in local advertising spending. Among GM makes, Pontiac dealer groups showed the largest increase in 1988 with a 286.2 percent rise in newspaper spending.

A bureau spokesman said GM spending on newspapers was generally low in 1987 and the corporation has made a concerted effort to beef up local advertising outlays since then.

Factory expenditures on newspaper advertising fell 14.6 percent in 1988 compared to 1987. Factories spent $175.2 million in 1988 compared to $205.1 million in 1987. Factory expenditures by domestic automakers fell 11 percent ($97 million vs. $109 million) while factory spending by importers took an even bigger drop by falling 18.6 percent ($78.3 million vs. $96.2 million).

"The factories are rationalizing their roles with the dealer associations, factories are developing the brand character and dealer associations are taking on more of the retail messages (including advertising factory incentive programs)," Tausch said.

He added that one of the reasons for the decline in factory spending in newspapers may have been the large financial commitments the Big 3 domestic automakers made to advertising time during telecasts of the Olympic Games. Chrysler Motors and Ford Motor Co. purchased television time during the Winter Olympic Games, while GM was the only domestic automaker advertising during the airing of the Summer Olympic Games.

Chrysler Motors' factory spending on newspaper advertising showed the sharpest decline among the domestic automakers. Chrysler spent $10.1 million in newspaper advertising for its Chrysler-Plymouth, Dodge and Jeep-Eagle divisions and corporate campaigns, a 65.2 percent drop from the $29.1 million spent in 1987.

"We spend the bulk of our

see NEWS ADS, page 44

RECAP OF FULL YEAR 1988
(in thousands)

	Factory	Dealer Assn.	Local Dealer	Total	$ Change	% Change
Total domestic	$97,009	$63,181	$ 183,565	$343,755	$49,240	16.7
Total multi-line dealers	N.A.	N.A.	119,064	119,064	21,623	22.2
Total imports	78,291	24,487	122,230	224,936	(35,980)	(13.8)
Grand total	$175,300	$87,668	$424,859	$687,755	$34,883	5.3

IMPORT CAR NEWSPAPER EXPENDITURES
(Full Year 1988; in thousands)

	Factory	Dealer Assn.	Local Dealer	Total	$ Change from Full Year '86	$ Change from Full Year '87
Acura	$ 1,108	$ 4,811	$ 6,324	$12,243	$ 493	4.2
Alfa Romeo	2,553	65	1,154	3,772	1,281	51.4
Audi	5,142	1,028	1,953	8,123	(292)	(3.5)
Austin Rover (Sterling)	5,680	325	1,561	7,566	4,122	119.7
BMW	8,983	4,861	4,313	18,157	2,517	16.1
Daihatsu	439	N.A.	445	884	445	101.4
Honda	1,101	484	8,780	10,365	(2,069)	(16.6)
Hyundai	688	N.A.	14,182	14,870	964	6.9
Isuzu	127	N.A.	1,909	2,036	(4,573)	(69.2)
Jaguar	4,105	804	5,508	10,417	(1,008)	(8.8)
Lotus	279	N.A.	112	391	342	698.0
Mazda	4,689	2,392	4,651	11,732	(9,545)	(44.9)
Mercedes-Benz	17,479	4,203	5,847	27,529	(623)	(2.2)
Mitsubishi	484	150	6,154	6,788	782	1.2
Nissan	7,289	246	21,841	29,376	7,662	35.3
Peugeot	2,840	117	678	3,635	1,763	94.2
Porsche	958	N.A.	1,602	2,560	(3,022)	(54.1)
Range Rover	N.A.	N.A.	881	881	(376)	(29.9)
Saab	2,433	N.A.	1,648	4,081	(579)	(12.4)
Subaru	1,478	989	2,981	5,448	(7,378)	(57.5)
Suzuki	374	N.A.	2,743	3,117	16	.05
Toyota	4,010	1,966	20,765	26,741	387	1.5
Volkswagen	2,020	542	2,357	4,919	(4,277)	(46.5)
Volvo	2,696	1,393	3,389	7,478	1,106	17.3
Yugo	1,264	111	452	1,827	797	77.4
TOTAL	$78,291	$24,487	$122,230	$224,936	N.A.	N.A.

N.A. – not available.

DOMESTIC AND IMPORT TRUCK ADVERTISING IN NEWSPAPERS (in thousands)

	1988	1987	$ Change	% Percent
Chevy				
Multi-trucks	$3,103	$3,188		
Heavy-Duty	29	26		
Pickup	3,185	10,687		
Van	1,273	737		
	7,590	14,638	$(7,048)	(48.1)
Dodge				
Multi-trucks	258	1,035		
Pickup	436	2,178		
Van	832	979		
	1,526	4,192	(2,666)	(63.6)
Ford				
Multi-trucks	3,095	4,613		
Heavy-Duty	161	111		
Pickup	1,706	5,904		
Van	853	781		
	5,815	11,409	(5,594)	(49.0)
GMC				
Multi-trucks	2,055	1,563		
Pickup	530	2,192		
Van	468	758		
	3,053	4,513	(1,460)	(32.4)
Isuzu				
Multi-trucks	11	18		
Heavy-Duty	291	194		
Pickup	227	517		
Van	7	118		
	639	845	(309)	(36.6)
Jeep				
Pickup	33	128		
	33	128	(95)	(74.2)
Mazda				
Multi-trucks	33	6		
Pickup	754	2,746		
	787	2,752	(1,965)	(71.4)
Mitsubishi				
Multi-trucks	53	58		
Heavy-Duty	104	74		
Pickup	71	241		
	228	373	(145)	(38.9)
Nissan				
Multi-trucks	46	120		
Heavy-Duty	5	22		
Pickup	228	467		
	279	609	(330)	(54.2)
Plymouth				
Van	257	N.A.		
	257	N.A.	N.A.	N.A.
Suzuki				
Pickup	58	32		
	58	32	26	81.3
Toyota				
Multi trucks	267	594		
Pickup	1,006	1,244		
Van	95	208		
	1,368	2,046	(678)	(33.1)
Grand Total	$21,530	$41,537	(20,007)	(48.2)

Multi trucks—Advertisement of more than one model.
Parenthesis denotes negative change.

NEWSPAPER AD SPENDING
Full year 1988 vs. Full year 1987
(In thousands)

	Factory				Dealer Association				Local Dealer				Total			
	1988	1987	$ change	Percent change	1988	1987	$ change	Percent change	1988	1987	$ change	Percent change	1988	1987	$ change	Percent change
Chrysler Corp.	$ 3,283	$ 11,422	$ 8,139	(71.3)	$ —	$ —	N.A.	—	$ 1,200	$ 1,176	$ 24	2.0	$ 4,483	$ 12,598	$ 8,115	(64.4)
Chrysler-Plymouth	2,996	7,866	4,870	(61.9)	92	1,033	941	(91.1)	11,507	13,713	2,206	(16.1)	14,595	22,612	8,017	(35.5)
Dodge	2,474	7,097	4,623	(65.1)	610	967	357	(36.9)	10,952	11,533	581	(5.0)	14,036	19,597	5,561	(28.4)
Jeep-Eagle	1,372	2,725	1,353	(49.7)	2,886	623	2,263	363.2	7,668	1,698	5,970	351.6	11,926	5,046	6,880	136.3
Total Chrysler	$ 10,125	$ 29,110	$18,985	(65.2)	$ 3,588	$ 2,623	$ 965	36.8	$ 31,327	$ 28,120	$ 3,207	11.4	$ 45,040	$ 59,853	$14,813	(24.7)
Ford Corp.	1,620	1,192	428	35.9	—	—	N.A.	—	2,394	1,616	778	48.1	4,014	2,808	1,206	42.9
Ford Division	10,548	13,837	3,289	(23.8)	24,150	14,848	9,302	62.6	45,644	32,056	13,588	42.4	80,342	60,741	19,601	32.3
Lincoln-Mercury	940	2,371	1,431	(60.4)	12,522	8,141	4,381	53.8	13,547	12,332	1,215	9.9	27,009	22,844	4,165	18.2
Total Ford	$ 13,108	$ 17,400	$ 4,292	(24.7)	$36,672	$22,989	$13,683	59.5	$ 61,585	$ 46,004	$15,581	33.9	$111,365	$ 86,393	$24,972	28.9
GM Corp.	8,222	14,725	6,503	(44.2)	—	—	N.A.	—	5,030	449	4,581	1,020.3	13,252	15,174	1,922	(12.7)
Buick	7,659	3,109	4,550	146.3	5,421	2,636	2,785	105.7	9,738	8,450	1,288	15.2	22,818	14,195	8,623	60.7
Cadillac	2,163	1,772	391	22.1	5,522	2,287	3,235	141.5	16,694	17,137	443	(2.6)	24,379	21,196	3,183	15.0
Chevrolet	24,315	20,433	3,882	19.0	5,555	4,154	1,401	33.7	40,120	29,670	10,450	35.2	69,990	54,257	15,733	29.0
Oldsmobile	17,954	14,151	3,803	26.9	4,774	2,936	1,838	62.6	9,970	10,271	301	(2.9)	32,698	27,358	5,340	19.5
Pontiac	13,144	8,273	4,871	58.9	1,649	427	1,222	286.2	9,061	7,386	1,675	22.7	23,854	16,086	7,768	48.3
Total GM	$ 73,776	$ 62,463	$11,313	18.1	$22,921	$12,440	$10,481	84.3	$ 90,611	$ 73,324	$17,287	23.6	$187,308	$148,227	$39,081	26.4
Total domestic	$ 97,009	$108,973	$11,964	(11.0)	$63,181	$38,052	$25,129	66.0	$183,565	$147,490	$36,075	24.5	$343,755	$294,515	$49,240	16.7
Total imports	$ 78,291	$ 96,182	$17,891	(18.6)	$24,487	$23,523	$ 964	4.1	$122,230	$141,231	$19,001	(13.5)	$224,936	$260,916	$35,980	(13.8)
Total multi-line dealers	$ —	$ —	$ —	—	$ —	$ —	$ —	—	$119,064	$ 97,441	$21,623	22.2	$119,064	$ 97,441	$21,623	22.2
Grand total	$175,300	$205,155	$29,855	(14.6)	$87,668	$61,575	$26,093	42.4	$424,859	$386,142	$38,717	10.0	$687,755	$652,872	$34,883	5.3

SOURCE: Newspaper Advertising Bureau, Media Records, projected to 125 markets. Parenthesis denotes negative change. Totals may reflect [illegible] spending.

Makers top $1 billion in network TV

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

In 1988, for the first time ever, automakers spent more than $1 billion in network television for cars and trucks. The auto industry also spent more than $1 billion in spot television for the second consecutive year.

It was a television year for the automakers with many manufacturers sponsoring network advertising during broadcasts of both the summer and winter Olympic Games and the elections.

Manufacturers and dealer associations also poured money into local spot television as regional marketing efforts increased. Many advertisers, particularly General Motors' divisions, had large increases in overall advertising budgets for the 1989 model year, much of which went into television.

Overall, factories and dealers spent $2.5 billion in television advertising for cars and trucks including both network and spot ads, up 19 percent from $2.1 billion in 1987. The large increase was fueled by a 44.25 percent increase by GM whose overall television budget jumped from $499.9 million in 1987 to $721.1 million in 1988.

Network purchases, which included all factory dollars with the exception of one network cam-

see TV ADS, page 44

AUTOMOBILES — LEADING TV ADVERTISERS BY NAMEPLATE

	1987			1988			
	Network TV	Spot TV*	Total TV	Network TV	Spot TV*	Total TV	% Change
Ford	$ 62,036,800	$ 52,602,100	$114,638,900	$ 75,914,300	$ 71,133,600	$147,047,900	+ 28.3
Pontiac	44,256,400	53,087,700	97,344,100	80,673,600	57,331,200	138,004,800	+ 41.8
Oldsmobile	21,048,700	52,067,200	73,115,900	73,551,600	63,526,100	137,077,700	+ 87.5
Chevrolet	58,218,400	58,357,200	116,575,600	70,119,500	63,039,400	133,158,900	+ 14.2
Hyundai	13,205,200	65,509,400	78,714,600	68,991,700	62,249,900	131,241,600	+ 66.7
Toyota	31,246,600	64,857,400	96,104,000	39,104,000	76,413,600	115,866,900	+ 20.6
Honda	38,877,900	40,666,400	79,544,300	46,107,200	47,287,300	93,394,500	+ 17.4
Nissan	23,001,600	57,109,700	80,111,300	37,786,000	55,433,500	93,219,500	+ 16.4
Buick	37,699,700	27,747,900	65,447,600	62,021,600	28,803,000	90,824,600	+ 38.8
Mazda	38,324,200	33,853,500	72,177,700	38,535,100	33,680,400	72,215,500	+ 0.1
Subaru	31,603,100	34,672,700	66,275,800	39,544,500	31,224,300	70,768,800	+ 6.8
Dodge	26,541,100	20,240,400	46,781,500	24,873,000	32,250,700	57,123,700	+ 22.1
Cadillac	17,088,700	18,245,600	35,334,300	27,808,000	26,318,200	54,126,200	+ 53.2
Acura	23,618,500	10,860,000	34,478,500	34,122,800	15,359,000	49,481,800	+ 43.5
Mercury	28,305,400	26,222,000	54,527,400	23,695,600	24,884,900	48,580,500	− 10.9
Volkswagen	32,842,000	22,212,300	55,054,300	23,010,400	25,283,600	48,294,000	− 12.3
Eagle	8,945,300	445,000	9,390,300	26,863,900	19,561,800	46,425,700	+394.4
Mitsubishi	1,476,800	27,144,700	28,621,500	10,413,600	29,052,700	39,466,300	+ 37.9
Chrysler	17,797,300	13,733,500	31,530,800	24,974,100	11,638,600	36,612,700	+ 16.1
Mercedes-Benz	19,546,200	8,643,300	28,189,500	19,453,300	10,344,600	29,797,900	+ 5.7

NOTES: Expenditures for television commercials advertising two nameplates or vehicle types have been divided between the two brands. Expenditures include leasing.

Broadcast Advertisers Reports identifies some automotive television expenditures as "autos and trucks," "various autos," "general promotion," etc. Unless they are clearly attributable to a brand, they are not included in the above, or in the truck data following, but are included in the company totals. In the January/June 1988 period, these expenditures were as follows: Chrysler Corp. $25,544,300; Ford Motor Co. $13,702,700; General Motors $1,762,100; Nissan $1,387,000; Toyota $1,614,500.

*Spot TV includes national syndication advertising.

SOURCE: Television Bureau of Advertising from analysis of Broadcast Advertisers Reports data.

TRUCKS, VANS, SPORT-UTILITIES — LEADING TV ADVERTISERS BY NAMEPLATE

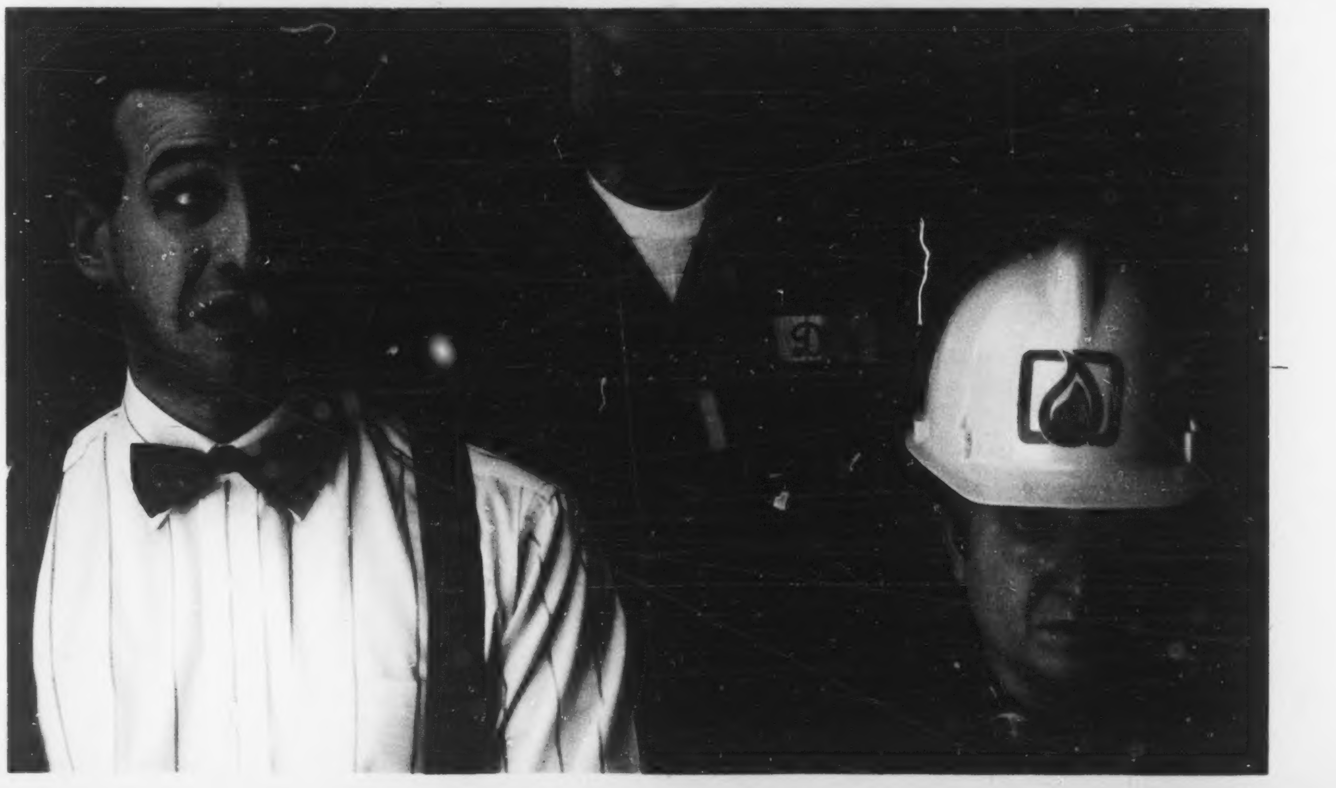
	1987			1988			
	Network TV	Spot TV*	Total TV	Network TV	Spot TV*	Total TV	% Change
Chevrolet	$43,319,200	$30,377,100	$73,696,300	$69,088,500	$47,921,500	$117,010,000	+ 58.8
Ford	34,282,800	43,292,800	77,576,600	38,935,000	45,711,000	84,646,000	+ 9.1
Toyota	14,566,800	52,909,600	67,476,400	22,180,000	42,395,800	64,575,800	− 4.3
Dodge	30,170,500	28,006,100	58,176,600	30,436,900	31,239,100	61,676,000	− 6.0
Nissan	15,899,100	37,726,800	53,625,900	16,655,900	31,928,400	48,584,300	− 9.4
Jeep	20,704,500	14,822,300	35,526,800	23,383,200	17,505,100	40,888,300	+ 15.1
Suzuki	4,400,800	23,607,100	28,007,900	21,320,800	15,795,500	37,116,300	+ 32.5
Isuzu	3,535,500	12,665,900	16,201,400	5,587,000	22,739,500	28,326,500	+ 74.8
Mazda	11,794,700	10,191,200	21,985,900	4,693,000	23,055,700	27,748,700	+ 26.2
GMC	6,792,800	18,117,500	24,910,300	791,400	20,701,800	21,493,200	− 13.7

NOTES: Expenditures for television commercials advertising two nameplates have been divided between the two brands.

SOURCE: Television Bureau of Advertising from analysis of Broadcast Advertisers Reports data.

*—Spot includes national syndication advertising.

If You Won't Buy Tilt-Wheel
For Tom, Dick And Harry...



TV ADS

FROM PAGE 20

paign sponsored by Jeep-Eagle dealers, totaled $1.2 billion in 1988, up 28.62 percent from $933 million in 1987. Ford Motor Co. and Chrysler Motors sponsored advertising on telecasts of the Winter Olympics in February 1988, while GM, American Isuzu and Hyundai were the automotive sponsors of the Summer Olympics in September 1988.

Ford also sponsored all automotive advertising during the 18-hour World War II miniseries "War and Rememberance," and Chrysler continued to sponsor its "Chrysler Showcase Theatre."

The market-by-market — or spot television — category continued to explode in 1988 due to the rising interest in regional marketing by automakers and dealer associations.

Competition was intense at the local level, and manufacturers took a variety of approaches to improve the leverage of co-op programs. Some manufacturers reorganized dealer groups, others started co-op programs with their dealer associations and several makers encouraged or mandated higher per-car contributions by dealers.

"The rising expenditures on spot television are an indication of what's to come; the competition is so strong, manufacturers are relying more and more on dealer associations to move the product," said Richard A. O'Donnell, vice president of automotive marketing, Television Advertising Bureau.

For example, Chevrolet enacted a new one percent marketing charge on the dealer invoice price of all of its 1989 cars and trucks, except fleet and GM employee purchases. The charge is mandatory for all dealers — regardless of membership in a dealer association — and has generated "hundreds of millions" of local advertising dollars for the division, according to Robert Burger, who retired April 28 as Chevrolet general manager.

In spot television, GM and its dealers were far and away the largest purchasers with $316.9 million spent on market-by-market advertising in 1988, up 21.19 percent from $261.5 million in 1987. Ford Motor Co. and its dealers were the second largest purchasers of spot television with $169.4 million in 1988, up 18.13 percent from $143.4 million in 1987.

Chrysler's spot television budget, which ranked third in 1988, jumped dramatically. Chrysler Motors and its dealers spent $147.7 million on spot television in 1988, up 29.68 percent from $113.9 million in 1987.

In network television, GM also was the leading automotive purchaser. GM spent $404.2 million on network television in 1988, up 69.55 percent from $238.4 million in 1987.

Pontiac's network television expenditures jumped 82.17 percent in 1988 to $80.7 million from $44.3 million in 1987. Pontiac introduced its 1988 Grand Prix in January 1988 with an advertising campaign based on its 1988 Motor Trend Car of the Year award.

LEADING TV ADVERTISERS — CAR, TRUCK & VAN MAKERS AND DEALER ASSOCIATIONS

	1987			1988			
	Network TV	Spot TV*	Total TV	Network TV	Spot TV*	Total TV	% Change
General Motors[1]	$238,425,600	$261,474,200	$ 499,899,400	$404,206,400	$ 316,893,400	$ 721,099,800	+ 44.2
Ford Motor Co.[1]	161,158,400	143,386,900	304,545,300	172,599,800	169,377,100	341,976,900	+ 12.3
Chrysler Corp.[1,2]	151,569,300	113,910,600	265,479,900	171,581,200	147,708,300	319,289,500	+ 20.3
Toyota Motor Sales[1]	46,298,300	118,368,700	164,667,000	64,193,100	138,554,800	202,747,900	+ 23.1
Nissan Motor Co.[1]	46,679,500	95,518,200	142,197,700	57,159,100	87,691,400	144,850,500	+ 1.9
Honda Motor Co.[1]	62,496,400	51,526,400	114,022,800	80,230,000	62,659,000	142,889,000	+ 25.3
Mazda Motor Corp.[1]	51,623,200	44,044,700	95,667,900	45,257,200	56,765,600	102,022,800	+ 6.6
Hyundai Corp.	13,205,200	65,509,400	78,714,600	36,[illegible]8,400	62,249,900	98,758,300	+ 25.5
Fuji Heavy Industries	31,603,100	34,672,700	66,275,800	39,544,500	31,224,300	70,768,800	+ 6.8
Mitsubishi Corp.	8,373,400	35,930,100	44,303,500	21,046,600	38,434,000	59,480,600	+ 34.3
Volkswagen AG	49,628,100	28,410,300	78,038,400	29,741,100	28,505,100	58,246,200	− 25.4
Suzuki Motor Co.[1]	4,400,800	23,607,100	28,007,900	22,375,000	18,063,800	40,438,800	+ 44.4
Isuzu Motor Co.	5,853,000	28,283,200	34,136,200	8,777,000	26,932,400	35,709,400	+ 4.6
Daimler-Benz AG	19,546,200	8,643,300	28,189,500	19,453,300	10,344,600	29,797,900	+ 5.7
BMW[1]	27,474,900	18,023,800	45,498,700	17,668,500	11,361,800	29,030,300	− 36.2
Volvo	1,007,600	13,177,300	14,184,900	5,808,000	11,264,800	17,073,800	+ 20.4
Bricklin Industry	12,446,600	2,154,100	14,600,700	9,784,800	5,294,700	15,079,500	+ 3.3
Austin Rover Group	639,600	15,054,300	15,693,900	1,226,100	8,625,000	9,851,100	− 37.2
CATEGORY TOTAL	**$932,510,200**	**$1,143,094,400**	**$2,075,604,600**	**$1,207,445,900**	**$1,272,273,700**	**$2,479,719,600***	**+ 19.5**

SOURCE: Television Bureau of Advertising from analysis of Broadcast Advertisers Reports data.

NOTES: *—Spot TV includes national syndication advertising.

1. Includes television advertising for new passenger cars, trucks and leasing of these vehicles. Non-car and non-truck advertising by these companies is excluded, as follows: General Motors $19,386,500 in 1986 and $24,122,700 in 1987 for AC Delco, used cars, parts and service, GMAC Finance, public service; Chrysler Corp. $36,300 in 1988 for Dodge sportsman show; Ford Motor Co. $607,700 in 1987 and $4,526,000 in 1988 for First Nationwide, Transouth Finance, farm equipment, Motorcraft, parts and service, used cars; Toyota $1,086,700 in 1987 and $661,200 in 1988 for parts and service, Toyota Grand Prix; Honda $15,214,900 in 1987 and $12,2[illegible],600 for mowers, motorcycles, scooters, generators, parts and service; Nissan $28,600 in 1987 and $5,600 in 1988 to river fest, outboard motors; Mazda $28,100 in 1988 for used cars; Suzuki $53,100 in 1988 for all terrain vehicles, motorcycles, motors; BMW $7,600 in 1988 for golf classic.

2. Chrysler data for [illegible]7 includes American Motors Corp.

LEADING AUTO DEALER TELEVISION ADVERTISERS

	1987	1988	Percent Change
Cal Worthington, Los Angeles	4,585,600	4,228,300	− 7.8
Foothill Nissan, Los Angeles	2,778,500	3,278,500	+ 18.0
Atlanta Toyota, Atlanta	247,500	3,120,300	+ 1160.7
Worthington Chevrolet, Houston	137,900	2,885,700	+ 109.3
Wilson Ford, Los Angeles	3,423,200	2,355,100	− 31.2
Cal Worthington, Seattle	2,433,800	2,159,000	− 11.3
Cal Worthington, Sacramento	1,978,000	1,846,200	− 6.7
Frontier Ford, Albuquerque	913,800	1,787,000	+ 95.6
Rosenthal Nissan Honda Mazda, Washington	—	1,745,800	− Infinite
Celizzi-Ettleson, Chicago	1,502,600	1,648,000	+ 9.7
Ed Mullinax, Cleveland	1,060,600	1,545,800	+ 45.7
Cormier Chevrolet Hyundai, Los Angeles	—	1,417,600	+ Infinite
Piemonte & Arlington Hts. Ford, Chicago	1,559,300	1,413,100	− 9.4
Pete Ellis Motors, Los Angeles	2,517,800	1,397,100	− 44.5
Long-Lewis Ford, Birmingham	1,239,700	1,343,100	+ 8.3
Cary Paul Ford, Atlanta	351,000	1,262,900	+ 259.8
Nationwide Motor Sales, Baltimore	1,299,900	1,232,400	+ 5.2
Ken Johns Motor, Albuquerque	1,107,700	1,201,500	+ 8.5
Sonya Subaru, Phoenix	1,803,500	1,145,300	− 36.5
Cal Worthington, San Diego	80,600	1,095,400	+ 1259.1
CATEGORY TOTAL	$371,410,700	$379,766,400	+ 2.2

SOURCE: Television Bureau of Advertising from analysis of Broadcast Advertisers Reports data in the top 75 markets.

NEWS ADS

FROM PAGE 18

money in television followed by magazines and newspapers; we generally spend money in newspapers when our dealers co-op with us," said a Chrysler spokesman.

Ford Motor Co. registered a 24.7 percent drop in its factory expenditures on newspaper advertising for its Ford and Lincoln-Mercury divisions and corporate campaigns.

GM, buoyed by what Tausch called a "new product flurry," was the only domestic automaker to increase its factory newspaper advertising expenditures in 1988. GM spent $73.8 million on newspaper advertising in 1988, up 18.1 percent from $62.5 million in 1987. Newspaper expenditures include car advertising for its five car divisions and corporate advertising.

In light-truck advertising, makers spent $21.5 million in newspapers in 1988, down 48.2 percent from $41.5 million spent in 1987.

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PERSONNEL

FROM PAGE 31

manager for COIN Financial Systems' automotive division in Atlanta.

White joined COIN in 1984.

Cooper Tire

Roderick F. Millhof has joined Cooper Tire & Rubber Co's. industrial products division in Auburn, Ind., as vice president of sales and marketing. He had been vice president of sales and marketing for Johnson Rubber Duramax in Middlefield, Ohio.

Creative Universal

Larry G. Short, president of Creative Universal, a training and publications service in Warren, Mich., has retired after 33 years of service with the firm and its parent company, Creative Industries Group.

Bernie Masztakowski succeeds Short. He has been with the firm since the parent company formed the Creative Universal subsidiary in 1970.

W.B. Doner

The automotive division of W.B. Doner & Co. in Detroit has promoted **Stacey Dobrusin** to account executive. She will work on the Gateway Pontiac, Performance Pontiac and Southern California Pontiac Dealer Association accounts.

Dobrusin had been an assistant account executive on the New England Ford Dealer Association account.

Eaton

The axle and brake division of Eaton Corp., Galesburg, Mich., has named **Paul P. Pipik** manager of service parts sales. He had been an account manager serving original-equipment manufacturers. Pipik joined Eaton in 1977.

Ferco Fabricators

Don M. Schlueter has been appointed president and chief operating officer for Ferco Fabricators in Moberly, Mo. He replaces **Mike Bowlby**, executive vice president, who has left the company.

Schlueter has been president of Eclipse Industrial Products, a manufacturer of industrial cutting tools with offices in St. Louis and plants in Michigan and Arkansas.

JPI

John R. Washbish has been promoted to vice president of sales and marketing for JPI Transportation Products in Ann Arbor, Mich. He was director of sales for the J.P. Industries unit.

GE Capital Auto Auctions

GE Capital Auto Auctions has named **Joseph D. Lyng** vice president and adviser to the president. The company is based in Barrington, Ill.

GE also promoted **Gregory J. Kobel** to general manager of the Greater Chicago Auto Auction. He replaces Lyng.

Lear Siegler Seating

Lear Siegler Seating Corp., Southfield, Mich., has appointed **Charles E. Fisher** vice president of purchasing.

Fisher joined the company in 1985 and has served as sales manager and director of purchasing.

Lintas:Campbell-Ewald

Lintas:Campbell-Ewald in Warren, Mich., has named three senior vice presidents.

They are **Joseph W. Tuskiewicz**, group account supervisor on the Chevrolet area marketing account; **Michael L. Tuite**, supervisor on the General Motors Acceptance Corp. account; and **Jeffrey Seregny**, in charge of general accounts.

Tuskiewicz was East Central area account supervisor on the Chevrolet account; Tuite managed the Rockwell International account; and Seregny has held supervisory posts on AC-Delco and other accounts.

Nylok Fastener

Anthony E. DiMaio has been appointed vice president of engineering for Nylok Fastener Corp. in Rochester, Mich.

He had been vice president of manufacturing for Marson Fastener Corp.

Ohio Rubber

Richard L. Williams has been appointed executive vice president of Ohio Rubber in Willoughby, Ohio. He had been vice president of sales. Williams will continue to supervise sales and marketing activities.

Phillips Plastics

John C. Newhouse has been appointed vice president of corporate marketing for Phillips Plastics Corp. in Prescott, Wis. He was with Ault Inc. as vice president of marketing and sales.

Varity buys Fruehauf, gets Kelsey

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Toronto-based Varity Corp. reached an agreement to purchase the remainder of Fruehauf Corp. — essentially its Kelsey-Hayes operations — creating a powerhouse supplier in the automotive wheel and brake market.

The two signed a definitive agreement under which Varity will acquire Fruehauf for about $650 million in cash, notes and stock.

Varity had sales of $2.285 billion and net earnings of $81.7 million for the fiscal year ended Jan 31. Fruehauf's Kelsey-Hayes operations reported 1988 sales of $1.11 billion and pre-tax earnings of $60 million.

Fruehauf has already sold its trailer and maritime operations to Terex Corp. of Green Bay, Wis., for $232.5 million in cash and assumption of debt.

Kelsey-Hayes' wheels, wheel-end components and anti-lock braking systems for cars and trucks are expected to mesh well with products of Varity's Dayton Walther Corp., based in Dayton, Ohio, according to Anthony Viscogliosi, analyst with Roney & Co. in Detroit.

Dayton Walther produces truck and auto wheels plus brake assemblies and components and operates 11 plants in the United States, two in Canada and one in the United Kingdom. Kelsey-Hayes, based in Romulus, Mich., operates 17 factories in North America and five in Europe.

Varity also has a components group that produces Perkins diesel engines and parts for trucks. Its third group is Massey-Ferguson, maker of farm equipment.

Varity Chairman Victor Rice said the acquisition will reduce his company's reliance on farm machinery sales to less than 35 percent of gross revenue.

The company has about $800 million in tax-loss credits in several countries, including about $500 million in the United States.

Directors of both companies have approved the transaction and recommended its adoption by shareholders. Holders of at least 80 percent of Fruehauf Class A and B shares must approve the deal if it is to become a reality.

Under the agreement, Varity will pay $66 million in cash, $430 million in new notes or debt guaranteed by Varity plus 55.5 million shares of newly issued Varity common stock. In addition, Varity will issue another 2.5 million common shares to pay expenses associated with the deal. The exact value of the package will depend on the market price of Varity stock.

While Kelsey will mesh well with Varity's automotive supply operations, its purchase will saddle Varity with additional debt.

Varity had $258 million of long-term debt in U.S. dollars for its fiscal 1989 year ended Jan. 31. Adjusted for U.S. accounting principles, the debt was $369 million. Its equity was $509 million, creating a very poor 72.4 percent debt-to-equity ratio, Viscogliosi said.

Honda Civic, aerodynamically
Here are two looks at the aero package for the 1989 Honda Civic four-door sold by Pacific Auto Accessories, Huntington Beach, Calif. The package comes with front air dam, side and rear skirts and rear spoiler.

IMPORT CAR SALES BY MODEL

	April 1989	April 1988	4 Mos., 1989	4 Mos., 1988
ACURA	12,716	10,600	43,499	39,095
Integra	7,439	4,440	22,451	17,364
Legend	5,277	6,160	21,048	21,731
ALFA ROMEO	206	577	1,242	1,885
Milano	52	327	563	1,052
Spider	154	250	679	833
AUDI	1,064	2,073	5,691	7,347
4000	4	47	32	349
5000	27	884	172	2,531
80	191	597	1,809	2,289
90	241	545	1,730	2,178
100/200	470	0	1,421	0
100/200 Quattro	131	0	527	0
BMW	5,900	6,129	23,376	22,891
3 Series	2,881	3,631	11,156	13,211
5 Series	1,829	1,101	7,241	4,411
635 CSi	119	164	517	511
7-Series	864	1,005	3,631	3,880
M3	125	166	419	600
M5	40	23	179	115
M6	42	39	233	166
CHEVROLET	12,496	8,855	36,009	39,973
Spectrum	6,705	5,652	18,884	23,925
Sprint	5,791	3,203	17,125	16,048
CHRYSLER MOTORS	10,747	10,313	39,399	46,222
Colt	6,270	7,399	21,874	29,426
Conquest	655	797	2,186	3,202
Medallion	726	671	2,834	7,194
Summit	1,636	0	7,462	0
Vista	1,346	1,446	4,670	6,400
TC	114	0	373	0
DAIHATSU	1,055	753	4,395	3,340
FORD Festiva	6,426	5,461	25,780	23,523
HONDA	25,661	19,702	74,556	79,542
Civic	7,779	9,602	20,672	42,945
Accord	12,132	7,365	38,539	20,138
Prelude	5,750	2,735	15,345	16,459
HYUNDAI	16,808	25,157	66,499	96,183
Excel	13,513	25,157	60,127	96,183
Sonata	3,295	0	6,372	0
ISUZU	1,520	1,744	6,069	6,428
I-Mark	1,113	1,299	4,859	4,363
Impulse	407	445	1,210	2,065
JAGUAR	1,344	1,758	5,827	6,180
XJ6	981	1,288	4,342	4,652
XJS	363	470	1,485	1,528
MASERATI	21	98	111	347
MAZDA	17,373	16,818	68,133	75,656
323	6,727	6,751	27,570	31,160
626	3,716	4,745	15,300	21,435
MX-6	572	731	1,461	4,837
929	2,162	2,056	6,927	8,163
RX-7	1,442	2,535	6,804	10,061
MPV	2,754	0	10,071	0
MERCEDES BENZ	5,934	8,341	23,082	27,643
190	1,051	1,731	3,841	4,970
260E	403	806	1,326	2,468
300	1,809	2,554	7,444	7,877
300 SE	525	0	2,183	0
300SDL Turbo	0	2	0	78
300SEL	353	593	1,264	2,471
420SEL	530	897	2,142	3,367
560SEL	388	449	1,654	1,871
560SL	691	1,147	2,545	3,862
560SEC	127	129	500	578
Tourist	57	33	183	101
MERKUR	729	947	3,281	3,214
XR4Ti	526	456	1,876	1,742
Scorpio	203	491	1,405	1,472
MITSUBISHI	5,347	6,054	22,546	22,327
Starion	39	462	442	1,229
Cordia	9	765	319	2,139
Tredia	0	93	10	376
Mirage	1,112	1,143	3,716	3,998
Galant	2,735	1,505	11,405	4,102
Precis	1,312	1,481	6,009	8,348
Van/Wagon	140	605	645	2,135
NISSAN	34,298	31,197	132,673	123,360
Sentra	9,277	13,408	44,564	52,623
Pulsar	3,101	3,788	8,438	14,414
Stanza	4,835	6,774	12,744	23,184
Maxima	8,107	4,136	35,161	19,150
240SX/200SX	6,173	1,028	23,833	4,668
300ZX	1,916	1,876	6,018	7,902
Hawaii	889	187	1,915	1,419
PEUGEOT	558	712	1,984	1,959
PONTIAC LeMans	4,124	6,717	15,541	20,713
PORSCHE	789	1,523	2,597	5,949
924S	6	122	60	666
944	155	366	391	1,488
944S	21	33	45	220
944 Turbo	67	185	208	762
911 Coupe/Carrera 4	180	372	695	1,226
911 Turbo	105	114	401	381
911 Cabriolet/Speedster	171	198	524	690
928S	84	133	273	516
SAAB	2,693	2,807	10,611	12,598
900	391	553	1,612	2,149
900S	578	811	2,268	3,273
900 Turbo	780	779	3,200	2,891
9000S	209	185	988	1,204
9000 CD	501	0	1,391	0
9000 Turbo	211	459	1,090	2,995
Tourist	23	20	62	86
STERLING	351	546	2,135	3,600
SUBARU	12,529	11,535	50,307	48,033
Hatchback	209	590	1,219	2,344
3-Door	624	719	2,437	2,456
4-Door Sedan	2,983	2,254	17,151	8,535
Legacy	603	0	603	0
Loyale	938	0	938	0
XT/XT6	1,194	1,274	3,809	4,518
Station Wagon	3,442	4,798	14,808	19,640
Justy	2,536	1,900	9,342	10,540
SUZUKI	414	0	2,000	0
TOYOTA	40,501	43,605	145,339	170,655
Corolla	8,793	10,220	32,035	42,431
Tercel	8,503	6,987	31,744	25,642
Celica	4,975	5,041	18,328	19,627
Supra	1,329	1,437	5,577	6,675
Camry	12,685	15,746	40,504	57,710
Cressida	1,641	919	6,940	4,036
Land Cruiser	470	642	1,818	2,715
Van	363	387	1,691	2,149
4Runner SR 5	1,184	1,549	4,889	6,334
MR2	558	677	1,813	3,336
VOLKSWAGEN	11,388	11,922	42,076	48,343
Cabriolet	1,041	1,368	3,216	4,592
Jetta	4,544	5,381	17,182	21,026
Golf/GTI	1,764	0	6,606	0
Vanagon	502	482	1,479	2,130
Quantum	148	225	555	981
Scirocco	122	244	641	1,105
Fox	3,267	4,222	12,397	18,505
VOLVO	8,690	7,976	34,090	32,099
240 Series	3,145	5,236	13,797	14,879
740 Series	3,571	1,770	14,794	13,286
760 Series	1,718	780	4,806	3,325
780	243	136	601	445
Tourist	13	54	92	164
YUGO	873	3,100	3,331	12,021
IMPORT TOTAL	242,555	247,020	892,179	981,126

*Volkswagen has reported sales of U.S. built Golf and GTI models as imports after June 30, 1988.

Compiled by Karen Delkowski

Japanese firms make parts in 227 U.S. plants

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Foreign parts manufacturers now operate in 33 states and have created 142,000 new jobs in the United States, according to a survey conducted by an automotive parts newsletter.

The Japanese have the most auto parts manufacturers here, with 227 production facilities. The Germans are a distant second with 101 plants, trailed by the British, who operate 37 facilities in the United States.

The study was conducted by Automotive Parts International, based in Washington.

Eighty-six of the foreign parts plants are located in Michigan, where they employ 18,000 workers. Ohio is second with 72 facilities, providing more than 12,000 jobs, followed by Indiana with 47 facilities, employing 9,000. Eleven states have more than 10 foreign-owned parts plants.

Nearly half of the plants have been built since 1984, following the establishment of Japanese transplants, the survey said.

More than two-thirds of all foreign-owned parts suppliers listed the Big 3 as customers.

Of the domestic manufacturers, Ford Motor Co. was listed as a customer by 169 foreign-owned parts manufacturers. General Motors was named by 134 suppliers, followed with Chrysler Corp., named by 133 parts makers.

In contrast, 90 parts manufacturers said they supplied Honda in Marysville, Ohio; 69 listed Nissan in Smyrna, Tenn.; 56 listed Mazda in Flat Rock, Mich.; and 41 named Toyota in Georgetown, Ky.

SIZE CLASS SHARES, April 1989

	Total Sales	Pct. of Total
SUBCOMPACT	204,238	22.44
COMPACT	224,330	24.65
INTERMEDIATE	348,174	38.26
STANDARD	118,104	12.98
SPECIALITY	15,153	1.67
TOTAL	909,999	100.00

Car output jumps 4% to 159,466

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Last week's targeted domestic auto production of 159,466 increased 4.18 percent over the previous week's 153,062 but dipped 4.89 percent from the year-ago week's 167,669.

So far this year, 2,855,761 cars have been assembled, 7.10 percent more than the 2,666,425 completed last year at this point.

Companies split last week's scheduled output as follows:

General Motors, 48.90 percent; Ford Motor Co., 23.97 percent; Chrysler Motors, 13.23 percent; Honda of America Manufacturing, 4.86 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 2.79 percent; New United Motor Manufacturing Inc. 2.51 percent; Nissan Motor Manufacturing Co. U.S.A., 1.55 percent; Toyota Motor Manufacturing U.S.A., 1.40 percent; and Diamond-Star Motors, 0.79 percent.

Truck production was estimated at 85,235 units last week, 6.17 percent below the prior week's 90,836 and slightly below (0.54 percent) the year-ago week's 85,696.

Year-to-date, 1,701,566 trucks have been assembled, 6.21 percent more than the 1,602,027 units built last year at this point.

The Cadillac Allante line at GM's Detroit-Hamtramck plant is idle this week because of high inventories in the field. Production is slated to resume May 22.

GM's Wentzville, Mo., plant and its Reatta Craft Centre in Lansing, Mich., resumed operations last week. Both had been idle because of high inventories.

Last week, Chrysler Motors began output of its 1990 Chrysler Town & Country minivan at the St. Louis plant. The company scheduled 100 units last week.

Overtime was slated last Friday at GM's Janesville, Wis., plant.

GM also scheduled overtime last Saturday at its Lordstown, Ohio, and Moraine, Ohio, plants.

Ford scheduled overtime last Saturday at its Kansas City, Mo., plant.

Canadian cars off 14% for '89

Canadian automakers scheduled production of 24,345 cars last week, 10.79 percent more than the the previous week's 21,974 but 10.91 percent below the year-ago week's 27,325.

So far this year, 383,273 cars have been built, 14.01 percent less than the 445,708 completed last year at this time.

Truck output was targeted at 21,137 units last week, slightly below (0.83 percent) the prior week's 21,313 but 6.66 percent above the year-ago week's 19,817.

Year-to-date, 384,083 trucks have been produced, 4.84 percent more than the 366,335 completed last year at this point.

Ford Motor Co. shut down its Oakville, Ontario, plant today because of problems in the paint department. The Tempo/Topaz plant is expected to reopen May 22.

U.S. CAR	Week Ended May 13, 1989	Week Ended May 14, 1988	Week Ended May 6, 1989	May to Date	Jan. 1 to May 13, 1989	Jan. 1 to May 14, 1988
Horizon	700	2,157	826	1,526	5,531	35,368
Sundance	2,400	1,581	2,537	4,937	44,642	40,316
Reliant	0	2,726	0	0	0	37,441
Acclaim	2,800	0	2,400	5,200	45,109	0
Caravelle	0	546	0	0	0	7,879
Gran Fury	0	324	0	0	0	4,756
Total Plymouth	5,900	7,334	5,763	11,663	95,282	125,760
LeBaron K	0	397	0	0	0	7,242
LeBaron J	2,700	2,375	2,786	5,486	44,816	25,449
LeBaron GTS	0	173	0	0	2,946	3,296
N. Yorker C-Class	1,900	2,909	2,018	3,918	43,994	44,086
Fifth Avenue	0	311	0	0	0	13,242
Total Chrysler	4,600	6,165	4,804	9,404	91,756	91,615
Omni	900	2,178	964	1,864	6,514	35,142
Daytona	1,800	2,376	1,843	3,643	39,587	24,589
Shadow	2,200	2,095	2,282	4,482	44,507	41,956
Aries	0	2,591	0	0	0	31,580
Dodge 600	0	452	0	0	0	7,060
Dynasty	3,300	2,376	3,467	6,767	60,871	42,361
Lancer	0	163	0	0	1,528	4,265
Spirit	2,400	0	2,189	4,589	42,095	0
Diplomat	0	489	0	0	0	8,979
Total Dodge	10,600	12,720	10,745	21,345	195,102	195,932
CHRYSLER MOTORS	21,100	26,219	21,312	42,412	382,140	413,307
Escort	8,690	9,493	8,612	17,302	132,234	135,929
Mustang	3,718	4,136	3,717	7,435	88,209	81,382
Tempo	2,808	4,067	2,714	5,522	61,081	76,626
Taurus	7,986	8,791	8,045	16,031	151,265	152,864
Thunderbird	3,296	3,517	3,195	6,491	66,944	60,812
Total Ford Div.	26,498	30,004	26,283	52,781	499,733	507,613
Topaz	1,702	1,474	1,796	3,498	27,317	28,454
Cougar	3,305	2,530	3,206	6,511	58,116	46,433
Sable	2,502	3,491	2,705	5,207	49,485	52,929
Total Mercury	7,509	7,495	7,707	15,216	134,918	127,816
Continental	1,439	959	1,435	2,874	27,777	17,308
Mark VII	314	476	312	626	10,081	9,741
Lincoln	2,459	2,865	2,521	4,980	50,613	56,113
Total Lincoln	4,212	4,300	4,268	8,480	88,471	83,162
Total L-M Division	11,721	11,795	11,975	23,696	223,389	210,978
FORD MOTOR CO.	38,219	41,799	38,258	76,477	723,122	718,591
Skyhawk	294	0	296	590	6,325	11,350
Skylark/Somerset	1,405	1,805	1,438	2,843	21,619	15,634
Century	2,440	3,200	2,518	4,958	46,083	36,624
Riviera	337	127	352	689	10,121	2,640
Electra	2,547	2,532	0	2,547	31,631	31,161
LeSabre (fwd)	4,960	2,500	4,960	9,920	56,419	49,186
LeSabre (rwd)	70	285	76	146	3,394	3,584
Reatta	199	192	0	199	2,591	1,959
Total Buick	12,252	10,641	9,640	21,892	178,183	152,138
Cimmaron	0	57	0	0	0	3,693
Eldorado	989	1,001	1,019	2,008	15,418	15,579
Seville	720	590	752	1,472	11,330	9,842
Brougham (rwd)	710	977	620	1,330	15,757	13,871
Deville (fwd)	4,105	3,542	4,193	8,298	85,543	70,598
Allante	75	39	75	150	1,303	995
Total Cadillac	6,599	6,206	6,659	13,258	129,351	114,578
Cavalier	8,366	8,890	7,756	16,122	151,648	131,729
Camaro	2,925	2,369	2,683	5,608	47,452	31,137
Celebrity	2,005	5,051	1,998	4,003	54,028	64,997
Corsica/Beretta	8,960	9,278	7,972	16,932	160,972	153,936
Caprice	4,470	3,869	4,056	8,526	78,091	74,647
Corvette	560	450	560	1,120	10,009	8,140
Total Chevrolet	27,286	29,907	25,025	52,311	502,200	464,586
Calais	2,195	3,029	2,219	4,414	36,933	42,640
Firenza	0	0	0	0	0	5,220
Cutlass Ciera	1,605	271	1,817	3,422	32,404	150
Cutlass Supreme	3,505	4,408	3,521	7,026	41,286	80,326
Toronado	202	410	211	413	4,074	6,962
88 (fwd)	5,454	4,053	3,160	8,614	62,610	62,963
88 (rwd)	200	228	194	394	3,036	4,970
Olds 98	1,095	1,629	830	1,925	34,606	32,330
Total Oldsmobile	14,256	14,028	11,952	26,208	214,949	235,561
Sunbird	3,738	2,602	3,053	6,791	58,678	40,905
Grand Am	4,800	6,304	6,059	10,859	96,842	92,116
Firebird	1,155	1,651	1,260	2,415	26,837	23,464
Grand Prix	4,065	3,769	4,000	8,065	58,442	43,591
Pontiac 6000	1,400	1,876	1,412	2,812	35,752	29,743
Bonneville	2,291	3,224	2,260	4,551	39,423	40,626
Safari/Parisienne	145	239	138	283	2,138	3,286
Fiero	0	493	0	0	0	7,705
Total Pontiac	17,594	20,158	18,182	35,776	318,112	281,436
GENERAL MOTORS	77,987	80,940	71,458	149,445	1,342,795	1,248,299
DIAMOND-STAR	1,253	0	1,186	2,439	16,519	0
HONDA	7,750	8,091	7,684	15,434	145,983	140,763
Civic	2,674	2,351	2,588	5,262	49,332	36,765
Accord	5,076	5,740	5,096	10,172	96,651	103,998
MAZDA†	4,453	2,313	4,425	8,878	90,491	29,980
NISSAN	2,470	2,678	2,283	4,753	42,789	35,275
NUMMI	4,000	3,336	4,262	8,262	74,584	60,926
Corolla	1,600	1,205	1,596	3,196	30,407	22,449
Geo Prizm/Nova	2,400	2,131	2,666	5,066	44,177	38,477
TOYOTA	2,234	0	2,194	4,428	37,338	0
VOLKSWAGEN	0	2,293	0	0	0	19,284
Golf/GTI	0	2,293	0	0	0	13,731
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	159,466	167,669	153,062	312,528	2,855,761	2,666,425
Total Cars, Canada	24,345	27,325	21,974	46,319	383,273	445,708
U.S., Canada Cars	183,811	194,994	175,036	358,847	3,239,034	3,112,133
U.S., Canada Cars and Trucks	290,163	300,507	287,185	577,368	5,324,683	5,080,495

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended May 13, 1989	Week Ended May 14, 1988	Week Ended May 6, 1989	May to Date	Jan. 1 to May 13, 1989	Jan. 1 to May 14, 1988
Premier	1,275	1,726	0	1,275	16,160	27,525
CHRYSLER MOTORS	1,275	1,726	0	1,275	16,160	27,525
Tempo	3,360	4,180	3,373	6,733	63,436	78,588
Topaz	1,440	1,398	1,444	2,884	26,832	26,753
Crown Victoria	2,918	2,841	2,925	5,843	50,975	53,328
Grand Marquis	2,842	2,860	2,873	5,715	56,952	52,865
FORD MOTOR CO.	10,560	11,279	10,615	21,175	198,195	211,534
Celebrity	705	726	575	1,280	5,171	7,344
Cutlass Ciera	2,855	7,220	3,005	5,860	67,966	101,164
Lumina	4,140	0	4,218	8,358	29,554	0
Pontiac 6000	0	1,444	0	0	0	19,808
Regal	2,680	3,764	1,308	3,988	28,632	63,283
GENERAL MOTORS	10,380	13,154	9,106	19,486	131,323	191,599
HONDA	1,650	986	1,686	3,336	31,075	12,554
TOYOTA	300	0	387	687	3,241	0
VOLVO	180	180	180	360	3,279	2,496
Total Cars, Canada	24,345	27,325	21,974	46,319	383,273	445,708

U.S. TRUCK☆	Week Ended May 13, 1989	Week Ended May 14, 1988	Week Ended May 6, 1989	May to Date	Jan. 1 to May 13, 1989	Jan. 1 to May 14, 1988
Caravan	2,000	1,928	2,189	4,189	42,403	38,162
Dakota	2,500	2,044	2,418	4,918	43,562	45,571
Caravan/CV	100	335	121	221	3,665	5,911
Ram Pickups	2,500	1,975	2,448	4,948	43,590	24,491
Total Dodge	7,100	6,282	7,176	14,276	133,220	114,135
Cherokee	4,600	3,683	4,699	9,299	87,710	67,979
Comanche	500	884	569	1,069	12,583	18,267
Grand Wagoneer	0	350	350	350	5,423	5,565
Wagoneer	100	267	117	217	3,646	4,949
Total Jeep	5,200	5,184	5,735	10,935	109,362	101,960
Voyager	1,800	1,785	1,984	3,784	40,334	35,294
Town & Country	100	0	0	100	100	0
Total C-P Div.	1,900	1,785	1,984	3,884	40,434	35,294
CHRYSLER MOTORS	14,200	13,251	14,895	29,095	283,016	251,389
Aerostar	5,010	4,380	5,679	10,689	95,559	84,826
Bronco	1,467	1,234	1,654	3,121	33,064	23,401
Bronco II	2,450	2,526	2,613	5,063	51,141	53,456
Econoline	5,235	5,135	5,164	10,399	94,926	95,351
Heavy trucks	1,403	1,499	1,334	2,737	26,532	25,852
Light trucks	11,197	10,340	12,569	23,766	212,047	195,545
Ranger	6,414	7,769	6,943	13,357	136,376	139,296
Total Ford Div.	33,176	32,883	35,956	69,132	647,645	617,727
FORD MOTOR CO.	33,176	32,883	35,956	69,132	647,645	617,727
Astro	3,186	2,934	3,531	6,717	65,881	65,979
Blazer	510	553	651	1,161	10,775	10,530
Mediums/Heavies	0	632	0	0	1,312	6,801
P-Model	752	813	844	1,596	12,777	14,948
Pickups	7,789	7,841	7,769	15,558	153,961	125,938
S-10	4,631	5,820	4,968	9,599	106,058	109,227
S-10 Blazer	3,498	3,358	3,852	7,350	73,267	61,171
Sportsvan/Van	2,399	2,515	2,000	4,399	37,832	31,202
Suburban	1,428	1,575	1,803	3,231	29,936	27,863
Total Chevrolet	24,193	26,041	25,418	49,611	491,799	453,659
Jimmy	145	140	196	341	3,214	3,274
Mediums/Heavies	0	647	0	0	1,496	16,804
P-Model	76	200	114	190	1,666	1,777
Pickups	2,081	2,128	2,288	4,369	46,467	39,912
S-15	1,020	1,308	1,150	2,170	24,998	25,877
S-15 Jimmy	1,009	1,158	1,132	2,141	20,996	16,002
Safari	688	736	904	1,592	16,560	17,011
Suburban	488	503	730	1,218	12,008	13,559
Vandura/Rally Vans	609	518	522	1,131	10,216	14,816
Total GMC	6,116	7,338	7,036	13,152	137,621	149,032
GENERAL MOTORS	30,309	33,379	32,454	62,763	629,420	602,691
NAVISTAR	1,920	1,736	1,862	3,782	33,248	33,443
NISSAN	2,180	1,697	2,219	4,399	48,767	45,077
AM GENERAL	450	450	450	900	8,370	8,460
MISCELLANEOUS	3,000	2,300	3,000	6,000	51,100	43,240
Total Trucks, U.S.	85,235	85,696	90,836	176,071	1,701,566	1,602,027

CANADIAN TRUCK	Week Ended May 13, 1989	Week Ended May 14, 1988	Week Ended May 6, 1989	May to Date	Jan. 1 to May 13, 1989	Jan. 1 to May 14, 1988
Caravan	3,108	3,064	3,083	6,191	58,696	57,426
Caravan/CV	378	345	341	719	4,532	5,484
Ram Wagon	705	540	675	1,380	11,219	9,336
Ram Van	1,645	1,519	1,747	3,392	29,010	23,803
Total Dodge	5,836	5,468	5,846	11,682	103,457	96,049
Voyager	2,658	2,742	2,722	5,380	51,125	52,792
Total Plymouth	2,658	2,742	2,722	5,380	51,125	52,792
Wrangler	1,700	939	1,885	3,585	31,483	19,479
Total Jeep	1,700	939	1,885	3,585	31,483	19,479
CHRYSLER MOTORS	10,194	9,149	10,453	20,647	186,065	168,320
FORD MTR. (lt. trks.)	3,648	3,541	3,650	7,298	65,776	67,831
Light trucks	3,270	3,252	3,366	6,636	59,745	60,401
Vans	1,479	1,339	1,417	2,896	26,162	23,461
Total Chevrolet	4,749	4,591	4,783	9,532	85,907	83,862
Light trucks	1,610	1,669	1,473	3,083	28,851	29,081
Vans	666	648	683	1,349	12,715	13,118
Total GMC	2,276	2,317	2,156	4,432	41,566	42,199
GENERAL MOTORS	7,025	6,908	6,939	13,964	127,473	126,061
NAVISTAR	270	219	271	541	4,769	4,123
Total Trks., Canada	21,137	19,817	21,313	42,450	384,083	366,335
U.S., Canada Trks	106,372	105,513	112,149	218,521	2,085,649	1,968,362

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Advice on China: Forget it

Beijing Jeep sire doesn't see boom

By Stephen Vines
STAFF CORRESPONDENT

HONG KONG — Winds of change seem to be blowing in China again, but the prospects for automakers, if the students succeed in winning democratic reforms, are uncertain as ever.

The most senior American executive to have worked in China's automotive industry has some advice for the foreign auto companies thinking of investing in China: Don't bother.

The advice comes from Don St. Pierre, 47, the former managing director who helped start the Beijing Jeep joint venture between the Chinese government and American Motors in 1985.

St. Pierre said, "I don't think there is any big business for the foreign automotive industry in China. I don't think the market is going to grow by anything like the numbers you hear." The Chinese government has set a goal to produce a million units a year by 2000.

St. Pierre

He dismisses that target, saying 700,000 to 800,000 is more realistic. There are no reliable figures for vehicle production in China. St. Pierre estimates that 470,000 were made last year and says he believes output will stay around that figure for the near future.

He is also skeptical about import prospects, noting that the recent rioting in China has again highlighted the resentment about the importation of luxury vehicles and has forced the authorities to issue yet another edict saying those imports will be banned.

"There's a number of niche markets where you'll make a buck, but it's only short term, say 10 years," St. Pierre said.

He said he believes China's main aim is "to localize as much as possible and head for self-sufficiency. China has no intention of becoming a world competitor. It is only interested in taking care of its own industry and upgrading what it's got."

That strategy may be incompatible with foreign automakers who are not only eyeing the potential of China's huge domestic market, but also looking at it as a low-cost manufacturing base for exports.

St. Pierre headed the Beijing

Thrifty purchases about 40,000 vehicles annually from Chrysler Motors

AUTOMOTIVE NEWS/JOE WILSSENS

Peugeot cuts U.S. staff

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — The boxoffice flop of the Peugeot 405 has forced Peugeot Motors of America to eliminate as many as 40 of its 250 employees and cut back operations in its Western and Central regions.

The company last week fused its national service and parts operations and will close its parts warehouse in Carson, Calif., this summer. It will ship all parts from Peugeot headquarters in Lyndhurst, N.J.

Most severely affected was the Central region office in Houston. Peugeot divided Central region administration and sales responsibilities between the Eastern region office in Pine Brook, N.J., and the Western region office in Carson, Calif. Three of the former Central region districts will report to New Jersey, and one will report to California.

The Central region retains functions in training, distribution and technical assistance, and service representatives will continue to call on dealers.

Peugeot made a similar consolidation at headquarters, combining parts and service under Edward Benz, national parts and service manager, a 14-year veteran.

George Blinn, national service manager, left the company last month, and Jean-Claude Laurent replaced him. Succeeding Laurent as national parts manager was Robert Mossman, who had been assistant parts manager. Laurent and Mossman report to Benz.

The company also will close four of its seven training centers, leaving just the three at the regional offices.

The four that will close are remnants of four regional offices that Peugeot closed in the early 1980s.

see PEUGEOT, page 54

Thrifty buy is Chrysler's rental shield

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

SAN FRANCISCO — Chrysler Corp. will strengthen its position in the rental car market through the purchase and expansion of Thrifty Rent-A-Car System and possibly additional acquisitions.

Fearful of being squeezed out of the lucrative rental car market, Chrysler said Thursday it will spend $263 million to acquire Thrifty Rent-A-Car System, its second-largest customer.

Chrysler Corp. Vice Chairman Gerald Greenwald said expansion of Thrifty is anticipated and he did not rule out additional acquisitions by Chrysler in the rental field.

"Thrifty is an aggressive company," he said. "They are looking to expand and we can provide that assistance.

"We've looked at the question of whether we should go further. We're not sure at the moment. But chances are Thrifty will be a place from which to expand."

Because General Motors and Ford Motor Co. hold huge shares in the Big 4 rental car companies — Hertz, Avis, Budget and National — Chrysler was in danger of being edged out of the daily car rental market, which buys 10 percent of total U.S. car production annually.

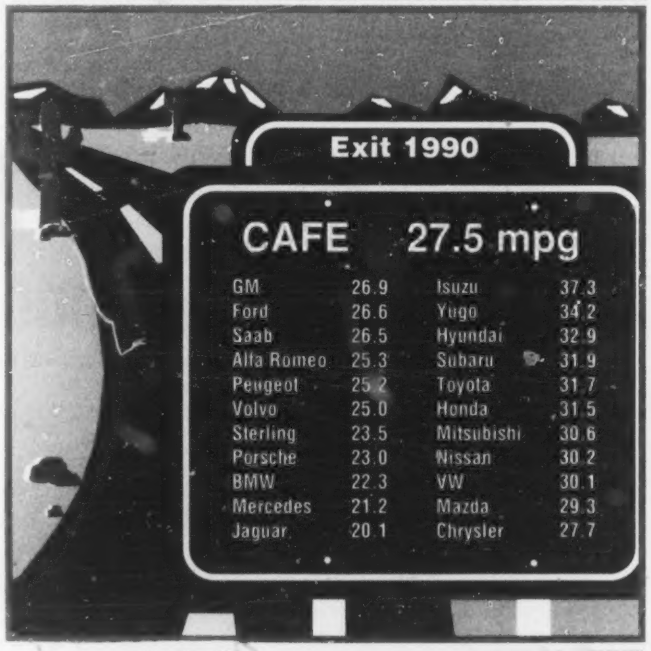
Like Ford and GM, Chrysler is acquiring a rental car company to give it a captive customer in an uneasy economy.

"I expect the industry will continue to soften for a while," Chrysler Corp. Chairman Lee Iacocca said last week. "We might have a 5 percent to 10 percent

see CHRYSLER, page 57

Chrysler Canada tops quality audit, Page 57

Running on empty



CAFE	27.5 mpg		
GM	26.9	Isuzu	37.3
Ford	26.6	Yugo	34.2
Saab	26.5	Hyundai	32.9
Alfa Romeo	25.3	Subaru	31.9
Peugeot	25.2	Toyota	31.7
Volvo	25.0	Honda	31.5
Sterling	23.5	Mitsubishi	30.6
Porsche	23.0	Nissan	30.2
BMW	22.3	VW	30.1
Mercedes	21.2	Mazda	29.3
Jaguar	20.1	Chrysler	27.7

AUTOMOTIVE NEWS / LANCE GRAVES

Makers face penalties on higher CAFE standard

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — General Motors, Ford Motor Co. and European luxury car makers will fall short of the higher 1990 corporate average fuel economy standard, which the Bush administration is returning to the congressionally mandated level of 27.5 mpg.

But the domestic makers will avoid millions of dollars in penalties by applying credits earned under a lower CAFE standard.

Meanwhile, European luxury manufacturers, whose U.S. sales are already ailing, say they won't be able to avoid the fines from the higher car CAFE. Most said their mix of cars is so limited that, unlike Detroit, they cannot simply shift production to smaller cars to increase their CAFE.

"Almost all of the Europeans are in trouble with the standard," said Gregory Dana, vice president and technical director for the Automobile Importers of America.

While all of the Japanese makers are above the 27.5 mpg standard, they are introducing more powerful and larger, upscale cars.

The Japanese can continue their attack on the lucrative upscale market because they have accumulated considerable credits to cushion their CAFEs in the future.

Manufacturers will be charged $5 per car for every 0.1 mpg shortfall in the corporate standard. GM said that its liability could be as high as $20 million for each 0.1 mpg.

NHTSA said it expects GM to hit 27 mpg for the 1990 model year and Ford to achieve 26.6 mpg. GM hit 27.6 mpg for the 1988 model year and projects 27.0 for 1989.

Ford expected to achieve 26.6 mpg for both 1988 and 1989. Those figures are good enough to meet the 1989 CAFE standard of 26.5.

Chrysler Motors has never peti-

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NEWSPAPER

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Daihatsu plans to launch a four-door Charade this fall in the United States

Daihatsu picks Europe to test bigger model

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — While Daihatsu Motor Co. expands its U.S. line later this year with the addition of the Rocky sport-utility vehicle and four-door Charade, a larger car that debuted at the Geneva auto show will be introduced in Europe before going to America.

Toshio Yoshioka, the company's managing director, said U.S. shipments of the Rocky will start slowly and build to 500 per month. Shipments are tentatively scheduled to begin in the fall.

At about the same time, the company will introduce its new 1.6-liter car in Europe. A prototype of the car, called the MS-X90, was displayed earlier this year at the Geneva auto show. The front-wheel-drive, four-door notchback is 168 inches long, 65 inches wide and has a fuel-injected engine. The car's name has not been announced.

The new model replaces the Charmant, a car that flopped in Europe and is no longer sold there.

Explaining the company's strategy for the MS-X90, Yoshioka said "we would like to test" sales in Europe, where Daihatsu has an established dealer network.

"The U.S. dealer body for Daihatsu is still very young" and vulnerable, and any mistakes might hurt the company's reputation, he said. As a result, the company decided to launch the larger vehicle in Europe.

No date was given for U.S. introduction. Daihatsu America currently sells only the Charade three-door subcompact, though the lineup will be expanded this year.

Yoshioka noted it takes more time to develop a product for the United States because of safety and emission standards. For example, the effort to comply with regulations for automatic seat belts delayed production of a new Charade model equipped with a 1.3-liter engine. Base models carry a 1-liter engine.

That larger-engined Charade, which bowed earlier this year, helped Daihatsu America boost sales, he said. Sales were below 1,000 units per month before the 1.3-liter engine was introduced but rose to 1,217 in March and were 1,055 in April.

Yoshioka said the plan is to maintain sales at 1,000 Charades a month with a goal of expanding to 1,500. The four-door model is expected to help Charade sales.

Last year Daihatsu's allocation to the United States under Japan's voluntary export restraints was 17,000 units. Daihatsu has requested that the quota be boosted to 23,000, which would be 1 percent of the 2.3 million limit imposed on Japan's auto industry. The Ministry of International Trade and Industry has not announced the allocation for the April 1, 1989, through March 31, 1990 period.

Daihatsu fell 2,783 units short of its quota in the year ended March 31, 1989, leading some analysts to speculate the ministry is unlikely to increase Daihatsu's allotment. But Yoshioka said a major reason for missing the quota was the need to sacrifice overseas shipments to meet a sudden boom in domestic demand.

Daihatsu America currently has 260 dealers in the United States. Though Yoshioka admitted some observers consider that number too high for sales of 17,000 units, he said the company entered the United States as competition was becoming more intense.

Now, with new models coming, "we feel we are on the right track." He said Daihatsu is aiming for a U.S. sales ratio of two Charades for each Rocky sold.

Yoskioka said Daihatsu is looking for a European partner in order to begin production there. Daihatsu has an agreement with Carrozzeria Bertone to produce the Rocky/Rugger in Italy under a Bertone badge. That vehicle is called Freeclimber.

He called the venture "practice for us." Daihatsu is talking to European automakers, but with European companies nervous about their own futures as 1992 approaches for the unification of the European Community, discussions are becoming more difficult. An independent manufacturing venture, such as Nissan has established in Britain and Toyota is planning, is unrealistic for a small company like Daihatsu.

Ford Bronco II under fire

Magazine charges sport-utility handles poorly

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

As Ford Motor Co. officials and dealers last week downplayed the Consumer Reports article that called for sport-utility shoppers to avoid the Bronco II, one crisis manager said it should be treated as a crisis.

"Ford has to come clean and stick with the facts, show that it has credibility, integrity and concern for its consumers," said Gerald C. Meyers, former American Motors chairman and author of "When it Hits the Fan: Managing the Nine Crises of Business." "That's Lesson 101 in crisis management."

Several dealers predicted that publicity generated by the article and press release by Consumer Reports can have only adverse effects on sales.

"I believe we are going to see a cautious attitude taken by consumers and we could have a downturn in sales," said Craig Kapson, owner of Jordan Ford, Mishawaka, Ind. "At least, I am anticipating that — until we get positive publicity showing it isn't true."

Ford issued a statement saying its vehicles are safe and that the magazine's testing is flawed.

Last year, following a test of sport-utility vehicles, Consumer Reports published an article and called a news conference to report Suzuki's Samurai had a propensity to tip during its handling tests.

Consumer Reports rated Bronco II poorly

After that article appeared, several consumer rights groups petitioned NHTSA for a recall of Samurai. Even though the petition was denied, the article had a devastating effect on Suzuki's bottom line: Sales of the small Japanese off-road vehicle tumbled from an average of 6,000 per month to less than 2,000.

The magazine based its pronouncement on Bronco II on the same accident avoidance tests it used for the Samurai. Consumer Reports said that while Suzuki's Samurai earned a "not acceptable" rating, the Bronco II's emergency handling was "poor," which is not as serious.

According to the article published in the magazine's June issue, Bronco II exhibited "unsettling" behavior while negotiating a pylon-marked course at 42 mph — it reportedly lifted two wheels off the ground.

The article also cited NHTSA statistics showing 19 fatal rollovers per 100,000 Bronco IIs on the road in 1987. The magazine said Samurai was involved in six fatal rollover accidents per 100,000 vehicles.

Since its introduction in 1983, Ford has sold some 650,000 Bronco IIs.

Earlier this year, NHTSA opened a formal investigation of Bronco II to evaluate its fatality rates in rollover accidents that NHTSA said appeared to exceed the average for compact sport-utility vehicles. While Ford contends the Bronco II falls within the statistical middle of that data, the government's investigation continues.

Following the Consumer Reports release, Ford said the magazine's data is incomplete and flawed and that rollover statistics cited by Consumer Reports for 1987 also include 1986-model vehicles.

Ford said the magazine judged the Bronco II based on a single, driver-influenced accident avoidance maneuver — "one in which the driver's input can cause a vehicle to pass or fail."

Ford commissioned a test similar to that used by Consumer Reports and said it found "the Bronco II did not lift even one wheel off the ground." The test was performed by Failure Analysis of Palo Alto, Calif.

Ford said it has repeatedly put the Bronco II through a battery of stability, handling and maneuverability tests as well as computer modeling. Based on the results of those tests, the company says the Bronco II is "a safe and predictable vehicle."

A majority of dealers contacted late last week had not heard or read about the Consumer Reports story, and none could yet judge its impact on sales.

"No doubt we're going to have repercussions, but who really knows what effect it will have on sales?" said Burt Lear, general manager for Wallace Ford, Delray Beach, Fla. "Anybody with any common sense can tell (the article) is ridiculous.

"I can truthfully say I have not had one case of one Bronco II tipping over. I've driven them, my daughter's driven them. It just blows my mind. Hell, it's just like what we went through with the Pinto."

Lear said his dealership sells 12 to 14 Bronco IIs per month.

Said a Ford spokeswoman: "We actually think this to be a non-story and that it will blow over in a day or two.

"We feel this is a very safe vehicle. This action (by the magazine) is not the magnitude of what the Samurai or Audi faced. Our customers have driven the vehicle over 10 billion miles. It has a very fine reputation, and we don't expect this to damage that."

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Hearings set on stricter emission standards

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Vehicles are targeted as the largest source of urban air pollution and the most cost-effective to regulate in new Clean Air Act legislation introduced in the House of Representatives by Rep. Henry A. Waxman, D-Calif.

Hearings on the bill are scheduled this begin this week in the House Energy and Commerce Committee's subcommittee on health and environment, which Waxman chairs, kicking off debate that may end in tighter vehicle emission standards.

Those standards have been the same since 1981. The basis for them — the Clean Air Act — has not been amended since 1977.

Many in Washington believe some form of clean air legislation will pass in this session of Congress, citing the support of the Bush administration, which is now preparing its own Clean Air Act legislation to be presented to Congress in early June.

Also adding to the air of urgency is that the timetable for meeting Clean Air Act standards ran out last year and, as a result, nearly 100 cities are in violation of EPA clean air standards.

Waxman's Clean Air Restoration Act of 1989 has 112 co-sponsors and the apparent support of environmentalists and the opposition of the auto industry.

It calls for stricter tailpipe emission standards, on-board refueling vapor recovery controls and a 10-year/100,000-mile warranty for emission-related components.

Current emission standards are 0.41 grams per mile of hydrocarbon; 1.0 gpm nitrogen oxide; and 3.4 gpm carbon monoxide. Waxman's bill tightens these levels to 0.24 gpm HC; 0.4 gpm NOx; and leaves CO unchanged. The standards would take effect in the 1993 model year.

The legislation, if passed, will require EPA to issue a rule within a year requiring on-board refueling vapor recovery systems.

Automakers would be required to install such systems within two model years of the EPA action.

"Overall, the bill provides a good starting point for the House," said Richard Ayres, chairman of the National Clean Air Coalition, a group that counts 35 environmental organizations as members.

"The big polluters will say that this bill goes too far, too fast. To the contrary, we support, and we think that the American people support, a program to go farther and faster," Ayres said.

An auto industry source said "the combination of tighter tailpipe emission standards combined with longer durability requirements in the Waxman bill would be a double hit for the industry."

In addition to the Waxman bill, and the expected Bush administration proposal, there is a competing bill in the House of Representatives. Titled the Clean Air Act Amendments of 1989, it was introduced earlier this year by Rep. Al Swift, D-Wash., and eight other congressmen.

It is referred to as the "Group of Nine" bill and offers tailpipe emission standards stricter than the current rules, but less strict than those of the Waxman bill. The bill tightens HC to 0.25 gpm, NOx to 0.7 gpm and leaves CO unchanged.

The bill does not require on-board vapor recovery controls but leaves the decision on such controls to the EPA.

The auto industry source said the bill "has a degree of reasonability. It is closer to what we would like."

Ford Class A motor home chassis finally debuts

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Ford Motor Co. earlier this month began production of its long-awaited new Class A chassis. Its competitive impact will begin to be felt this fall.

Currently, General Motors and Oshkosh Truck Corp. of Oshkosh, Wis., supply about about 95 percent of the Class A motor home segment. Oshkosh became a player by buying Deere & Co.'s motor home chassis business Jan. 30.

Because of Ford's late entry into the market, Chevrolet and Oshkosh have pretty well sewed up the motor home industry's orders for the 1989 model year.

Ford began producing its new 16,000-pound GVW chassis May 9 in Monterrey, Mexico, after several delays for product refinements. It had originally planned to introduce the chassis last fall.

Jerome Mittman, Ford Division RV sales manager, expects the company to produce about 50 chassis the first month, 300 a month in June and 800 a month by the end of the current calendar year.

He said start-up acceleration is restricted somewhat by parts availability.

GM has had a strong late surge in orders at its chassis plant. It recently added two extra weeks' production to its 1989 chassis buildout schedule, according to Jay Ganatra, manager of chassis products operations for the GM truck and bus group.

Ford's start-up delays have cooled some of the early enthusiasm the chassis generated when it was first announced. But Mittman said, "Once we begin building and shipping it in quantity to our pool accounts, their enthusiasm will quickly rekindle."

Some of the major manufacturers that will be building on the new chassis include Fleetwood Enterprises of Riverside, Calif.; Winnebago Industries of Forest City, Iowa.; Holiday Rambler Corp. of Wakarusa, Ind.; and Coachmen Industries of Middlebury, Ind.

Ford will be "well received by dealers and consumers in the size and GVW range they're operating in," said Thomas Klonowski, Fleetwood's director of product development for motor homes. Fleetwood is the industry's largest motor home manufacturer.

Ford's chassis is available in only two wheelbases and one GVW rating. That market segment, representing motor homes over 30 feet, makes up the bulk of Fleetwood's Class A business. The company still produces smaller Class A's that require shorter and lighter chassis.

"We have a need for smaller chassis and some need for larger ones. We'll still be using chassis produced by other people," Klonowski added.

In addition to its 16,000-pound GVW unit, Ford also has an 11,500-pound-GVW Class A, which it builds in limited quantity, and a 10,500-pound-GVW Class C RV Cutaway unit.

GM, by contrast, offers chassis in six or seven wheelbases and five or six GVWs, according to Ganatra.

They range from 6,800-pound-GVW units, used chiefly in the bakery industry, to the 10,500- to 14,500-pound-GVW units used by RV manufacturers.

GM introduced a 16,000-pound RV chassis earlier this year. It has been only moderately successful since it lacks an automatic park brake system. Officials hope to begin installing the system in the units in three to six months, Ganatra said.

The real test of Ford's success, Klonowski said, will come this fall when motor homes built on its chassis are displayed at major consumer RV shows for the first time.

Fleetwood's current orders with Ford "could be adjusted upward or downward," depending on consumer acceptance, he added.

Ford is bound to eat into either GM's or Oshkosh's business, but which will be affected the the most remains to be seen.

Ganatra said he hopes Ford's entry will help expand the market. GM believes it will be able to maintain production levels "that are economically viable for us," he said.

Klonowski said he believes Ford's entry will benefit the industry both in attracting Ford-loyal customers to the RV market and in helping hold chassis prices down.

He noted that when Deere entered the market a few years ago, GM rolled back its chassis prices for a year.

GM has built up a strong following of customers who are "used to our products," Ganatra said.

Lack of competition had led GM to take the market largely for granted, but within the past two years Ganatra and other GM officials have been working hard to establish closer communications and ties with motor home manufacturers and pay closer attention to their needs.

GM had a big meeting with all its body builders recently and showed them its future programs, how it was proceeding and how they could use those products.

It also asked for feedback from the body builders to help GM focus closely on their needs.

"My goal is to have three or four of our people service the industry on a constant basis," Ganatra said.

As previously reported, GM plans to produce a new 14,500-pound-GVW Class C motor home chassis in January that should help increase its business in that segment at the same time it is gearing up in the upper end of Class A.

Officials expect the new unit to help them maintain a steady production flow at GM's Detroit motor home and commercial chassis plant.

Shipments hold steady for March

RESTON, Va. — RV shipments continued on a fairly even keel in March, with a slight increase in van conversion shipments offsetting declines in motor home and travel trailer shipments.

RV manufacturers wholesaled 38,800 vehicles, 2.76 percent fewer than 39,900 in March 1988, according to the Recreation Vehicle Industry Association.

For the first quarter of 1989, the industry wholesaled 106,200 units, 1.14 percent more than 105,000 last year.

Van conversions continued to prop up the industry's performance.

March shipments of van conversions totaled 18,000 units, up 5.88 percent from 17,000 a year earlier.

First-quarter shipments of 51,300 were up 8.00 percent from 47,500 last year.

Shipments of seat-delete vans by Detroit's Big 3 manufacturers to converters, which reflect future conversion activity, declined in March.

Recreational Vehicle Wholesale Deliveries

	March 1989	March 1988	% change	3 mon. 1989	3 mon. 1988	% change
Travel trailers	5,900	6,500	– 9.2	15,000	15,800	– 5.1
Park Trailors	600	600	– 0.0	2,000	1,900	+ 5.3
Travel trailers—fifth wheel	3,000	3,000	– 0.0	8,000	7,800	+ 2.6
Folding camping trailers	3,900	4,900	–20.4	9,800	11,800	–16.9
Truck campers	1,100	1,200	– 8.3	2,500	2,600	– 3.8
Towable RV total	14,500	16,200	–10.5	37,300	39,900	– 6.5
Conventional (type A)	3,400	3,700	– 8.1	10,100	10,200	– 1.0
Van Campers (type B)	500	500	– 0.0	1,200	1,200	– 0.0
Chopped vans (all)	2,400	2,500	– 4.0	6,300	6,200	+ 1.6
Motor home total	6,300	6,700	– 6.0	17,600	17,600	– 0.0
Van conversions	18,000	17,000	+ 5.9	51,300	47,500	+ 8.0
TOTAL ALL RVs	38,800	39,900	– 2.8	106,200	105,000	+ 1.1

Source: Recreation Vehicle Industry Association.

The biggest drop was in compact vans.

Overall, General Motors, Ford Motor Co. and Dodge shipped 19,400 seatless vans to converters in March, 15.65 percent fewer than the 23,000 shipped last year.

Of this year's total, 15,700 were full-sized vans, down 14.67 percent from 18,400 shipped in March 1988.

Compact van shipments totaled 3,700, down 19.57 percent from 4,600 a year earlier.

Seat-delete shipments continued to maintain an overall lead over last year during the first three months.

In the first quarter, the industry shipped 61,200 seatless vans, 17.69 percent more than 52,000 in the first quarter of 1988.

Of the total, 48,300 were full-sized vans. That was a 23.21 percent gain over 39,200 in the year-earlier period.

Shipments of seatless compact vans totaled 12,900 in the first quarter, compared to 12,800 in 1988.

RV BRIEFS

Southern Coach's 10th

GREENSBORO, N.C. — Southern Coach celebrated its 10th anniversary in the van conversion business by introducing two special anniversary models.

One is a 2000-series conversion equipped with a color-keyed fiberglass raised roof, remote-control color TV, remote-control video cassette player, power mirrors and other luxury appointments.

The other special model has Duraflex running boards with flares, oak pedestal trim, a 12-volt vacuum cleaner, rear stereo, leather/leatherette furniture and other special items.

RV travel heats up

DETROIT — The recreational vehicle industry is gearing up for a busy travel season, buoyed by 1988's decade-high total of 427,300 new-vehicle shipments and a year-end study showing trips for outdoor recreation on the rise.

A study by the U.S. Travel Data Center shows that trips for outdoor recreation and entertainment rose twice as fast as all other travel away from home.

Outdoor recreation excursions accounted for 41 percent of all trips.

Goshen Coach purchased

ELKHART, Ind. — William L. Warrick, chairman of Mallard Coach Corp. of Nappanee, Ind., purchased Goshen Coach Corp. of Elkhart.

Mallard Coach, an RV manufacturer, was not involved in the deal.

Goshen Coach was renamed The New Goshen Coach Corp.

It produces small- to medium-duty transit buses and recently won a contract worth more than $5 million for 112 para-transit buses.

GM shocks converters

Expected rebate for vans fails to appear

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors stunned the van conversion community and many of its own dealers by failing to approve a widely anticipated consumer rebate program for conversion units.

Converters and dealers had been anticipating an announcement May 10. As proposed, it would have put a $750 rebate on full-sized conversions to help move them at retail.

GM votes no on conversion rebate for customers

Chrysler has been offering a $2,000 rebate on van conversionssince April 1 because of the softening retail market.

Top-level GM executives apparently decided to pass on the rebate, though some industry sources believe it is still alive and may be approved. The program is needed because converters and Chevrolet/GMC dealers have begun swimming in conversion units as retail demand slowed.

There is a particular oversupply of chassis with the 305-cid V-8 and three-speed automatic transmission. GM converters earlier had to take a forced mix of 305 V-8s to get the chassis with the 350-cid V-8 that are in greater demand. That was further complicated by an incentive under which GM offered converters the optional 305 V-8 free as an upgrade from the base six-cylinder engine in those vans if they ordered it with a three-speed automatic.

Most major converters were forced to offer special wholesale spiffs during the first quarter to move their products at the wholesale level.

Now, converters face the prospect of trying to force more products on dealers with such programs — and creating another price war — or paying General Motors Acceptance Corp.'s floorplanning costs on units in their inventory and hoping the market improves.

Converters must begin paying GMAC finance charges after a unit has been in a converter's inventory three months. Finance costs are $4 to $5 per day per chassis, according to one estimate.

Ford, although it also has inventory problems, isn't likely to initiate a van conversion incentive.

The company has been redistributing its chassis — funneling units that might have gone to converters into alternate dealer and fleet distribution channels.

Ford operates in a different way than Chevrolet. It still has a traditional bailment pool setup under which it picks up the cost of a conversion chassis until it is actually sold to a dealer. Thus, it has been redistributing units to cut costs.

Van conversions are caught up in a larger industry problem. The whole automotive market is soft. Inventories of cars and trucks have increased so much they are choking conversions. Even some dealers who would like to stock a few more conversions can't because they are at their limit on floorplan credit.

GM, Ford register heavy lemon law losses in New York

By Helen Kahn
SENIOR CORRESPONDENT

In New York state last year, the percentage of lemon law arbitration cases lost by General Motors and Ford Motor Co. was higher than their market shares in the state.

A report by the state attorney general said Chrysler Motors' share of the lemon law arbitration decisions favoring consumers was less than its market share. Included in the Chrysler total were disputes involving vehicles produced by American Motors.

The biggest winners and losers were imported makes, according to the report.

Mercedes-Benz had the lowest percentage of arbitration decisions for consumers compared to market share, followed by Honda, Toyota and BMW.

Compared to its market share, Yugo had the highest proportion of losing decisions — 1.8 percent of total decisions for consumers compared to its market share of 0.3 percent — or six times greater than would be expected. Yugo was in a similar situation last year in New York state.

The report issued by the attorney general detailed the results of the warranty claim arbitration system established under the state's lemon law.

During 1988, 1,253 consumers in New York state won settlements, refunds or replacement vehicles worth $16.8 million, according to Attorney General Robert Abrams.

Overall, consumers won two-thirds of the cases concluded, and more than 73 percent received their money within 45 days of the decision. Of the 811 cases settled by cash refund, the average refund was $15,451.

Like the recent lemon law report from Massachusetts, New York compared the market share of various companies with their lemon cases. The findings were similar.

The report called GM's record "significantly" out of line. "Although GM accounted for just under 35 percent of the market, it had almost half of the total decisions for consumers, 40 percent greater than its market share," the report said.

The report compared GM's performance unfavorably with that of Honda and Toyota.

"Honda's share of the market was 4.7 percent while its percentage of the total decisions in favor of consumers (0.6 percent) was only 13 percent of its corresponding market share," the report said. "Toyota's share of the market (5.1 percent) was almost five times the proportion of awards issued against it (1.1 percent)."

This is the second year of the state's revised lemon law and the state arbitration program run by the American Automobile Association which will continue to arbitrate disputes through July 1990.

The attorney general's report called the state arbitration program a "significant catalyst" in generating 371 warranty repair dispute settlements. The manufacturer with the most settlements was Chrysler/AMC with 118. The automaker with the highest ratio of settlements to total cases was Volvo with seven out of 13, or 54 percent.

Now, Abrams and consumer advocates propose a state arbitration program for used cars. Noting the success of the new-car lemon law arbitration program, Abrams said the state's used-car buyers — which number about twice as many as new-car buyers — "should have the same access to a quick, inexpensive, fair arbitration program that new-car purchasers have."

The 1984 used-car lemon law mandates a dealer warranty covering major systems of used vehicles. If the car has 36,000 miles or less, the warranty must be 60 days or 3,000 miles, whichever comes first.

For cars with more than 36,000 miles, the warranty must be at least 30 days or 1,000 miles. The terms are the same as for new-car lemons: a reasonable number of repair attempts and then refund or replacement by the selling dealer.

NEW YORK LEMON LAW RESULTS

Make	State market share	Pct. of total 1988 decisions for consumers
General Motors	34.7	49.2
Ford	19.3	20.0
Chrysler*	16.7	15.0
Nissan	5.4	2.5
Toyota	5.1	1.1
Honda	4.7	0.6
Hyundai	2.0	1.4
Mazda	2.0	0.6
Subaru	1.6	0.7
Volkswagen	1.5	1.0
Mercedes-Benz	1.0	0.1
Mitsubishi	1.0	0.5
Volvo	0.9	0.3
BMW	0.8	0.2
Saab	0.5	0.6
Porsche	0.4	0.3
Jaguar	0.3	0.3
Yugo	0.3	1.8
Others	1.8	3.4

NOTE: Includes all passenger cars, light trucks and vans up to 10,000 GVW (gross vehicle weight).

*—Includes American Motors cars.

Ford warranty back in court

ALBANY, N.Y. — New York's top court has agreed to decide if Ford Motor Co. should repay millions of dollars to car owners who paid part of the cost of repairs that were covered by warranties.

Ford had been ordered to return the money by a lower state court. But the Court of Appeals has granted the automaker a chance to argue the case once more. At issue is whether Ford could charge customers $100 for powertrain repairs that were covered by a warranty.

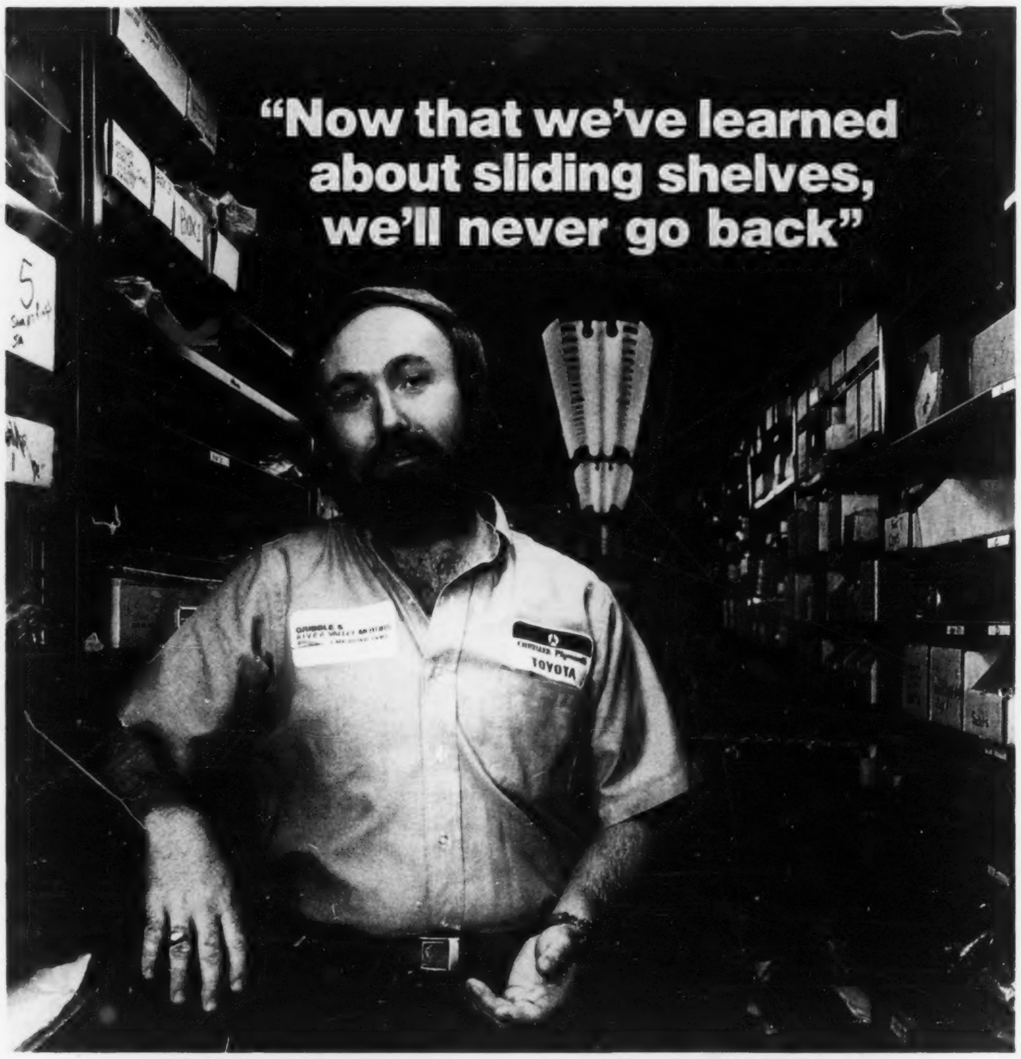
Attorney General Robert Abrams said the practice violated New York's lemon law, which says repairs in the first 18,000 miles or two years must be performed free.

Ford stopped charging the deductible in March 1987, the attorney general's office said.

Ford had said in court papers that granting restitution would cost some $5.3 million, a spokeswoman for the attorney general said.

Ross Lipman, a lawyer for Ford, said the total that will be refunded if the company loses the lawsuit hadn't been calculated and that Ford hadn't determined how many consumers were involved.

— The Associated Press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Ex-Avanti co-owner turns limo maker, plans sports car

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Michael E. Kelly, former co-owner of New Avanti Motor Corp., has formed a limousine-building company and also plans to produce an American sports car named Legado.

Kelly sold his interest in Youngstown, Ohio-based Avanti to his partner, J.J. Cafaro, last year and subsequently founded AAMEK Corp. in Arlington, Texas, located between Dallas and Fort Worth.

Kelly said he will purchase many of the parts to produce the car, excluding the body, chassis and drivetrain, from Brazil. Much of the design work for the vehicle was done there, he added.

"We're not going to reinvent the wheel. I'm trying to introduce it (the car) at around $40,000," Kelly said.

"If we go much over that, it makes it a tough market."

The engine will be an aftermarket version of General Motors' 5.7-liter V-8 from the Chevrolet-Pontiac-Canada Group's Can Expo aftermarket sales operation, he said.

The engine, as it comes from GM, is designed for dealer installation in production Corvettes for sanctioned road-racing applications.

Experimental Automobile Corp. of Atlanta will tear down the engines, then blueprint, balance and reassemble them to closer tolerances, said Thomas Washburn, an Atlanta attorney and co-owner of Experimental Automobile.

Washburn, who was involved in stock car racing and engine rebuilding prior to becoming an attorney, said Experimental Automobile will modify the engines.

Each engine will be equipped with GM's regular Corvette injection system and an aluminum water pump for better cooling, for example. The engine, as sold by GM, has a carburetor and a water pump made of iron.

Washburn said the goal is to get about 345 horsepower from the engine.

He anticipates it will be at least three to four months before the first prototype will be submitted to the EPA for emissions testing and certification.

Legado will be a four-seater with a small back seat. Kelly said he hopes to begin producing the car on a second assembly line at AAMEK's plant by early 1990.

He acknowledged that the specialty-car field had produced "more obituaries than success stories."

"When I actually start the company, I'll probably take it public. But we won't take any investors until there's actually a prototype that you can drive," Kelly said.

Until then, he is bankrolling the vehicle's development himself.

Kelly said he won't pitch any dealers until he has a government-certified vehicle to display.

Kelly bought Avanti in 1986. Prior to that, he owned an Elkhart, Ind., van customizing company called Fantasy Vans. Before that, he ran a small-town auto body shop.

Michael Kelly's new venture, AAMEK Corp., based in Texas, builds limousines

In 1987, the Cleveland Plain Dealer reported that Kelly was sued by some of his former business partners who claimed he used at least $900,000 they invested in an ethanol plant to buy a house and the assets of the then-bankrupt Avanti Motor Corp.

The suit was settled out of court.

Kelly began producing Knight Koach limousines in suburban Dallas in mid-March and is currently turning out about two a week, he said.

AAMEK is pitching its limousines to corporate customers, hotels, resorts and funeral directors.

Knight Koach limousines are based on Lincoln Town Car and Cadillac sedans, extended 60 to 96 inches.

Sales climb; truck gain tops cars

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Helped by an extra selling day, sales of new U.S.-built cars and light trucks inched upward in May's first 10-day sales period. Trucks led the way.

Domestic sales of cars and trucks rose 3.39 percent to total 328,956 units compared to 318,169 in 1988.

Retail deliveries of cars climbed 1.51 percent and totaled 207,353 units compared to 204,270 last year.

Cars moved at an average daily selling rate of 23,039 units, 9.77 percent below the average selling rate of 25,534 in 1988. There were nine selling days in the period this year and eight last year.

Light-truck sales were up 6.76 percent in the 10 days at 121,603 units compared to 113,899 last year.

Mazda dealers delivered 46.56 percent more cars in the May 1-10 span this year than last. Honda dealers moved 20.21 percent more, and General Motors dealers sold 1.80 percent more. Nissan sales slumped 47.16 percent from the year-earlier total, and Chrysler Motors' sales dipped 3.92 percent. Deliveries by Ford Motor Co. dealers were shaved by a skimpy 0.03 percent.

Toyota dealers sold 2,624 cars built in this country in early May, up 260.44 percent from last year when sales totaled just 728 units. Mitsubishi dealerships retailed 694 units in the 10 days.

Toyota began selling Kentucky-built cars in October 1988, and Mitsubishi began selling cars built in Illinois in February 1989.

For GM, combined truck and car sales rose 7.06 percent. Chrysler's combined sales were off 1.12 percent and Ford's were off 0.36 percent. Nissan's combined sales of U.S.-built cars and trucks were 40.03 percent below those of early May 1988.

DOMESTIC CAR SALES

	May 1-10, 1989	May 1-10, 1988
Eagle	1,025	1,573
Chrysler	5,844	7,674
Plymouth	8,125	8,279
Dodge	14,618	13,293
Chrysler Motors	29,612	30,819
Ford	41,160	41,840
Mercury	13,495	13,593
Lincoln	5,603	4,841
Ford Motor Co.	60,258	60,274
Buick	14,299	15,505
Cadillac	9,392	6,796
Chevrolet	39,794	41,099
Oldsmobile	18,754	19,267
Pontiac	21,751	19,485
General Motors	103,990	102,152
Volkswagen	—	823
Honda	8,494	7,066
Nissan	1,042	1,972
Toyota	2,624	728
Mazda	639	436
Mitsubishi	694	—
U.S. Car Total	207,353	204,270

Porsche 944 sales rise, trail '88

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

Although April sales of its 944 line trailed the year-earlier total, Porsche Cars North America attributed an increase over March's volume to price cuts ranging from 5.7 to 8.9 percent on those models.

According to Porsche, total sales of the 944 series in April were 249, an increase of 35.33 percent over 184 in March. Those figures include some 924 models.

But compared with last year's results, 944 sales remain dismal. April sales of 249 were down 64.73 percent from 706 in 1988. With 924 sales factored out, sales were still off 58.39 percent.

A Porsche spokesman attributed the April vs. March gain in 944 sales to the price cut and more advertising.

Porsche's total April sales in the United States were 789, down 48.19 percent from 1,523 last year. The four-month count of 2,597 was down 56.35 percent from 5,949.

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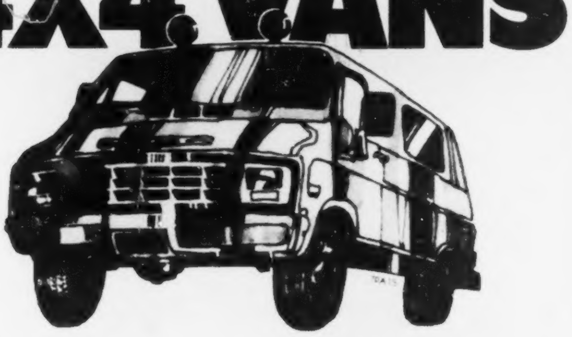
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AUCTION DATES

Chrysler Motors

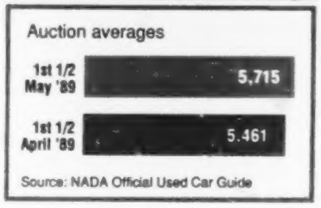
May 23 — American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Hatfield Auto Auction, Hatfield, Pa.; Nashville Auto Auction, Nashville, Tenn.; Florida Auto Auction of Orlando, Ocoee, Fla.; Portland Auto Auction, Portland, Ore.; Riverside Auto Auction, Riverside, Calif.; and Greensboro Auto Auction, Greensboro, N.C.

May 24 — A.D.E. of Birmingham, Birmingham, Ala., and Butler Auto Auction, Gibsonia, Pa.

May 25 — San Antonio Auto Auction, San Antonio, Texas; Northway Auto Exchange, Clifton Park, N.Y.; Aptco Auto Auction, Taylor, Mich.; Indianapolis Auto Auction, Indianapolis; Omaha Auto Auction, Omaha, Neb.; Southwest Auto Auction, Phoenix, Ariz.; and Ark-La-Tex Auto Auction, Shreveport, La.

May 26 — Manheim Auto Auction, Manheim, Pa.

Used car sales



Source: NADA Official Used Car Guide

Ford Motor Co.

May 23 — Greater Chicago Auto Auction, Chicago; Bay Cities Auto Auction, Hayward, Calif.; and South Seattle Auto Auction, Kent, Wash.

May 24 — Northway Auto Auction, Clifton Park, N.Y., and Fort Worth Auto Auction, Fort Worth, Texas

May 25 — Denver Auto Auction, Aurora, Calif.; Interstate Auto Auction, Mercer, Pa.; Minneapolis Auto Auction, Plymouth, Minn.; Nashville Auto Auction, Nashville, Tenn.; Southwest Auto Auction, Chandler, Ariz.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

General Motors

May 23 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and Manheim Auto Auction, Manheim, Pa.

May 24 — Atlanta Auto Auction, Atlanta; Clanton's Auto Auction, Darlington, S.C.; Southern California Auto Auction, Fontana, Calif.; Omaha Auto Auction, Omaha, Neb.; and Puget Auto Auction, Auburn, Wash.

Model breakdown

Year	1st 1/2 May '89	1st 1/2 April '89	1st 1/2 March '89
1989	$11,850	$10,974	$10,875
1988	8,657	8,207	8,630
1987	6,611	6,280	6,459
1986	5,613	5,419	5,489
1985	4,543	4,418	4,383
1984	3,657	3,693	3,611
1983	2,689	2,860	2,836
1982	2,155	2,135	2,157
Overall Average	$5,715	$ 5,461	$5,496

Source: NADA Official Used Car Guide

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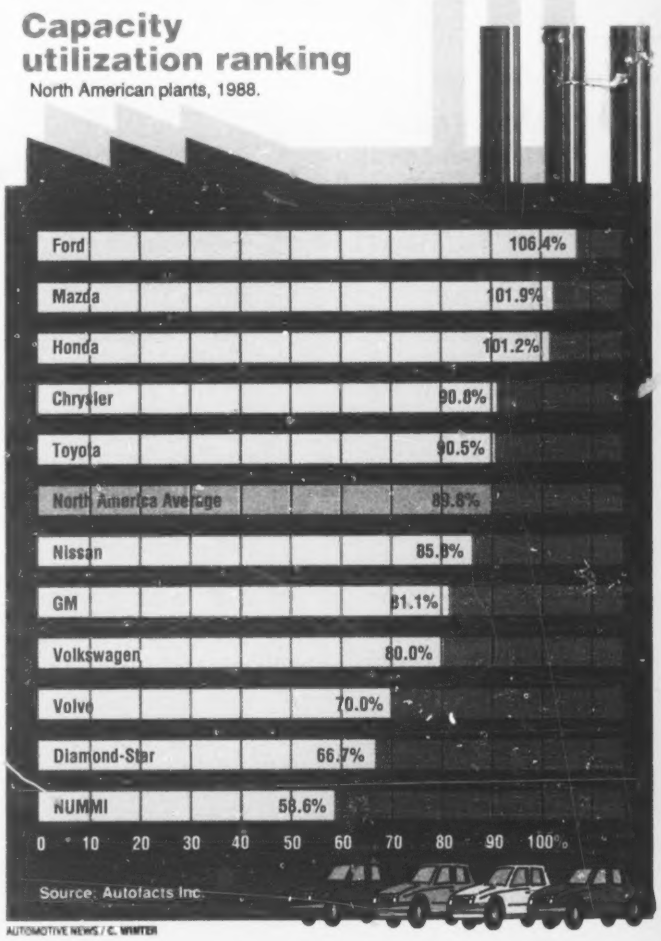
Overcapacity put at 2.2 million

Study says glut will grow; 'vulnerable' plants pinpointed



Capacity utilization ranking
North American plants, 1988.

Source: Autofacts Inc.

AUTOMOTIVE NEWS / C. WINTER

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

A new study predicts North American straight-time manufacturing overcapacity will grow to about 2.2 million cars and light trucks for the 1990 model year and to about 2.5 million in 1991 through 1994.

By adding overtime, North America is capable of building 4.2 million more units than the market demands, and that overcapacity will grow to 5.1 million units in 1994, according to a report by Autofacts Inc. of Philadelphia.

Too much vehicle manufacturing capacity in North America could have far-reaching effects on the UAW and component suppliers, said Autofacts President William R. Pochiluk.

The study concludes transplant companies are the winners, based on their ability to start up and capture production shares.

In the near term, there is a shortage of truck capacity and too much car capacity, Pochiluk said. But by the middle of the next decade, there will be too much truck capacity, he said. Mexican production was not included in the report.

Analysts for the consulting firm concluded there is little evidence that the current overcapacity problem is improving.

"People are assuming that it is getting better," said Pochiluk. "It isn't. Our analysis shows that as the transplants become more involved in the truck business, overcapacity could increase to 3 million vehicles or more" — including pickups, mid-sized vans and utility vehicles.

Pochiluk predicted that by 1994, seven assembly plants will open and three will close permanently. Straight-time capacity will expand 14 percent by 1994, reaching 16.3 million units, the study said. With overtime, it will soar to 18.9 million units.

That contrasts with Pochiluk's production projections averaging about 13.2 million vehicles per year between 1991 and 1994.

Last year, North American car and truck capacity totaled 14.3 million units. The overall capacity utilization rate in North America based on straight time was 90 percent.

There are 82 automotive plants producing cars and light trucks in North America with a combined straight-time capacity of 14.2 million light vehicles and an overtime capability of 16.6 million, according to the study.

Autofacts projected 1989 car and light-truck production at 12.4 million, representing a capacity utilization rate of 87 percent.

Ford Motor Co. led other domestic and transplant companies in capacity utilization in 1988 by a huge margin, reflecting its widespread use of overtime.

Capacity utilization for all Ford manufacturing plants was 106 percent overall, compared to 81 percent for General Motors and 91 percent for Chrysler Motors. Transplants had an overall rating of 88 percent, but many of the transplants were in start-up or changeover modes.

New United Motor Manufacturing Inc., the joint venture of Toyota and GM in Fremont, Calif., registered the lowest capacity utilization rate — 58.6 percent.

"NUMMI was bad on the car side," Pochiluk said. "It has an identity crisis that the (Chevrolet) Geo is an attempt to correct. Yet, the Geo has not caught on with the consumers because of an image and identity crisis."

Chevrolet last year began marketing its imports and its cars from NUMMI under the Geo banner.

Toyota also plans to make better use of the plant by building light trucks there beginning in 1991.

Autofacts lists the plants coming onstream as:

- Chrysler's new Jefferson Avenue plant in Detroit, going into operation in 1992. Chrysler plans to close the existing Jefferson plant thereafter.
- Ford's Avon Lake, Ohio, plant, which will build the VX54 minivan with Nissan in 1991.
- GM's Saturn plant in Spring Hill, Tenn., expected to be completed next summer.
- The Cami Automotive plant in Ingersoll, Ontario, scheduled to begin production of its new car and light truck this year. It is a joint venture of Suzuki and GM.
- Honda's East Liberty, Ohio, plant, which opens this year for 1990-model production.
- Nissan's new plant in Smyrna, Tenn., scheduled to open in 1992 for the Stanza replacement.
- A joint venture of Isuzu Motors and Fuji Heavy Industries, now in the start-up phase in Lafayette, Ind. It will build cars and light trucks for Isuzu and Subaru of America.

Typically, a plant has to average 120,000 units before it breaks even, Pochiluk said.

Canada currently represents 9 percent of the consumption of North American-built vehicles and 14 percent of production. Pochiluk expects consumption to remain steady while Canada's share of production rises to 19 percent by 1994. That could cause a rift between the UAW and the Canadian Auto Workers, he said.

"The UAW will want to know why Canada has a disproportionate share of capacity vs. consumption," he said. "If the UAW views Canada as an outsourcing problem, then it could lead to increased protectionism."

Pochiluk characterized the conclusions of the study as particularly important for parts suppliers, which often are pressured to increase capacity and reduce prices by automakers that promise huge volumes.

Some overcapacity — 750,000 to 1 million vehicles — is necessary to meet production peaks and valleys or other surprises like work stoppages, he said.

Pochiluk said no Ford plant in North America is vulnerable to closure.

Although he downplayed Autofacts' list of most-vulnerable plants, he said the report reflects the company's reading of the relationship between demand and supply. His list includes:

- Chrysler's Jefferson Avenue plant in Detroit is expected to close in 1993-94. The plant is being replaced by a new facility.
- Chrysler's Toledo, Ohio, plant, which builds Jeep Cherokee, is vulnerable in 1995 and 1996. Pochiluk predicted competition from other producers of four-door utility vehicles will reduce Cherokee market share. And Chrysler has already announced that the Jeep ZJ will be produced at the new Jefferson plant.
- Chrysler's Pillette Road plant in Windsor, Ontario, which builds full-sized vans, is vulnerable in 1993 to 1995 because of competition with extended mid-sized vans, including Chrysler's own entry.
- Chrysler's St. Louis No. 1 plant is vulnerable in 1995 and 1996 because the new LH/LX products are slated to be produced at other facilities. The LH/LX platform will be the first all-new platform for Chrysler since the K-car and will be the basis of much of Chrysler's future lineup.
- GM's Ste. Therese, Quebec, plant is said to be vulnerable in 1991 to 1993. It makes Cutlass Ciera and Chevrolet Celebrity. Pochiluk said both products are "redundant" with other GM models, most notably the Ciera wagon competing with the new Oldsmobile Silhouette plastic minivan.
- Pochiluk predicted GM's Lakewood plant in Atlanta will be replaced by Willow Run in Ypsilanti, Mich., in 1990 as the GM300 project — Chevrolet Caprice, Buick Roadmaster and the rear-drive station wagons — moves there. No product has been scheduled for Lakewood.
- GM's Lordstown, Ohio, plant is said to be vulnerable in 1993 to 1995 because it is one of two plants that build full-sized vans. GM is investing in the other plant, in Scarborough, Ontario, to build the extended full-sized van. Pochiluk expects that pressure from mid-sized vans will make Lordstown vulnerable.
- GM's Van Nuys, Calif., plant is vulnerable to closure in 1993 due to costs; the Camaro and Firebird built there are expected to move to a Michigan facility by 1993.
- Pochiluk believes GM's Lansing, Mich., plant is vulnerable to closure in 1992 because by the mid-1990s, GM will have significant excess capacity for mid-sized cars, partly because of Saturn.
- The NUMMI plant is vulnerable to closure after 1993 because it produces vehicles at the low end of GM's lineup. The Geo Prizm is in competition with GM's J-cars (like Chevrolet Cavalier) and L-cars (Corsica/Beretta) and Saturn.

A spokesman for GM said the company doesn't comment on speculation.

GM has said it will boost its capacity utilization rate to 100 percent by 1992. It has not said how it will accomplish that, but analysts say it will require the closing of up to five assembly plants.

A Chrysler spokesman said it has its house in order regarding capacity.

Autofacts has been in business since 1985 and churns out about 160 reports on the auto industry annually. The company spent six months on this study, which was conducted by questionnaires and personal interviews with company representatives and union officials. The study sells for $5,000.

CAPACITY UTILIZATION
% utilization of North American plants, 1988

	Cars	Light trucks	Light vehicles
Ford	104.4	109.4	106.4
Mazda	101.9	N.A.	101.9
Honda	101.2	N.A.	101.2
Chrysler	84.1	99.1	90.8
Toyota	90.5	N.A.	90.5
Nissan	91.7	80.0	85.8
General Motors	73.6	101.8	81.1
Volkswagen	80.0	N.A.	80.0
Volvo	70.0	N.A.	70.0
Diamond-Star	66.7	N.A.	66.7
NUMMI	58.6	N.A.	58.6
North American average	83.6	103.0	89.8

Source: Autofacts Inc.

Campbell, Lex shop for U.S. outlets

By Daniel Ward
STAFF CORRESPONDENT

LONDON — Campbell Automotive Group, a Southern California dealership chain that is half-owned by the publicly held British group Lex Service, plans to buy another dealership this year as it aims to double its size.

In February, Campbell bought its eighth store, a Buick-GMC outlet in Riverside County, Calif. David Beck, managing director of Lex Retail here, said expansion is likely to be with U.S. franchises rather than imports.

"We are not in a process of revolution at Campbell," Beck said. "We do want to double its size, but we don't overpay for dealerships, and some of the prices are way over the value.

"Lex is in no hurry because I want to do it at sensible prices," he added.

Beck spent a year in the United States before the joint venture with dealer John Campbell was signed last year.

Since the Campbell deal, Lex has been inundated with offers from owners to sell their U.S. dealerships. Beck said he believes many see harder times ahead.

He said the Campbell group will invest $5 million in two Saturn outlets in Southern California.

Lex is learning from its involvement with Campbell and is contributing to the California group's expansion. Beck said he does not believe that a flood of United Kingdom motor groups will follow Lex into the U.S. market.

Beck said Lex already has learned the value of a high investment in customer service to achieve high customer satisfaction index ratings. Manufacturers' use of the CSI to monitor dealer performance is still at an early stage in Britain.

The British executives have been surprised at the volatility of U.S. dealerships, whose profits are much more closely linked to the success of the manufacturer than in the United Kingdom.

Beck said that in Britain, dealers have been more successful in developing their service, parts and used-car operations, which cushion a drop in new-car sales.

Commenting on the benefits of ownership by a motor group with 82 outlets in Britain, Beck said, "Our advantage is that we can bring to an organization like Campbell the knowledge of running a large group, which is a relatively new phenomenon in America, and the long experience of operating on thinner profit margins."

DAWSON

FROM PAGE 2

some of the land was purchased by Dawson.

But Dah Chong Hong wanted to purchase some of the dealerships before the auto mall was completed and offered Dawson "a very attractive price," according to Dawson's spokesman Ekman. The sale was to occur May 1. But several regulatory and manufacturer approvals were not received in time, and Dah Chong Hong backed out.

"There were enough contingencies and conditions, and not all of the conditions were met by all of the parties involved," said Billy Wong, Dah Chong Hong's chief financial officer in its U.S. administrative office in New York.

But Kelly said the real problems for Dawson came when representatives from Dah Chong Hong sent the statutory bulk sale notice to Dawson's creditors. It listed liabilities of the properties in the proposed deal at $25.9 million and a purchase price of $20 million.

Many of the dealership chain's creditors — believing that Dawson's debt exceeded the selling price and that bills wouldn't be paid on time — demanded cash-only transactions with all the businesses of the chain.

"It looked like a fire sale," said attorney Kelly. He said the statement that Dawson would not pay its creditors on time was erroneous.

Kelly said actual liabilities for the dealership chain are "well below" the $25.9 million listed. The Dah Chong Hong representatives did not subtract the more than $6 million in loans made to the dealership by Hanley Dawson Jr.

Kelly said that in a bulk sale notice, all debts, including contested and contingent debt that may not ultimately be owed, must be listed. But the notice lists only the assets being sold and excludes other assets such as cash or real estate.

Kelly said Hanley Dawson Leasing Co., which operates the leasing, service and Chrysler-Plymouth outlet, suffered most from the creditors' cash-only requirement.

"The Cadillac-Chevrolet operations did not have as many pressures and demands from creditors and a lack of ability to operate on a cash-only basis," Kelly said.

Ekman said the leasing business and Chrysler-Plymouth sales were not up to the company's expectations. Dawson purchased the Chrysler-Plymouth store about five years ago.

Hanley Dawson Leasing is also the operating manager for the import store, though the parent company for the store is under a different corporate name.

All of Dawson's facilities are leased, and the company is completing a renovation of the Cadillac-Chevrolet store on Rush Street.

In the bankruptcy filing, Hanley Dawson Leasing Co. listed total assets of $10.4 million and liabilities of $15.6 million. Secured debt was listed at $9.3 million with "approximately three holders."

The largest secured creditor is General Motors Acceptance Corp., the floorplan lender for the entire group of Hanley Dawson companies, Kelly said.

Other liabilities, excluding contingent or unliquidated claims that might not ultimately be owed, were listed at $6.5 million with approximately 250 holders.

Among the creditors are several other dealerships, including Patrick Saab and Patrick Mitsubishi, which are owned by Dawson's son, Hanley Dawson III. The son owns the Patrick Group, a chain of dealerships in suburban Chicago. Soon after negative publicity surfaced on his father's stores, Hanley Dawson III sent out a profile sheet on his chain of dealerships.

The profile sheet explained that the Patrick Group is a "separate and distinct dealership from the 'downtown' Hanley Dawson dealerships." The father and son also own Dawson & Dawson advertising agency with long-time associate Ekman. The agency is not expected to be affected by the bankruptcy filing, but it is listed as a creditor.

Automakers and their subsidiaries listed as creditors include: Chrysler Corp., Chrysler-Plymouth Division, Chrysler Credit Corp., General Motors Acceptance Corp., Mitsubishi Motor Sales of America, Toyota Motor Distributors, Toyota Motor Credit, Saab-Scania of America and Mid-America Subaru (distributor).

Hanley Dawson Leasing Co. receives the bills for parts and merchandising materials (showroom signs, etc.) for the import stores. Therefore several import companies are listed as creditors.

Dawson continues to talk to interested parties about the sale of some of his dealerships, Kelly said.

Kelly added that the auto mall project has been halted until Dawson can find an investor to replace Dah Chong Hong.

European 'experts' wrong again

Car sales jump 10% in April despite analysts' gloomy guesses

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — European new-car sales jumped unexpectedly in April — once more upsetting predictions that a downturn in the world's largest auto market is at hand.

After zero sales growth in March, which most analysts took as confirmation that a decline had arrived, April volume rose more than 10 percent, according to industry estimates compiled by Automotive News.

Still, analysts aren't convinced that European sales will continue to expand at the record pace of the past three years. Most expect the market to decline in the second half of 1989.

"The market still reflects a very high level of incentivizing," said Stephen Reitman of UBS Phillips & Drew.

Sales in 17 Western European countries rose 7.5 percent to 4,887,900 during the first four months of 1989. Most analysts predicted 1989 sales would drop 3 to 5 percent from 1988's record 12.91 million.

The 10.4 percent rise in April to 1,263,700 units reflected gains in all of Europe's major markets.

Volkswagen AG rode the strong German market during April and narrowed the gap between itself and first place Fiat Auto in company sales rankings. VW sales increased 16.6 percent during the month to 200,300 units — 20,000 more than Fiat Group.

For four months, VW sales — including the VW, Audi and Seat brands — totaled 707,500, an increase of 9.5 percent over 1988 and a 14.5 percent market share.

Fiat Group sales — including the Fiat, Lancia and Alfa Romeo brands — climbed 11.4 percent in April to 180,200. Four-month sales were up 6.2 percent to 750,300, a 15.3 percent share.

Most analysts expect Fiat to hold its lead after finishing in a virtual dead heat with VW in 1988.

"For 1989, we expect the gap between the two market leaders to widen considerably in favor of Fiat," said DRI-Europe in its latest World Automotive Forecast Report. "This is partly because we expect the Italian market to remain strong this year while the West German market falls by 2 percent."

One surprise in April was the laggard performance of Peugeot S.A., by far Europe's fastest-growing volume maker during the past two years.

Its sales were up 12.7 percent during the first four months of the year — best among the six volume makers. Volume was 653,900, good for third place and 13.4 percent of the market. But Peugeot's 5.1 percent April increase to 154,300 units tied Ford for the lowest year-to-year gain among the Big 6.

Analysts feel Peugeot's sales were affected by arch-rival Renault's incentives on the mid-sized R-21 in France. The R-21 formerly was sold as the Eagle Medallion in the United States.

Renault's marketing push in France helped it surge 23 percent in Europe overall to 142,600 sales in Europe for the month. Its gain of 23 percent was the biggest of any European manufacturer. Renault was up nearly 10 percent to 517,400 through April, good for 10.6 percent of the market.

The gap between fourth-place Ford and fifth-place General Motors is narrowing. Ford sales increased 6.9 percent to 550,400 for the first four-months of this year, an 11.3 percent share. Meanwhile, GM was up 11.4 percent to 539,900 units, for 11 percent of the market. Last year, Ford's share was 11.4 percent to GM's 10.7 percent.

Mercedes-Benz sales in Europe were down 0.4 percent in April and slumped 5.4 percent for the first four months. Its January-April total of 154,900 equaled 3.2 percent of the market. In Germany, Mercedes was down almost 12 percent for the year.

Mercedes continues to suffer from the collapse of diesel demand in its home market, where the 190, mid-range W 124 and S-class have all declined this year.

Meanwhile, rival BMW is still running strong. Sales were up 18.9 percent in April to 37,400 and the four-month total was up 22.5 percent at 141,100 units. In Germany, BMW was 23.3 percent ahead for January-April, with most of the gain attributable to the new 5 series.

Nissan continued to lead the Japanese manufacturers with a year-to-year increase of 9.9 percent for four months. Nissan's sales were 138,400. Second-place Toyota declined 3.3 percent to 115,800 and a 2.4 percent share through April

Among national markets, West German sales through April were 7.4 percent higher than last year at 1,010,800 units. April sales were up 6.5 percent to 303,000 cars.

Italian sales rose 21.3 percent in April to 220,100 units. Italy was up 8.9 percent to 895,200 for January-April.

Sales in the United Kingdom rose 15.3 percent in April to 191,300 and for the first four months of 1989 were 9.6 percent ahead of last year at 822,500. French sales increased 9.4 percent in April to 206,000 and were up 9 percent at 791,600 for four months.

Spain, Europe's hottest market during the past three years, cooled down in March, but picked up again in April. April sales climbed 22.7 percent over last year's to 95,000 units. The four-month total of 388,200 was 12.9 percent ahead of the 1988 total.

EUROPEAN SALES

Manufacturer	4 Mos. 1989	1989 share*	4 mos. 1988	Volume Change '89 vs '88
Fiat Group*	750,300	15.3	706,200	+ 6.2
VW-Audi-Seat	707,500	14.5	646,100	+ 9.5
PSA**	653,900	13.4	580,200	+12.7
Ford	550,400	11.3	514,800	+ 6.9
General Motors***	539,900	11.0	484,500	+11.4
Renault	517,400	10.6	471,000	+ 9.9
Mercedes-Benz	154,900	3.2	163,700	− 5.4
Austin Rover	145,700	3.0	157,000	− 7.2
BMW	141,100	2.9	115,200	+22.5
Nissan	138,400	2.8	125,900	+ 9.9
Toyota	115,800	2.4	119,800	− 3.3
Volvo	99,500	2.0	95,700	+ 4.0
Mazda	85,400	1.7	87,100	− 2.0
Mitsubishi	57,600	1.2	51,600	+11.6
Honda	45,400	0.9	48,600	− 6.5
Others	184,700	3.8	178,700	+ 3.4
Total	4,887,900	100.0	4,546,100	+ 7.5

*—Includes Alfa Romeo
**—Peugeot, Citroen, Talbot
***—Opel, Vauxhall, GM-U.S. Canada

NEW-CAR SALES BY COUNTRY IN EUROPE

Country	4 mos., 1989	Percent gain/loss
West Germany	1,010,800	+ 7.4
Italy	895,200	+ 8.9
United Kingdom	822,500	+ 9.6
France	791,600	+ 9.0
Spain	388,200	+12.9
Netherlands	222,000	− 0.9
Belgium-Luxembourg	185,000	− 1.3
Switzerland	125,000	+11.0
Sweden	105,800	− 8.0
Austria	103,100	+15.8
Portugal	71,400	+12.0
Finland	67,900	+ 5.7
Ireland	32,400	+26.8
Denmark	30,400	−16.0
Greece	19,700	+ 7.6
Norway	16,900	−34.6
Total	4,887,900	+ 7.5

GM adds development managers

By Dutch Mandel and Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTERS

General Motors has strengthened the role of its development engineers in bringing new products to market.

GM's Chevrolet-Pontiac-Canada Group has added senior-level engineers — now called vehicle development managers — to its vehicle development teams to work more closely in the manufacturing phase of specific models and give the group more organizational muscle.

The new assignments "reflect a refinement and enhancement" of GM's systems engineering, a C-P-C spokeswoman said. Systems engineering is the simultaneous engineering of the vehicle and manufacturing process.

Making senior engineers vehicle development managers will give greater importance to individual platforms and will give development engineers a louder voice in GM's decision-making process.

Four engineers were named.

Neil Ferguson, former director of reliability engineering for C-P-C, has been named vehicle development manager for the GM300 program. That program is charged with redesigning the large rear-wheel-drive sedans and wagons.

John W. Heinricy, former Chevrolet product engineering manager for the Corvette, Camaro and Pontiac Firebird platforms, has been named Corvette vehicle development manager.

Edward A. Vaughan, former assistant staff engineer at the GM truck and bus group, will oversee the GM200, the company's all-purpose-vehicle program.

Norman G. Fugate Jr., previously model-year manager for the 1990 Chevrolet Lumina, becomes vehicle development manager for the Chevrolet Camaro and Pontiac Firebird platform June 1.

Overseeing the vehicle development managers is Jack Turner, who is technical director of vehicle development and validation.

Alfa ads list reasons not to buy its cars

By Raymond Serafin
CRAIN NEWS SERVICE

Alfa Romeo is making an unabashedly emotional pitch for its Spider, going as far in a new campaign as listing logical reasons not to buy the car.

The Spider, a two-seater convertible, is positioned as a fun, perfect-for-summer vehicle in a series of print ads and television spots that broke May 15.

The campaign is designed to boost awareness and enthusiasm for Alfa Romeo as the company heads toward the U.S. launch of its 164 luxury sedan this fall. Jack Frakes, Ross Roy executive vice president, executive creative director, said it is important to "enhance the badge" to set the stage for the 164.

The campaign is the first major effort by the advertising agency, which acquired the account after Chrysler Motors and Alfa's Italian parent, Fiat Auto, formed a joint U.S. distribution company. Alfa Romeo Distributors of North America is relocating from Englewood Cliffs, N.J., to Orlando, Fla.

One television spot, as well as a print ad, presents reasons "against" the Spider.

In the commercial, a woman is heard thinking out loud — as the car is shown in closeups — about such issues as limited ability to carry passengers and luggage and the problem of windblown hair. The camera pulls back to reveal her on a beach with the Spider, as the voice-over says, "Two compelling facts remain — it's summer, and it's an Alfa Romeo."

In print, after reasons "against" the Spider are listed, the "for" side simply shows the Italian roadster, with its top down.

CAFE

FROM PAGE 1

tioned to lower CAFE and should have no problem meeting the 1990 CAFE, said Al Slechter, director of government affairs. Chrysler projects a 1989 CAFE of 27.7 mpg.

To try to meet the higher standard, Ford and GM could restrict the production of larger performance and family cars. But neither car company wants to limit production of those higher-profit vehicles that drag down their CAFE.

"Americans want larger, family-size vehicles, and we'll make what the market demands," a GM spokesman said.

A Ford spokesman said: "Our projection for 1990 will be dictated by the market, inflation and interest rates. We're not sure the government is ready to get in the business of telling people they can only drive a certain type of car."

Both Ford and GM said they will technically be in compliance with the law through at least 1990 by using credits accumulated during years when CAFE was rolled back.

Pleading hardship, GM and Ford petitioned for a reduction of CAFE for each of the 1986 through 1989 model years. The Reagan administration administration rolled CAFE back to 26 mpg for 1986 through 1988 and 26.5 for the 1989 model year.

NHTSA did not have projections for the foreign manufacturers for 1990. But BMW, Mercedes-Benz, Peugeot, Porsche, Saab and Volvo said that based on 1989 projections, they will not meet the 1990 standard. Only Saab expects to meet the 1989 standard.

Jaguar declined to comment, but industry experts pointed out that Jaguar had a CAFE of 22 mpg in 1988 and projects a 1989 CAFE of 20.1 mpg.

Dealers will ultimately get fewer high-performance imported cars, said Robert McElwaine, president of the American International Automobile Dealers Association.

"European carmakers who only have one line of cars don't have small economy cars to balance off luxury lines," he said.

Mercedes-Benz, which had a 1988 CAFE of 21.3 mpg, said it will import more diesels to improve its average fuel efficiency. But even with the new diesel engine the company is expected to introduce in the next year or two, "We're still looking at the numbers, and we're not sure it will work out," a spokesman said.

Volvo, whose 1988 CAFE was 26.0 mpg, said the parent company's minute size makes it nearly impossible to make overnight adjustments.

"We don't have fuel-efficient engines to whip into a car," a spokesman said.

"We don't have any choice than to pay penalties. We don't have the magic formula."

Saab met the 1988 CAFE of 26.5 and expects the same CAFE for 1989, but won't meet the 1990 standard.

"We'll have a hard time with 27.5, and though we've never paid a fine, we don't have any credits," a Saab spokesman said.

BMW has not announced model plans for 1990, "but it looks like we will still be paying a penalty," a spokesman said.

Credits will help GM and Ford for the 1990 model year. But both companies are running short of credits achieved in the heyday of the Reagan administration.

CAFE was enacted in 1975 as a gas-saving measure and the 27.5 mpg level was targeted beginning with the 1985 model year. The law allowed rollbacks which the Reagan administration took advantage of while proposing to eliminate the standard altogether.

Serious efforts to raise the CAFE standard did not mushroom until last summer, when a drought and especially hot summer focused attention on the potential of global warming.

Legislative support of a higher CAFE has grown since the new Congress went into session after the November election.

The movement to increase CAFE has received keen support from EPA Administrator William Reilly. He has advocated a CAFE of 40 or 50 mpg by the year 2000 in response to the greenhouse effect.

Some consumer advocates are heralding the decision to return to 27.5 mpg as a clear sign of what's ahead. Clarence Ditlow, director of the Center for Auto Safety, said the decision may pave the way for a CAFE of 45 mpg by the year 2000.

Previously, the decision on CAFE was left to the secretary of transportation. The latest decision was ultimately made at the White House, after recommendations from more than a half-dozen agencies, including EPA and the Department of Energy.

The decision went through so many layers that the industry knew well in advance of last week's announcement that CAFE would revert to 27.5 mpg.

In announcing the change, Transportation Secretary Samuel Skinner voiced concern over the nation's dependence on imported oil and said "that the 27.5 level would not have a serious economic impact on the auto manufacturers or on domestic employment."

While Chrysler meets the new limit, company officials have been calling for a substantial gasoline tax to encourage buyers to seek more fuel-efficient cars.

"If you want to raise fuel standards significantly above 27.5 mpg, you need two things," said Chrysler Corp. Chairman Lee Iacocca. "We need at least five years of lead time. We are finished with the 1991 and 1992 models. And we need some consumer pull in the form of a gas tax. They've got to get the consumers to demand those types of vehicles just as they do in Europe in Japan."

Because gas costs more than $3 gallon in those areas, there is no need for fuel economy laws since demand is automatically created for small cars, Iacocca said.

GM blasted the Bush administration decision, calling CAFE a "misguided regulatory program."

In a statement, GM said the 1990 CAFE endangers jobs and threatens U.S. competitiveness. A spokesman said GM would resort to closing plants if needed. GM did not provide any economic data to support its charges.

A Ford spokesman said, "CAFE does not address the problem of conserving fuel anymore."

Ford has been advocating that each manufacturer be required to make a percentage increase in CAFE, rather than have to comply with a flat figure.

That kind of remedy is also favored by AIADA as a way to relieve European luxury automakers of the massive fines they face. Mercedes has been told it will owe $20.5 million for failing to meet the 1987 standard. Last December, it paid $20.2 million for not meeting 1986 CAFE.

Jaguar is expected to be liable for $8.14 million for 1986, $5.32 million for 1987 and $5.54 million for 1988, according to NHTSA.

A percentage increase could also subject the Japanese automakers to higher CAFEs and make it harder for them to penetrate the luxury market.

Budget Rent A Car Corp., one of the nation's largest rental companies, said it does not expect manufacturers to push more subcompacts on rental fleets as a result of the higher CAFE. But a Budget spokeswoman said there will undoubtedly be fleet incentives to entice rental companies to buy subcompact cars.

"The manufacturers are making it a priority to sell us more small cars," she said.

Unaffected by the car CAFE change were the rollbacks for 1990 and 1991 light-truck fuel economy standards that had been announced in March 1988 by the Reagan administration. To change truck CAFE, NHTSA must give makers two years' lead time.

For 1989, each manufacturer must meet either a 20.5 mpg average for its light-truck fleet or 21.5 mpg for its two-wheel-drive vehicles and 19.0 mpg for four-wheel-drive versions. Those standards were rolled back to 20 mpg for combined light trucks or 20.5 mpg for 2wd drive and 19 for 4wd during 1990. The standards were rolled back for 1991 to 20.2 mpg combined and 20.7 for 2wd and 19.1 for 4wd during 1991.

Dingell vows to fight efforts to increase CAFE

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Rep. John Dingell, D-Mich., one of Detroit's staunchest supporters, said he will oppose any attempts by Congress to raise the corporate average fuel economy standard.

In a speech before the American Coalition for Traffic Safety, a safety lobby founded by the Big 3, Dingell said raising CAFE to high levels could have "anti-competitive consequences" and encourage the importing of fuel-efficient foreign-made cars.

"If we handle this matter badly, we will essentially export a major part of the auto industry," Dingell said.

"We can make cars that get CAFEs far beyond what the law now requires but there would be two problems: One is, will they sell, and the other is, will they run," Dingell said.

The current CAFE standard is 27.5 mpg. NHTSA reduced it to 26.5 mpg for 1989 models.

Rather than raise the CAFE for new cars, Congress should tighten maintenance and inspection requirements, Dingell said.

The congressman said he will introduce improved emissions inspection and anti-tampering legislation as an amendment to the Clean Air Act. "Real safety and emissions inspections must be undertaken by all states, not just a few," he said.

An aide to Dingell said the proposed amendent will close loopholes that permit tampering with emissions equipment to boost performance. The legislation has the support of the aftermarket industry, Dingell said.

Dingell is chairman of the House Subcommittee on Oversight and Investigations of the House Energy and Commerce Committee, one of the most powerful subcommittees on Capitol Hill. His subcommittee has held hearings on CAFE, but this is the first time Dingell has openly opposed raising CAFE.

CHINA

FROM PAGE 1

Jeep joint venture from September 1985 to July 1988 and left when, as stipulated in the agreement, it became the Chinese partner's turn to appoint the top executive of the company. St. Pierre could have stayed on, but he said he did not want to serve as second in command after running the operation for 2½ years.

Before Beijing Jeep, he was president of Jeep Japan, an AMC subsidiary that imported and distributed Jeeps. Earlier, St. Pierre was general manager of Jeep Indonesia, an assembly operation.

Beijing Jeep is one of the largest joint ventures with China's state-run auto industry. The company produces 5,000 to 6,000 four-wheel-drive Cherokees per year under license from Chrysler Corp., which inherited its share in the deal by acquiring AMC.

The operation gained notoriety in 1986 following a spectacular row between St. Pierre and senior Chinese government officials when it looked as though the company was going to collapse. The Chinese side had run out of hard currency and refused to pay foreign exchange for imported parts and kits.

St. Pierre managed to get a letter delivered to then Prime Minister Zhao Ziyang, now the Communist Party leader, which hinted that unless the money was made available, the Americans would pull out of the company. It asked Zhao to consider the impact of such a move on other potential overseas investors.

St. Pierre took the highly unusual step of publicizing the problem and making it a high-profile issue. The influential Zhu Rong Ji — now mayor of Shanghai — was dispatched as the government's main troubleshooter.

The result was five days of tough negotiations in May 1986 and a final agreement reached in October, after which the Chinese delivered $5 million. That cleared the way "and orders (for vehicles) started flooding in," St. Pierre said. "It was unbelievable."

Now working as managing director of FMC Corp.'s Hong Kong-based China operations, St. Pierre can speak more freely of his experiences at Beijing Jeep and give more candid views on the state of the Chinese auto industry, an industry with which he retains close connections. FMC is a conglomerate whose products include chemicals and tractors.

St. Pierre still sees opportunities for technology transfers and licensing agreements and says pickups, luxury sedans and utility vehicles remain promising niche markets in China.

But his preferred mode of operation is the joint venture rather than licensing agreements.

"I always recommend joint ventures," he said. "There's more negotiation up front but more control afterwards" since the partner is allowed to share in the operation of the venture.

In view of his run-ins with the Chinese government, there are drawbacks to joint ventures, too.

He said it is unrealistic for China to think of becoming a major exporter. He said the country cannot immediately achieve internationally recognized quality standards.

He recalled that during his three years in China, "we never got a part that made spec. Every part had one problem." He said the Chinese attitude is that "close enough is good enough. I guess that may change, but I doubt it."

St. Pierre said China keeps pushing foreign companies to use a higher percentage of locally made parts in their products, but the experience of foreign companies has been that local suppliers cannot meet the standards required. He said he feels more foreign suppliers in China could ease that problem.

P.C. Chan, business development manager for General Motors' China operation, is far more upbeat.

"We do think there are opportunities in China," he said. "There's a big potential for investment. If we thought otherwise, we would not have had an office in Beijing since 1982." GM currently has a deal for the Chinese to build four-cylinder engines under license from GM, but to date, a vehicle for the powerplant has not been announced.

Chan said that even if the Chinese are aiming at self-sufficiency, China is a big market and it will take a long time for domestic suppliers to satisfy demand.

"They need help and need investment and need technology," Chan said. "There is an opportunity for foreign companies."

St. Pierre's views appear to be widely held within the many Japanese companies that have been eyeing the China market.

An executive from one of them, who asked not to be named, said, "If you ask me what Japanese companies think about investing in China, I have to ask you: Have you heard of any Japanese company putting money into China?" To date, they have not, and the source said that reluctance is the root of "a big problem for us in our relations with the Chinese government."

Despite painting a pessimistic picture of the Chinese auto industry, St. Pierre remains convinced that AMC was right when it formed the Beijing Jeep joint venture in 1985.

"We put only $8 million in that company and have made way more than that," he said. While the assembly operation has made only about $4 million, the real money is made in selling the kits to the operation, he said.

But it also had its pitfalls, as evidenced by St. Pierre's 1986 row with the Chinese. His game of brinkmanship was played in a way that other foreign companies had not dared to try.

"The situation was desperate," he recalled. "Nobody in China seemed to understand the problem. It was like they thought the money would appear out of smoke or that AMC would supply it."

Other investors in China typically take the view that the only way to succeed is to play along and weather the storms. St. Pierre believes there comes a time when silence will not work.

"It was really surprising," he said. "There were no repercussions whatsoever. We suddenly started getting really good treatment." He maintained that the row with Beijing Jeep helped other foreign companies that were experiencing difficulties.

Car output climbs 2%; trucks firm

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Domestic automakers scheduled production of 163,406 units last week, 2.30 percent above the previous week's 159,730 but 4.72 percent below the year-ago week's 171,493.

So far this year, 3,019,431 cars have been assembled, 6.51 percent more than the 2,834,967 completed last year at this point.

Companies split last week's targeted output as follows:

General Motors, 49.13 percent; Ford Motor Co., 23.42 percent; Chrysler Motors, 13.65 percent; Honda of America Manufacturing, 4.74 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 2.72 percent; New United Motor Manufacturing Inc., 2.45 percent; Nissan Motor Manufacturing Co. U.S.A., 1.55 percent; Toyota Motor Manufacturing U.S.A., 1.55 percent; and Diamond-Star Motors, 0.79 percent.

Last week's scheduled truck production totaled 90,316, 0.46 percent above the prior week's 89,906 but 2.10 percent below the year-ago week's 92,256.

Year-to-date, 1,796,553 trucks have been assembled, 6.20 percent more than the 1,691,637 built last year at this time.

GM shut down its Detroit-Hamtramck plant today, with the exception of the Cadillac Allante line, due to the high inventory of Oldsmobile Toronado, Buick Riviera and Cadillac Eldorado and Seville models. The plant will be down one week. It is scheduled to close for model changeover from June 16 to Aug. 11, which includes tooling for the reskinned Toronado.

The Allante line resumed output today after being idle for one week due to slow sales. The Allante line is slated to be shut down for model changeover from Aug. 15 to Sept. 6.

GM scheduled overtime last Friday at its Janesville, Wis., plant and planned overtime last Saturday at its Lordstown, Ohio, plant.

Ford slated overtime last Saturday at its Wayne, Mich., truck plant.

Car, truck build slips in Canada

Last week's Canadian car production target of 18,306 was 5.89 percent below the previous week's 19,451 and 25.32 percent below the year-ago week's 24,511.

So far this year, 396,685 cars have been assembled, 15.71 percent below the 470,620 completed last year at this point.

Truck output was scheduled at 18,552 units last week, a dip of 13.73 percent from the prior week's 21,504 but an increase of 7.69 percent over the year-ago week's 17,228.

Year-to-date, 403,002 trucks have been built, 4.78 percent more than the 384,607 assembled last year at this time.

Ford Motor Co.'s Oakville, Ontario, plant was expected to resume output today. The facility was idle last week because of problems in the paint department.

U.S. CAR	Week Ended May 20, 1989	Week Ended May 21, 1988	Week Ended May 13, 1989	May to Date	Jan. 1 to May 20, 1989	Jan. 1 to May 21, 1988
Horizon	800	2,552	793	2,419	6,424	37,425
Sundance	2,500	1,906	2,558	7,595	47,300	41,797
Reliant	0	2,879	0	0	0	40,167
Acclaim	3,300	0	2,851	8,551	48,460	0
Caravelle	0	574	0	0	0	8,425
Gran Fury	0	361	0	0	0	4,980
Total Plymouth	6,600	8,272	6,202	18,565	102,184	132,794
LeBaron K	0	425	0	0	0	7,539
LeBaron J	2,700	2,716	2,939	8,425	47,755	27,824
LeBaron GTS	0	246	0	0	2,946	3,419
N. Yorker C-Class	1,800	2,842	2,083	5,901	45,977	46,845
Fifth Avenue	0	332	0	0	0	13,403
Total Chrysler	4,500	6,561	5,022	14,326	96,678	97,330
Omni	900	2,534	979	2,843	7,493	37,220
Daytona	1,800	2,714	1,942	5,585	41,529	26,965
Shadow	2,200	2,357	2,250	6,732	46,757	43,651
Aries	0	2,280	0	0	0	34,371
Dodge 600	0	474	0	0	0	7,512
Dynasty	3,300	2,239	3,402	10,169	64,273	44,737
Lancer	0	136	0	0	1,528	4,378
Spirit	3,000	0	2,466	7,655	45,161	0
Diplomat	0	536	0	0	0	9,368
Total Dodge	11,200	13,270	11,039	32,984	206,741	208,202
CHRYSLER MOTORS	22,300	28,103	22,263	65,875	405,603	438,326
Escort	8,494	10,948	8,690	25,796	140,728	146,946
Mustang	3,704	4,224	3,746	11,167	91,941	85,657
Tempo	3,146	3,990	2,905	8,765	64,324	80,602
Taurus	7,829	8,779	7,942	23,816	159,050	161,681
Thunderbird	3,751	3,546	2,895	9,841	70,294	64,358
Total Ford Div.	26,924	31,487	26,178	79,385	526,337	539,244
Topaz	1,364	1,512	1,605	4,765	28,584	29,999
Cougar	2,694	2,373	2,935	8,835	60,440	48,805
Sable	2,493	3,551	2,558	7,756	52,034	56,424
Total Mercury	6,551	7,436	7,098	21,356	141,058	135,228
Continental	1,444	1,104	1,434	4,313	29,216	18,392
Mark VII	475	550	317	1,104	10,559	10,300
Lincoln	2,881	3,304	2,461	7,863	53,496	59,406
Total Lincoln	4,800	4,958	4,212	13,280	93,271	88,098
Total L-M Division	11,351	12,394	11,310	34,636	234,329	223,326
FORD MOTOR CO.	38,275	43,881	37,488	114,021	760,666	762,570
Skyhawk	340	0	241	877	6,612	11,350
Skylark/Somerset	1,407	1,826	1,373	4,218	22,994	17,439
Century	2,820	3,344	2,501	7,839	48,964	39,719
Riviera	337	154	297	986	10,418	2,793
Electra	2,518	2,532	2,546	5,064	34,148	33,736
LeSabre (fwd)	4,720	2,500	4,711	14,391	60,890	51,686
LeSabre (rwd)	55	330	66	197	3,445	3,862
Reatta	199	174	197	396	2,788	2,160
Total Buick	12,396	10,860	11,932	33,968	190,259	162,745
Cimmaron	0	0	0	0	0	3,696
Eldorado	989	1,219	887	2,895	16,305	16,784
Seville	720	718	644	2,116	11,974	10,554
Brougham (rwd)	710	977	624	1,954	16,381	14,848
Deville (fwd)	4,105	3,511	4,071	12,369	89,614	74,140
Allante	0	0	75	150	1,303	969
Total Cadillac	6,524	6,425	6,301	19,484	135,577	120,991
Cavalier	8,320	8,690	8,428	24,504	160,030	140,595
Camaro	2,810	2,343	2,789	8,282	50,126	33,454
Celebrity	1,990	5,139	1,994	5,982	56,007	70,043
Corsica/Beretta	8,960	9,281	8,961	25,893	169,933	163,212
Caprice	4,495	4,534	4,060	12,611	82,176	78,360
Corvette	560	446	560	1,680	10,569	8,595
Total Chevrolet	27,135	30,433	26,792	78,952	528,841	494,259
Calais	2,193	2,960	2,142	6,554	39,073	45,669
Firenza	0	0	0	0	0	5,220
Cutlass Ciera	1,550	674	1,891	5,258	34,240	771
Cutlass Supreme	3,775	4,207	3,566	10,862	45,122	84,614
Toronado	202	481	181	594	4,255	7,454
88 (fwd)	7,768	3,994	5,444	16,372	70,368	67,014
88 (rwd)	205	276	195	594	3,236	5,183
Olds 98	1,095	1,609	1,101	3,026	35,707	33,963
Total Oldsmobile	16,788	14,201	14,520	43,260	232,001	249,888
Sunbird	3,738	2,483	3,786	10,577	62,464	43,585
Grand Am	4,800	6,262	4,975	15,834	101,817	98,700
Firebird	1,400	1,582	1,276	3,936	28,358	25,155
Grand Prix	4,030	3,418	4,000	12,030	62,407	47,398
Pontiac 6000	1,125	1,896	1,403	3,940	36,880	31,382
Bonneville	2,206	3,283	2,294	6,760	41,632	43,855
Safari/Parisienne	135	261	139	412	2,267	3,563
Fiero	0	487	0	0	0	8,214
Total Pontiac	17,434	19,672	17,873	53,489	335,825	301,852
GENERAL MOTORS	80,277	81,591	77,418	229,153	1,422,503	1,329,735
DIAMOND-STAR	1,285	0	1,315	3,786	17,866	0
HONDA	7,750	7,314	7,773	23,207	153,756	147,855
Civic	2,550	2,240	2,622	7,760	51,830	38,599
Accord	5,200	5,074	5,151	15,447	101,926	109,256
MAZDA†	4,449	2,654	4,473	13,347	94,960	32,689
NISSAN	2,536	2,671	2,504	7,323	45,359	37,953
NUMMI	4,000	3,344	4,250	12,512	78,834	64,262
Corolla	1,600	1,209	1,678	4,874	32,085	23,654
Geo Prizm/Nova	2,400	2,135	2,572	7,638	46,749	40,608
TOYOTA	2,534	0	2,246	6,974	39,884	0
VOLKSWAGEN	0	1,935	0	0	0	21,577
Golf/GTI	0	1,935	0	0	0	16,024
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	163,406	171,493	159,730	476,198	3,019,431	2,834,967
Total Cars, Canada	18,306	24,511	19,451	59,731	396,685	470,620
U.S., Canada Cars	181,712	196,004	179,181	535,929	3,416,116	3,305,587
U.S., Canada Cars and Trucks	290,580	305,488	290,591	868,356	5,615,671	5,381,831

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended May 20, 1989	Week Ended May 21, 1988	Week Ended May 13, 1989	May to Date	Jan. 1 to May 20, 1989	Jan. 1 to May 21, 1988
Premier	1,275	1,650	1,299	2,574	17,459	29,251
CHRYSLER MOTORS	1,275	1,650	1,299	2,574	17,459	29,251
Tempo	0	4,215	0	3,373	60,076	82,685
Topaz	0	1,201	0	1,444	25,392	27,990
Crown Victoria	2,914	2,789	2,903	8,742	53,874	56,174
Grand Marquis	2,846	2,851	2,876	8,595	59,832	55,720
FORD MOTOR CO.	5,760	11,056	5,779	22,154	199,174	222,569
Celebrity	851	804	734	2,160	6,051	8,042
Cutlass Ciera	2,709	6,211	2,894	8,608	70,714	107,404
Lumina	3,250	0	4,012	11,480	32,676	0
Pontiac 6000	0	1,014	0	0	0	20,972
Regal	2,371	2,780	2,447	6,126	30,770	66,287
GENERAL MOTORS	9,181	10,809	10,087	28,374	140,211	202,705
HONDA	1,560	816	1,704	4,950	32,689	13,419
TOYOTA	350	0	402	1,139	3,693	0
VOLVO	180	180	180	540	3,459	2,676
Total Cars, Canada	18,306	24,511	19,451	59,731	396,685	470,620

U.S. TRUCK☆	Week Ended May 20, 1989	Week Ended May 21, 1988	Week Ended May 13, 1989	May to Date	Jan. 1 to May 20, 1989	Jan. 1 to May 21, 1988
Caravan	2,300	2,112	2,478	6,967	45,181	40,090
Dakota	2,500	2,229	2,594	7,512	46,156	47,715
Caravan C/V	100	374	118	339	3,783	6,246
Ram pickups	2,500	2,167	2,594	7,542	46,184	26,466
Total Dodge	7,400	6,882	7,784	22,360	141,304	120,517
Cherokee	5,400	4,357	5,546	15,645	94,056	71,562
Commanche	500	994	625	1,694	13,208	19,151
Grand Wagoneer	0	345	0	350	5,423	5,915
Wagoneer	100	291	119	336	3,765	5,216
Total Jeep	6,000	5,987	6,290	18,025	116,452	107,044
Voyager	2,100	1,926	2,361	6,445	42,995	36,979
Town & Country	100	0	155	255	255	0
Total C-P Div.	2,200	1,926	2,516	6,700	43,250	36,979
CHRYSLER MOTORS	15,600	14,795	16,590	47,085	301,006	264,540
Aerostar	4,955	4,517	5,025	15,659	100,529	89,234
Bronco	1,708	1,308	1,432	4,794	34,737	24,699
Bronco II	2,578	2,474	2,473	7,664	53,742	55,951
Econoline	5,230	5,183	5,165	15,559	100,086	100,503
Heavy trucks	1,309	1,703	1,309	3,952	27,747	27,599
Light trucks	12,876	11,655	12,029	37,474	225,755	207,237
Ranger	7,007	7,910	6,239	20,189	143,208	147,170
Total Ford Div.	35,663	34,750	33,672	105,291	683,804	652,393
FORD MOTOR CO.	35,663	34,750	33,672	105,291	683,804	652,393
Astro	3,218	3,649	3,249	9,998	69,162	69,533
Blazer	630	654	504	1,785	11,399	11,190
Mediums/Heavies	0	0	0	0	1,312	7,048
P-Model	996	737	824	2,664	13,845	15,622
Pickups	8,014	8,131	7,886	23,669	162,072	134,194
S-10	4,580	7,023	5,100	14,648	111,107	116,172
S-10 Blazer	3,727	4,493	3,831	11,410	77,327	65,287
Sportsvan/Van	2,400	2,301	2,395	6,795	40,228	33,774
Suburban	1,776	1,748	1,425	5,004	31,709	29,704
Total Chevrolet	25,341	28,736	25,214	75,973	518,161	482,524
Jimmy	177	175	161	534	3,407	3,445
Mediums/Heavies	0	0	0	0	1,496	16,590
P-Model	119	249	79	312	1,788	2,114
Pickups	1,843	2,479	2,265	6,396	48,494	41,847
S-15	1,109	1,408	1,202	3,461	26,289	27,252
S-15 Jimmy	1,000	1,014	1,195	3,327	22,182	17,242
Safari	658	932	881	2,443	17,411	17,879
Suburban	603	736	552	1,885	12,675	14,208
Vandura/Rally Vans	602	579	603	1,727	10,812	15,260
Total GMC	6,111	7,572	6,938	20,085	144,554	155,837
GENERAL MOTORS	31,452	36,308	32,152	96,058	662,715	638,361
NAVISTAR	1,913	1,954	1,864	5,639	35,105	35,119
NISSAN	2,238	1,699	2,178	6,635	51,003	46,774
AM GENERAL	450	450	450	1,350	8,820	8,910
MISCELLANEOUS	3,000	2,300	3,000	9,000	54,100	45,540
Total Trucks, U.S.	90,316	92,256	89,906	271,058	1,796,553	1,691,637

CANADIAN TRUCK	Week Ended May 20, 1989	Week Ended May 21, 1988	Week Ended May 13, 1989	May to Date	Jan. 1 to May 20, 1989	Jan. 1 to May 21, 1988
Caravan	2,590	2,598	3,192	8,865	61,370	60,490
Caravan C/V	315	292	355	1,011	4,824	5,829
Ram Wagon	705	571	696	2,076	11,915	9,876
Ram Van	1,645	1,493	1,724	5,116	30,734	25,322
Total Dodge	5,255	4,954	5,967	17,068	108,843	101,517
Voyager	2,215	2,347	2,760	7,697	53,442	55,534
Total Plymouth	2,215	2,347	2,760	7,697	53,442	55,534
Wrangler	1,700	1,018	1,877	5,462	33,360	20,418
Total Jeep	1,700	1,018	1,877	5,462	33,360	20,418
CHRYSLER MOTORS	9,170	8,319	10,604	30,227	195,645	177,469
FORD MTR. (lt. trks.)	3,648	3,676	3,482	10,780	69,258	71,372
Light trucks	2,616	1,973	3,421	9,403	62,512	62,976
Vans	1,076	1,018	1,383	3,876	27,142	24,296
Total Chevrolet	3,692	2,991	4,804	13,279	89,654	87,272
Light trucks	1,288	1,452	1,643	4,404	30,172	30,467
Vans	484	543	701	1,868	13,234	13,685
Total GMC	1,772	1,995	2,344	6,272	43,406	44,152
GENERAL MOTORS	5,464	4,986	7,148	19,551	133,060	131,424
NAVISTAR	270	247	270	811	5,039	4,342
Total Trks., Canada	18,552	17,228	21,504	61,369	403,002	384,607
U.S., Canada Trks.	108,868	109,484	111,410	332,427	2,199,555	2,076,244

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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U.S. cites Japan on trade

Autos not listed, but threat remains

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Autos were not on a hit list of unfair trade barriers as the Bush administration targeted Japan, Brazil and India for talks to open up their markets.

But that does not mean autos will not be used later to retaliate if those negotiations fail.

Minivans as hcstages? Page 60

In labeling the three countries unfair traders under the 1988 Trade Act, the move triggers a section known as Super 301, which requires the administration to negotiate with the countries to remove trade barriers within 12 to 18 months.

If negotiations are unsuccessful, the law requires some sort of retaliation, including tariffs of up to 100 percent. And even though cars aren't targeted, auto importers are worried.

"There are long-term implications for the auto industry, because if the 301 practices are not resolved, ultimately, (the matter) could go to retaliation and then autos are a possible target," said a government affairs spokeswoman for Honda.

Among the targeted areas are supercomputers, forest products and satellites for Japan; import restrictions and licensing in Brazil; and trade-related investments and insurance in India.

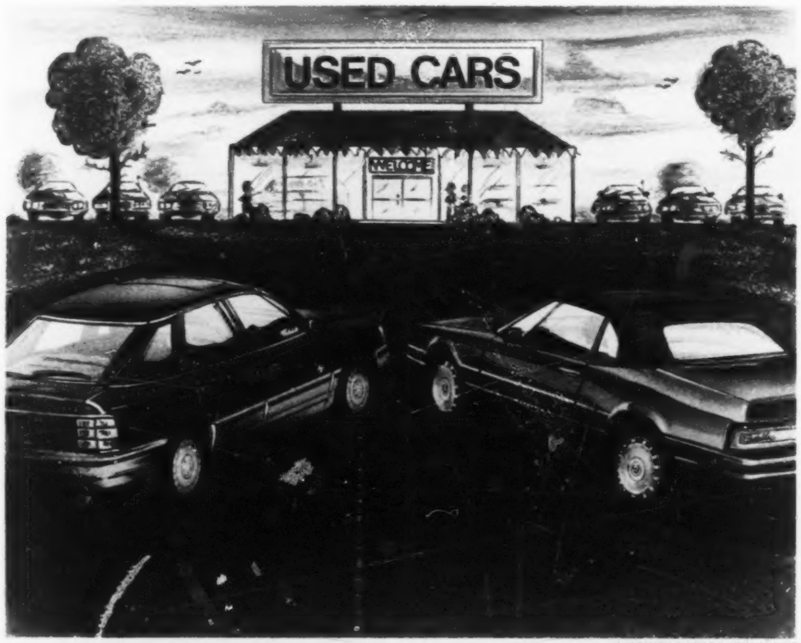
The president also ordered negotiations to discuss structural problems that U.S. automakers have complained are bigger impediments than barriers: Japanese pricing practices, a distribution system that excludes foreign-made products, anti-competitive practices like bid-rigging and the high Japanese savings rate.

Hills

How the administration deals with those "invisible barriers" could have more important implications for the domestic auto industry than the 301 negotiations. Chrysler Corp. has been an outspoken critic of Japan's distribution system and has demanded that Carla Hills, the U.S. Trade Representative, take reprisals against Japan.

In an April filing with Hills,

see TRADE



Refunds average more than $2,000 on Scorpio, left, and $10,000 on Allante

AUTOMOTIVE NEWS/LANCE GRAVES

Costly trade-in guarantees

Up to $13,000 per Allante; thousands on Scorpio

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Cadillac and Lincoln-Mercury are doling out thousands of dollars to trade-in customers as a result of guarantees that pit the used-car prices of Merkur Scorpio and Cadillac Allante against Mercedes-Benz models.

Owners of 1987 Cadillac Allantes have been collecting as much as $13,000 when trading for another Cadillac. Lincoln-Mercury, meanwhile, this month began paying trade-in rebates averaging $2,000 to $2,500 to Scorpio owners who purchase 1989-model Lincolns or Mercurys.

Both programs were designed to establish Allante and Scorpio in the highly competitive luxury-car segment. Scorpio, which today lists for $25,052, was compared to the Mercedes 190E because that car was viewed as the benchmark of the class. Cadillac says it picked the Mercedes 560SL for its program because the German roadster was the only car comparable to the $57,183 Allante.

Audi of America has a similar guaranteed trade-in plan that consumers will be able to take advantage of this fall, two years after the launch of its 1988 models. Audi's formula compares trade-in values to a handful of European competitors.

At this point, Cadillac, Lincoln-Mercury and their dealers are shrugging off the suggestion that the mismatched trade-in values will tarnish the prestige of either make. Instead, they are calling the programs, as costly as they might be, successful.

Yet sales of both models continue to drop, despite discounting at the dealership level.

When Scorpio was launched as a 1988 model two years ago this month, L-M said it

see TRADE-IN, page 57

Jeep-Eagle CSI threatens Chrysler boast

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — Nearly two years after Chrysler Corp. purchased American Motors, it still hasn't entirely fixed one AMC defect: poor customer satisfaction.

That could undermine Chrysler's two-year hold on its crown as the No. 1 domestic carmaker in customer satisfaction.

Chrysler in 1988 turned its CSI title into a multimillion-dollar national advertising campaign in which Chrysler Chairman Lee Iacocca proclaimed "Satisfaction is your right" and touted the company's CSI superiority over General Motors and Ford Motor Co.

Chrysler also used the CSI championship claim in its extensive $10 million "Car Buyer's Bill of Rights" campaign.

An industry source said GM was ranked No. 2 and Ford No. 3 in overall CSI among domestic carmakers in 1988, based on the widely used independent research of J.D. Power and Associates, Agoura Hills, Calif.

The stakes are high.

All vehicle makers are pressing for improved customer satisfaction. As product quality becomes comparable, companies with the best customer service will have the competitive edge.

Chrysler has made customer satisfaction a watchword of the 1990s. But when Chrysler purchased AMC in August 1987, it acquired a dealer network that historically had scored below average in satisfying buyers.

Chrysler turned the AMC dealer body into Jeep-Eagle Division. This is the first year Jeep-Eagle scores will be factored into Chrysler Motors' CSI ratings because 1988 was the first full year of Jeep-Eagle sales.

Chrysler projects that Jeep-Eagle's CSI scores will be comparable to those of Chrysler-Plymouth and Dodge divisions by year-end, according to Robert M. Williams, Jeep-Eagle dealer marketing manager. But another company source has suggested it will take several years.

Jeep-Eagle's CSI scores have been rising faster than those of Chrysler-Plymouth and Dodge in the company's own customer satisfaction index, he said. However, the latter two divisions continue to have higher CSI scores than Jeep-Eagle.

see CHRYSLER, page 57

3rd quarter auto production

1989 forecast vs. 1988 actual

	1989 Forecast	1988 Actual
GM	630,000	729,853
Ford	370,000	360,189
Chrysler	200,000	194,200
Nissan	31,000	30,897
Honda	89,000	88,656
Mazda	54,000	54,083
NUMMI	60,000	29,340
Diamond-Star	20,000	-
Toyota	35,000	-
VW	-	3,512
Total	**1,489,000**	**1,490,730**

AUTOMOTIVE NEWS / C. BEEVER

Production paced for rebates

By Kathy Boyer and Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — Automakers appear poised for yet another summer of incentive-mania.

Third-quarter forecasts for auto production in the United States nearly match last summer's schedules, while domestic sales are 6 percent below last year's.

The Big 3 are scheduling production of about 1.2 million cars in the third quarter, about 100,000 fewer than they built in the third quarter of 1988. The reduction is due solely to cuts planned by General Motors; Ford Motor Co. and Chrysler Motors plan to produce more cars this year than last.

Hefty increases by the Japanese transplants will boost total U.S. car production schedules to nearly the same level as 1988's actual third-quarter output. Foreign-based automakers and their joint ventures are planning to build about 40 percent more cars in the United States than they did a year ago. They are scheduling about 290,000 units in the third quarter, up about 85,000 from last summer.

July downtime for changeover to 1990 model cars is a week to two weeks at most Big 3 plants, but longer shutdowns are planned for plants producing vehicles with extremely high inventories and where tooling is being installed for new models.

Detailed changeover schedule, Page 56

Even with the long downtime at those plants, industry analysts predict inventories will remain somewhat above desired levels through the summer.

That will force automakers to beef up in-

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Yugo plots recovery

Incentives sweetened; 20 people recalled

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Yugo America has beefed up its dealer incentives and recalled some laid-off workers, but Yugo's inventory remains high and some dealers have quit actively selling Yugos.

Dealer incentives can amount to a quarter of the retail price of a car. And one dealer liquidated inventory by selling off Yugos for less than $3,000 each.

Last week dealers said the company needs to double its current rate of sales to about 20,000 cars a year to break even.

Through the first four months of 1989, Yugo sold only 3,331 cars, giving it an annual sales rate of about 10,000 units. The company sold 31,546 units in calendar 1988 and 48,812 in 1987. It has received no new cars since December.

When Yugo America and its parent company filed for Chapter 11 bankruptcy protection Jan. 30, Yugo America had about 6,200 cars in its inventory, and its dealers had between 9,500 and 10,000.

Since the filing, Yugoslavian manufacturer Zavodi Crvena Zastava has covered all corporate expenses, including warranty claims, dealer incentives and product development for the long-awaited Yugo Cabriolet and other new models, said John A. Spiech, president and chief officer of Yugo America.

With Zastava's help, Yugo America, based in Upper Saddle River, N.J., has recalled more than 20 laid-off employees, chiefly in customer service and field representatives. Spiech said last week the staff numbers about 80.

A handful of Yugo's approximately 260 dealers have dropped the franchise since the Chapter 11 filing. Toyota-Ann Arbor, a Yugo dealer in Ann Arbor, Mich., recently sold its last seven Yugos at the fire-sale price of $2,995.

Spiech admitted last week that some dealers have remained on the books even though they have quit actively selling Yugos.

"A lot of 'em are waiting to see what we're going to do," said Spiech, a former Fiat executive and co-founder of the American distributor for Group Lotus plc who took over at Yugo after the bankruptcy filing. "Some dealers are waiting to do a termination or to sell out."

Spiech said last week that the company had sweetened its dealer incentives to try to build sales and overcome the reluctance of dealers with stagnant inventories to order new cars.

The company has been offering dealers $750 to $1,500 off the wholesale price of cars ordered from Yugo America's inventory, which amounted to a 197-day supply of cars as of May 1, down from 242 days on April 1.

The biggest discount was for the most expensive Yugo, the GVX, which has a manufacturer's suggested retail price of $5,699 plus $1,099 for air conditioning.

Under the new programs, dealers get an additional rebate of $800 if they sell two cars and order one from inventory. The one car from inventory also qualifies for the original discount.

A dealer could also pass up the rebate and elect to receive a "free" car from Yugo America. Five retail sales earn a free GVX; four retail sales, a free GV, the basic model with a sticker price of $4,349.

Craig Watkins, vice president of Hal Watkins Yugo-Chevrolet in Oxnard, Calif., said the initial dealer cash incentive didn't interest him because he had 38 Yugos on his lot. Watkins said he hasn't sold any since March.

"That's partly because I haven't been merchandising them. I need to get them sold. I'm tired of washing 'em," he said.

Watkins said the new programs and a session with Spiech last month in Los Angeles perked up his interest in Yugo, and he's planning to resume advertising.

Yugo America resumed national advertising last month in USA Today, reminding people that the Yugo is the lowest-priced car in America and has a 12-month, bumper-to-bumper warranty.

Yugo America was due to file a reorganization plan in U.S. Bankruptcy Court in Newark, N.J., by the end of this month. But last Monday the company obtained permission to postpone the deadline 90 days.

If Yugo America fails to file a plan of its own, it could become subject to a plan devised by its creditors, said Robert Baime, the attorney for Impex Car Corp., Zastava's agent in the United States.

Spiech said he would be visiting Yugoslavia this week to update Zastava on the status of the U.S. importer and distributor.

Baime said Spiech will discuss options for a reorganization plan, including future marketing efforts, new model introductions and satisfying Yugo's creditors.

Yugo America has been offering up to $1,500 per car in dealer incentives

Opel van slated for U.S. sale

Europe may edge Brazil as builder

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — General Motors probably will go ahead with plans for a new Opel-engineered minivan that would be sold in both the United States and Europe, but the vehicle may not be produced in Brazil after all.

Instead, the minivan, which will be based on the next-generation Opel Kadett, would more likely be built in Portugal or Belgium, according to sources at Adam Opel AG.

But the company is still nervous that projected volume for the minivan isn't high enough.

The van is now scheduled to debut in late 1992 or early 1993. Company officials would like annual production of at least 125,000 units, with the bulk sold in the United States by Pontiac. GM marketing executives currently plan on only 60,000 U.S. sales by Pontiac and 25,000 in Europe, which is deemed marginal volume for the investment.

"We're still thinking about whether it is financially viable," said the source. He added, "It is not 100 percent signed off yet, but it looks like it is going to go forward."

In 1987, GM pulled the project out of limbo when it was tentatively decided to build the van in Brazil. But changes in the Brazilian economy, which is wracked by runaway inflation, have reopened the sourcing question. Meanwhile, conditions in Europe have put plants here in the running.

"It is still open about where to build it," said the Opel official. "Brazil is not as attractive as it was a year or so ago. One of the problems is that inflation is so high that we can't be comfortable with it. It makes the whole source kind of iffy."

He conceded that the odds are now probably against the project going to Brazil, but said that op-

see VAN, page 55

Honda shuffles executives as Chino retires

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — Honda North America President Tetsuo Chino, the man who shaped Honda's U.S. presence in the 1980s, is giving up his U.S. and Japanese posts to become a fulltime adviser to the company.

He will be replaced by Yoshihide Munekuni, 50, president of American Honda.

Chino, 57, will retire as president of Honda North America, chairman of American Honda Motor Co. and senior managing director of Honda Motor Co. when a list of management changes is approved at the June 29 Honda board meeting in Tokyo. Also on that list is the elevation of two key executives, Shoichiro Irimajiri, 48, and Nobuhiko Kawamoto, 53, to senior managing director posts at the parent company, Honda Motor Co. in Japan.

Munekuni will relocate to Toyko in his position as head of Honda North America, which is the parent company for all 14 Honda subsidiaries in the United States, Canada and Mexico. Munekuni, who has been president of American Honda for the last two years, will also become a senior managing director of Honda Motor Co.

Koichi Amemiya, 48, who has been executive vice president of American Honda, will move up to president, replacing Munekuni.

Irimajiri, who moves up from his managing director role at Honda, is best known in the United States as the former president of Honda American Manufacturing in Marysville, Ohio, where he served until 1987.

Munekuni

Kawamoto

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Property tiff clouds Bricklin's Denver plans

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Malcolm Bricklin, the seemingly unsinkable entrepreneur who brought the Yugo and Subaru to the United States, said he is mortgaging the ranch to raise capital to acquire 27 dealerships in the Denver area by mid-August.

There's only one slight glitch. The Meeker, Colo., ranch he said he has mortgaged is in foreclosure.

Still, Bricklin is undaunted. "It is not in foreclosure," he maintains. "There is a counterclaim filed over the mineral and water rights."

But John Thulson, attorney for Milliken Land and Cattle Corp., which sold the ranch to Bricklin, characterized it differently, asserting the ranch is indeed in foreclosure. Proceedings began in March in Rio Blanco District Court, according to court documents obtained by Automotive News.

"We want Bricklin to pay the balance of the note or we want the property back," Thulson said. "Bricklin's counterclaim of fraud is a stall tactic."

Bricklin purchased the $1.8 million ranch in 1986 but still owes $1.5 million on the property, according to court documents. The complaint filed by Milliken Land and Cattle Corp. said Bricklin failed to make a payment that was due last December.

Under the agreement, the former owners can ask for acceleration of payments — the entire balance on demand — which they have done.

Meanwhile, Bricklin shrugs it all off, saying he will pay what is owed on the note as soon as his counterclaim over water rights is settled.

His counterclaim contends he was defrauded of water and mineral rights that were promised him by the former owners.

He said the dispute over the water and mineral rights will affect the price he agreed to pay for the property.

This imbroglio is the most recent of Bricklin's financial woes.

Automotive News reported in February that he owed $131,000 in overdue income taxes for 1986, a local bank seized his helicopter for defaulting on payments, and some of the other properties he owns are involved in foreclosure or other litigation.

Also, a number of local businessmen have sued him for nonpayment for their services. The Colorado Department of Revenue says he owes $58,000 in unpaid individual income taxes for 1987.

On yet another front, Bricklin said he has scrapped plans to raise $2 billion through the sale of junk bonds as part of a larger plan to purchase 1,000 car dealerships nationwide.

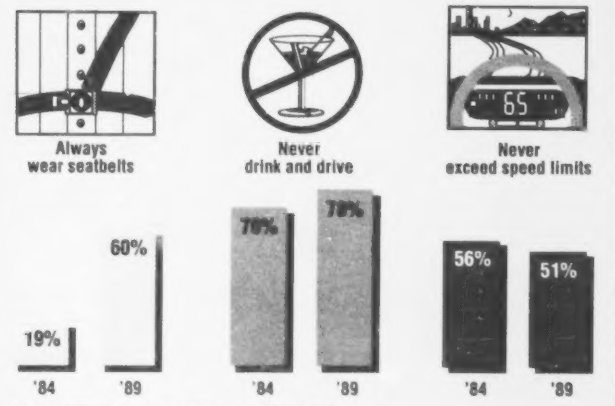
Bricklin now says he will pay for the Denver dealerships out of their earnings, essentially a form of seller-financing.

Bricklin said he plans to use capital raised from the mortgage of the ranch to install in those dealerships his own computer systems and a "closing booth," which uses three-dimensional special effects to make sales to customers.

Bricklin says he mortgaged his Colorado ranch to raise capital to acquire dealerships. Others say the ranch is in foreclosure.

U.S. drivers and safety

Behavioral changes from 1984 to 1989.



Source: General Motors / Prevention Magazine report

AUTOMOTIVE NEWS / **LANCE GRAVES**

Drivers drink less, speed more

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Americans use seat belts more frequently than they did five years ago, drink and drive less, but they break the speed limit more often, according to a survey on auto safety.

The telephone survey of 1,250 persons was conducted last November by Louis Harris & Associates for General Motors and Prevention Magazine. The automaker and the magazine conducted the survey to document progress in automotive safety and pinpoint areas for improvement.

The survey showed that 60 percent of those surveyed said they always wear a seat belt when sitting on the front seat. A similar survey conducted in 1984 showed only 19 percent said they always buckled up.

Seat-belt usage is highest in the West. Westerners report regular seat-belt use, far greater than those surveyed in the Midwest and South. But in the past five years, the biggest gains in seat-belt use came in the Midwest. The East registered the smallest gains.

Seat-belt usage is higher among persons with a college education and high household income (above $50,000 annually), according to the study. Age is not a factor in seat-belt use.

In contrast to the 1984 survey, the recent survey shows women use seat belts more frequently than men. The rate of seat-belt usage among women is rising more rapidly than the rate of seat-belt use by men.

Usage rates in states with mandatory seat-belt laws are significantly higher than states without such laws. The survey found that 71 percent of those surveyed support mandatory seat-belt laws.

The survey showed that 51 percent said they never exceed the speed limit. That compares with 56 percent who made the same claim in 1984. The study calls that a small but significant slide.

The West had the highest number of persons who admitted speeding, followed closely by the East. Conversely, the South had the lowest percentage of persons who admitted speeding, followed by the Midwest.

Women, people over 50 years of age and those without a college education are most likely to obey a speed limit, the survey shows.

Seventy-eight percent of drivers surveyed said they never drive after drinking, compared with 70 percent in the 1984 survey. The decline in the incidence of drinking and driving is significant, the study said, because alcohol is believed to be a factor in at least 50 percent of fatal accidents.

Women, people over 50 and those living in the South or in rural areas have the best record for not driving after drinking, the survey said. People with a college education and high household incomes are the most likely to drive when they have been drinking.

Optimistic Laforza adds 2,000 to U.S. sales estimate for 1990

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — Laforza Automobiles has sold only five $43,850 luxury touring vehicles and delivered the first 60 to dealers, but executives of the company are so encouraged they've raised the 1990 sales projection by 2,000.

"We should sell about 1,500 to 2,000 units in calendar 1989, but I'm very optimistic about 1990," said Robert Oliver, Laforza chairman. "I think we can sell 4,000 to 5,000 units." Previous estimates for 1990 were 2,000 to 3,000.

Laforza Automobiles is based in Hayward, Calif.

Oliver said Laforza's complicated, two-continent assembly line will be up to nine or 10 units a day by June 1, with about 40 initial dealers getting shipments of four to eight units a month by the end of June. Production of the body and rolling chassis started in January at the Pininfarina plant in Turin, Italy, and installation of the engine and drivetrain began in March at C&C Inc. in Brighton, Mich.

Initial public and dealer reception is very strong, Oliver said. He said Laforza is encouraging dealers to save at least one vehicle in showrooms for display.

Laforza's beefy construction is derived from an off-road multipurpose vehicle originally designed for the Italian military by Rayton-Fissore, an Italian coachbuilder. The chassis is a box/ladder type, and the body has a separate space frame with steel body panels.

It has been extensively revised for the U.S. market, first by adding a 5-liter Ford V-8 engine and drivetrain, then by upgrading the luxury interior after Laforza bought the marketing rights from Rayton-Fissore and moved the Italian portion of the construction to Pininfarina.

The engine is tuned for low-end torque instead of horsepower, in keeping with Laforza's 8,000-pound towing capacity. It develops 185 horsepower at 3,800 rpm and 270 pounds-feet of torque at 2,400 rpm.

Laforza sales begin; tag is $43,850

The standard four-speed automatic overdrive transmission also is built by Ford. It is linked to a four-wheel-drive transfer case built by Chrysler Acustar's New Process Gear unit and can be shifted into 4wd while the vehicle is moving.

The suspension uses independent, double-wishbones with a stabilizer bar and torsion bars in front and a full-floating beam axle and five-leaf springs in the rear.

Laforza's wheelbase is 106.2 inches, overall length is 179.9 inches and width is 78.7 inches. Height is 72.6 inches, which is garageable. Minimum ground clearance is 6.75 inches and curb weight is 5,250 pounds.

The vehicle has front disk and rear drum brakes and power rack and pinion steering.

The front seats are leather, with six-way power adjustment. The leather rear bench seat is molded for three passengers. Because the rear seat is mounted in front of the rear wheel wells, it has 65 inches of hiproom and 62 inches of shoulder room. Rear legroom is 38 inches.

The rear seat folds down and can be flipped forward or removed for extra cargo space. With the full-sized spare tire in the rear, cargo space ranges from 40.5 cubic feet with the rear seat in place to 96 cubic feet with the seat removed.

Standard equipment includes air conditioning with rear vents; power moonroof; cruise control; tilt steering wheel; leather seats, instrument panel, console and door panels; power seats, steering, brakes, door locks and outside heated mirrors; tinted glass; rear defroster with wiper and washer; full analog gauges including tachometer; and foglights. The only option is a dealer-installed compact disc player.

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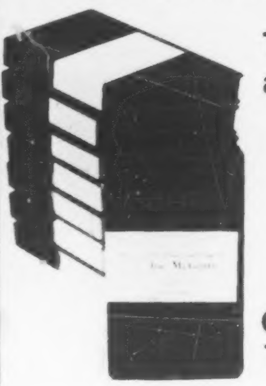

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April truck sales by manufacturer and segment

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1989	TOTAL 1988
CHRYSLER-PLYMOUTH	MO	17,224						17,224	17,606
	YR	61,746						61,746	61,673
DODGE	MO	51,215						51,215	53,264
	YR	188,787						188,787	198,892
JEEP	MO	20,810						20,180	20,019
	YR	77,363						77,368	79,049
TOYOTA	MO	21,131						21,131	19,406
	YR	70,787						70,787	77,134
NISSAN	MO	11,085						11,085	13,918
	YR	57,159						57,159	55,606
MAZDA	MO	7,307						7,307	8,522
	YR	28,811						28,811	35,513
ISUZU	MO	7,817						7,817	5,734
	YR	29,629						29,629	24,861
MITSUBISHI	MO	2,734						2,734	4,146
	YR	12,044						12,044	17,110
SUZUKI	MO	1,562						1,562	6,165
	YR	9,068						9,068	22,948
RANGE ROVER	MO	408						408	248
	YR	1,599						1,599	1,145
FORD	MO	124,840	2,289		890	2,741	1,498	132,258	129,603
	YR	464,694	9,100		3,075	10,821	5,044	492,734	516,499
FREIGHTLINER	MO						2,105	2,105	2,080
	YR						8,117	8,117	8,087
CHEVROLET	MO	118,295		20	407	840		119,562	108,548
	YR	421,231		74	2,072	2,904		426,281	442,937
GMC	MO	31,700		47	546	1,080		33,373	30,812
	YR	114,470		1,152	1,741	4,205		121,568	127,094
KENWORTH	MO					23	1,564	1,587	1,582
	YR					147	5,864	6,011	5,185
MACK	MO				150	200	2,006	2,356	2,328
	YR				758	1,010	6,487	8,255	7,350
MERCEDES	MO				117	94		211	245
	YR				289	384		673	961
NAVISTAR	MO		7	14	1,397	3,629	3,389	8,436	7,496
	YR		58	45	4,896	10,243	11,327	26,569	28,475
PETERBILT	MC					26	1,359	1,385	1,451
	YR					213	5,387	5,600	5,007
VOLVO	MO					75	1,402	1,477	1,168
	YR					325	5,436	5,761	4,557
HINO	MO	15		15	20	68		118	129
	YR	79		135	150	347		711	681
NISSAN DIESEL	MO	32		45	27	43		147	148
	YR	156		281	118	253		808	737
ISUZU TRUCK	MO	433	33	21	35	52		574	747
	YR	2,091	212	48	322	195		2,868	2,372
MITSUBISHI FUSO	MO	97		31	15	32		175	201
	YR	608		217	105	201		1,131	713
SCANIA	MO						3	3	13
	YR						20	20	61
IVECO TRUCKS	MO	86	40	11	13			150	270
	YR	359	184	90	42			675	702
WESTERN STAR	MO						142	142	104
	YR						501	501	562
OTHER DOMESTICS	MO				0	36	78	114	80
	YR				5	116	232	353	264
GRAND TOTAL	MO	416,791	2,369	204	3,617	8,939	13,546	445,466	436,117
	YR	1,540,686	9,554	2,042	13,573	31,364	48,415	1,645,634	1,726,230
1988 YR to DATE		1,617,331	5,738	2,714	20,787	34,569	45,091		

NOTE: April 1988 includes 2 Subaru Brats. YTD includes 7 Subaru Brats.

April truck sales rise

But 4-month total is 4% below '88 count

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Truck sales in the United States rose during April, propped up by incentive programs.

But sales for the first four months trailed last year's, and the prospect of a 5 percent downturn this year continues to be realistic.

During April, light-duty Class 1-3 sales rebounded slightly. Medium Class 4 and heavy Class 8 sales remained strong.

Other segments recorded varying degrees of declines.

Overall, the industry retailed 445,466 trucks in April, 2.14 percent more than last year's 436,117.

For four months of this year, sales of 1,645,634 trailed last year's 1,726,230 by 4.67 percent.

Class 4, which has been a powerhouse, is beginning to show signs of a slowdown.

Class 4 April sales of 2,369 were up 12.92 percent. For four months, the segment's sales of 9,554 showed a 66.50 percent gain over 5,738 last year.

Class 5 sales dropped 79.24 percent in April, due mainly to a sharp falloff at GMC Truck.

Sales of 204 units were down from 1,002 last year. GMC, the major player in Class 5, saw its sales drop to 47 units in April from 742 last year.

GMC suffered sharp declines in its Class 6 and 7 sales as well, as many major fleet buyers are holding off purchasing General Motors vehicles until its all-new medium-duty models are introduced this fall.

For the first four months of 1989, Class 5 sales of 2,042 trucks throughout the industry were off 24.76 percent from 2,714 last year.

Class 6 sales also dipped sharply in April. They were down 32.76 percent on deliveries of 3,617 trucks compared to 5,379 last year. Indicative of its impact on that segment, GMC's sales of 546 trucks in Class 6 were only about one-third of last year's 1,556.

For four months, Class 6 sales of 13,573 trucks were off 34.70 percent from 20,787 a year ago.

Class 7 sales of 8,939 were off 4.04 percent in April from 9,315 last year. For four months, Class 7 sales of 31,364 were off 9.27 percent from 34,569 a year ago.

Class 8 continued strong. Sales of 13,546 in April were up 5.79 percent from 12,805 a year ago.

Four-month sales of 48,415 were up 7.37 percent from 45,091 a year earlier.

TRUCK BRIEFS

Oshkosh adds 5 chassis

OSHKOSH, Wis. — Oshkosh Truck Corp.'s chassis division introduced five walk-in van truck chassis models.

The chassis were designed specifically for pick-up and delivery markets and will accommodate all makes of van bodies.

Oshkosh has had about 100 prototype units in operation during the past year.

The models are rated at 10,000, 12,000, 14,000, 16,000 and 18,000 pounds GVW and are available in a variety of wheelbases.

The 10,000- and 12,000-pound GVW chassis are powered by a Cummins 4BT 3.9-liter, 105-horsepower diesel engine, coupled to a Borg-Warner T19A four-speed manual transmission.

The higher-GVW models are powered by a Cummins 6BT 5.9-liter, 160-hp engine, coupled to the Allison AT 542 four-speed automatic transmission. Standard equipment includes four-wheel disc brakes, power steering and heavy-duty truck-type I-beam front axle.

Variable transmission

LOS GATOS, Calif. — Epilogics Inc. installed the first infinitely variable transmission in a Class VII diesel tractor to demonstrate its potential use in commercial and other kinds of vehicles.

Viking Freight System provided a Navistar 1955-series truck for the prototype installation to demonstrate its applicability in high-torque use.

The Epilogics transmission is completely hard-geared. It uses no belts, pulleys, friction clutches or cone gears. All gears are constantly engaged.

The company said it does not require any disengagement mechanism or friction devices such as clutches or fluid couplings.

Ratios are initially adjustable through a computer-controlled actuator. In the future, the company plans to include a fully integrated electronic interface to adjust them.

The company hopes to license its technology to manufacturers and develop products for specific applications through joint agreements.

Freightliner posts loss

NEW YORK — Freightliner Corp. lost 25 million marks ($12.7 million U.S.) on its 1988 operations, according to a report by Deutsche Bank Group of New York.

The Portland, Ore.-based truck manufacturing subsidiary of West Germany's Daimler-Benz AG blamed its losses on Class 8 model changes, according to "The Global Market for Trucks and Truck Components."

The 100-page report was compiled by Deutsche Bank financial analysts in New York, London, Tokyo and Frankfurt, West Germany.

Deere acquisition

MOLINE, Ill. — Deere & Co. reached a definitive agreement with Cooper Industries of Houston to purchase Cooper's Funk Manufacturing Co. subsidiary.

Terms of the transaction were not disclosed.

Funk Manufacturing of Coffeyville, Kan., produces power transmissions, pump drives and other products for off-highway vehicles for construction and related markets. Its 1988 revenue was $50 million.

Robert A. Hanson, Deere chairman, said the acquisition enables Deere to offer an integrated engine and transmission package for use in a variety of off-highway applications, such as construction, forestry and mining.

Ford links sales goals to new diagnostic system

By Jack Keebler
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — "It's the very cornerstone of our future success," said Leonard Tedesco, Ford Motor Co.'s supervisor of service systems design, about the company's new computerized Service Bay Diagnostic System.

Service bay equipment that helps fix cars quickly — without customers returning with complaints — has been taking on greater importance to automakers, Tedesco said. "As technical gaps shrink and vehicles become more complicated, service is becoming a key variable in building market share," he said.

The Ford diagnostic system is similar in concept and function to General Motors' Computerized Automotive Maintenance System and Chrysler Motors' Service Bay System.

Like the GM and Chrysler systems, Ford's is also a personal-computer-based diagnostic unit. But unlike the others, which use an IBM computer, Ford went to Hewlett-Packard for its hardware. Massive amounts of information storage are provided by compact laser discs used by the Hewlett-Packard units. One laser disc is equivalent in storage capacity to 1,500 floppy discs.

Ford's new Service Bay Diagnostic System

But along with the Ford system's increased sophistication comes a premium price. And that could mean a delay in implementation if dealers balk.

Ford's service-system experts said the machine may cost "just under $30,000," though the final price could be less. The GM system costs $17,879. A price has not been established for Chrysler's diagnostic unit but it is expected to be considerably less than Ford's.

Current plans call for 10 prototype units to be in place at top dealerships by March 1990. By July 1990, 30 units will be on-line. Eventually, about 1,500 Ford and Lincoln-Mercury dealerships, which sell about 70 percent of the automaker's cars, will have the units. There are 5,427 Ford Motor Co. car dealerships.

The purpose of the unit is to provide state-of-the-art diagnostic tools, technical information and expert guidance for shop technicians. Ford describes the computer's toolbox of sophisticated instruments as a diagnostic arsenal. The arsenal includes 27 standard and specialized measurement instruments, such as a vacuum/pressure meter, tachometer, temperature probe, diode tester, fuel pump and injector flow tester and frequency meter.

Other technical goodies include a portable vehicle analyzer and what Tedesco calls a "flight recorder." The portable vehicle analyzer is a car-battery-sized diagnostic unit that pops out of the console and goes along on road tests to analyze EEC-IV vehicle computer gremlins that pop up only when driving. The "flight recorder" is a simple, low-cost data collector for intermittent problems. To use it, the driver pushes a button when the problem occurs. The recorder then reads and stores important engine data before, during and after the incident.

The recorder is then returned to the shop and plugged into the diagnostic unit for problem recognition and diagnosis.

The second function of the system is to provide the latest in technical service information. Using the laser disc information storage system and a 14-inch color monitor, it displays service manuals, technical specifications, wiring diagrams, technical service bulletins and access to Ford's On-line Automotive Service Information System. Technicians can print text or graphics from the screen using a built-in printer.

The third purpose of the computer-driven system is to provide guided diagnostics. That will help the technician make an accurate diagnosis by letting the computer interpret specific vehicle data and recommend appropriate service procedures.

Customer follow-up calls rise

By Francis Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

AGOURA HILLS, Calif. — The number of customer follow-up contacts by new-car dealers has been rising during the past five years, according to The Power Report.

In 1984, the first year the publication tracked dealers' follow-up calls, only 13 percent of the respondents who had repair work done said someone from the service department had contacted them after the visit.

"This number doubled in 1988 to 28 percent of the general service customers reporting that they had been contacted following a service visit," said Linda Hirneise, account director with The Power Report, Agoura Hills, Calif.

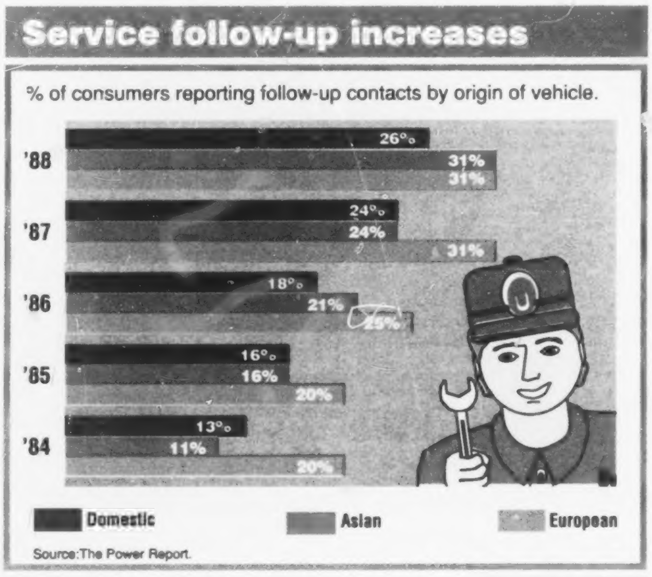
The publication's 1988 customer satisfaction index for product quality and service data shows that while contact calls have increased over the years, Audi is the only nameplate that contacts more than half its service customers. Audi dealers contact 56 percent, up 11 percentage points from 1987.

The publication said many of the nameplates showing improvements in service follow-up calls also improved their standings on the overall CSI.

Porsche dealers were second to Audi dealers in the 1988 study, with more than 42 percent of Porsche owners surveyed receiving follow-up contacts, an improvement of 7 percentage points over 1987. Third place was held by Mercedes-Benz at 39 percent, up from 34 percent in 1987.

The top domestics on the list were Lincoln, in seventh place at 35 percent, compared with 30 percent in 1987; and Mercury, ranked eighth at 34 percent, compared with 30 percent in 1987.

Merkur's score was 33 percent, up 5 percentage points from the year before. Buick and Cadillac also were at 33 percent, up 6 percentage points from 1987.



Service follow-up increases

% of consumers reporting follow-up contacts by origin of vehicle.

Source:The Power Report.

AUTOMOTIVE NEWS / LANCE GRAVES

Shop business slips in March; year is up

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

Service and parts business at new-car dealerships dropped slightly in March, but volume for the first three months of 1989 was above last year's.

In March, shop volume dipped 1.7 percent compared with March 1988 and was 3.6 percent below February 1989, according to the Automotive News Service Index. The index is compiled from figures on parts and service operations supplied by a cross-section of dealerships throughout the United States.

Year-to-date shop volume was 0.7 percent ahead of 1988's first quarter.

Repair orders written in March declined 6.3 percent from March 1988, and first-quarter orders were down 3.6 percent from last year's.

Despite the drops, gross profit on all labor, parts and accessories sales — the most important indicator from the dealers' viewpoint — increased 3.8 percent in March and 2.4 percent for January-March.

Total labor sales (customer-paid and warranty) climbed 5.5 percent in March, while shop parts sales (customer-paid and warranty) were up 0.4 percent for the month. For the first quarter, labor sales rose 3.8 percent, and sales of shop parts increased 3.7 percent.

Sales of all parts and accessories declined 7.8 percent in March and 1.8 percent for the first three months of 1989.

SERVICE INDEX
98.3*

	March '89 vs. March '88	3 mos. '89 vs. 3 mos. '88
Gross Profit on All Labor and P&A Sales	+3.8%	+2.4%
Repair Orders Written	−6.3%	−3.6%
Total Labor Sales (Customer & Warranty)	+5.5%	+3.8%
Shop Parts Sales (Customer & Warranty)	+0.4%	+3.7%
Sales of All P&A............	−7.8%	−1.8%

* Survey by Automotive News shows that dealers' service and parts business in March 1989 was 98.3 percent of business in March 1988. Service business in the first 3 months of 1989 was 100.7 percent of business in the corresponding period in 1988.

Miskowski goal: best

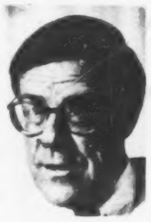
He wants Ford service to lead industry

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — It was a case that any script writer would have relished.

Someone had botched an international communique by violating a corporate procedure. A head was ready to roll.

Lieutenants within Ford's parts and service division dutifully delivered the bad news about the blown procedure to Lee Miskowski, who was expected to swing the ax.



Miskowski

But Miskowski surprised anyone who expected bloodshed. Four years later, his response in that tense situation is still remembered as a symbol of his management style.

"OK, that's history," he said at that time. "How do we recover?"

Miskowski, now head of parts and service, shrugs off mention of the anecdote. It simply reflects his belief that head hunting is a waste of time, he says. One worker's problem, he adds, is everyone's problem.

Miskowski, 57, would have been forgiven if he had looked back when he took over the reins in January. His predecessor, Joe Kordick, was the closest thing to a celebrity the division has ever had. At age 57, Kordick left Ford to help terminally ill cancer and AIDs patients. It was a retirement as unconventional as his leadership.

Miskowski said he isn't fazed by the prospect of filling Kordick's shoes. After all, he pointed out, he's no stranger to the division. He worked five years as the division's national service development manager. In early 1988, he was appointed to the No. 2 position under Kordick, general sales and marketing manager. And he was Ford of Europe's vice president of parts operations in the late 1970s.

He plans to keep some of Kordick's traditions while charting an agenda of his own. Like Kordick, Miskowski will keep his door open. Employees will get a phone call on noteworthy anniversaries with the company. And while he may not be out "hugging" dealers, as Kordick used to say, Miskowski plans to meet them as often as he can.

Kordick helped put those and similar elements of the division's culture in place. Miskowski will be left with the dirty work of tending to the nuts and bolts of the system. The ultimate goal is to make Ford and Lincoln-Mercury dealerships the world's best providers of service by the early 1990s, he said.

Ford's technical training program will be remapped, Miskowski said. It will emphasize longer, in-depth, hands-on training instead of the day-long "quickies."

A combined program among parts and service and Ford's two sales divisions — Partners in Customer Satisfaction — says that any time a dealer comes in contact with the customer is a moment of truth for the company.

One element of parts and service's plan will be to create a central phone system that will handle calls from across the country. It will be similar to the customer assistance center used by General Electric Co.

In many cases, a dispute will go back to dealers for resolution, Miskowski said. But the center will be able to intercede when a customer and dealer can't work it out.

"We want to be as close to 100 percent accessible as we can be," he said. Although the phone system won't be open around the clock, like GE's service, it will at least be available throughout the day in each region of the country.

The program — already being tested in certain regions — will be tied to parts and service's move to another building late this year or early next year, Miskowski said.

The division is scheduled to vacate the historic former Ford administration building on Schaefer Road here and move to the building currently occupied by Ford Motor Credit Co., adjacent to world headquarters.

U.S. AUTOMOTIVE TRADE BY QUANTITY

Passenger cars

Country	Trade	Feb. 1988	Feb. 1989	March 1987-Feb. 1988	March 1988-Feb. 1989
Japan	Export	805	1,729	5,736	23,614
	Import	156,798	170,600	2,387,338	2,115,312
Canada	Export	60,095	35,943	571,008	578,113
	Import	107,303	112,382	951,632	1,191,395
West Germany	Import	23,193	20,537	363,171	256,262
South Korea	Import	45,432	31,894	456,289	429,953
Sweden	Import	5,357	10,979	128,505	117,263
Mexico	Import	12,931	13,710	139,208	141,040
Yugoslavia	Import	6,057	2,327	55,848	20,212
United Kingdom	Import	3,105	3,237	48,562	31,715
Italy	Import	1,057	640	9,088	5,412
France	Import	749	539	21,804	16,255
Brazil	Import	5,678	3,261	58,597	54,993
Others	Export	7,912	11,327	74,353	145,990
	Import	1,570	2,479	20,240	18,756
Car total	Export	68,812	48,999	651,097	747,717
	Import	369,230	372,585	4,640,302	4,398,568
TRADE BALANCE		(300,418)	(323,586)	(3,989,205)	(3,650,851)
Light trucks (up to 10,000 lbs. GVW)					
Canada	Export	16,467	16,074	166,969	154,281
	Import	27,035	39,622	203,916	333,826
Japan	Import	46,084	38,066	719,796	528,971
Mexico	Import	1	0	8,777	28
Others	Export	1,158	1,441	18,349	31,719
	Import	20	0	642	5,954
Truck total	Export	17,625	17,515	185,319	186,000
	Import	73,140	77,688	933,131	868,779
Trade balance		(55,515)	(60,173)	(747,812)	(682,779)
Car and truck total	Export	86,437	66,514	836,416	933,717
	Import	442,370	450,273	5,573,433	5,267,347
TRADE BALANCE		(355,933)	(383,759)	(4,737,017)	(4,333,630)

Compiled by Automotive News from official statistics of the U.S. Commerce Department, as reported by the U.S. International Trade Commission. Because of rounding, figures may not add to the totals shown.

U.S. AUTOMOTIVE TRADE BY VALUE

(x $1,000)

Passenger cars

Country	Trade	Feb. 1988	Feb. 1989	March 1987-Feb. 1988	March 1988-Feb. 1989
Japan	Export	$ 19,087	$ 25,195	$ 88,380	$ 297,356
	Import	1,437,244	1,642,611	21,223,809	19,938,511
Canada	Export	599,465	434,780	5,876,643	5,984,779
	Import	1,171,462	1,252,188	10,383,797	13,306,998
West Germany	Import	540,759	478,998	8,700,263	6,228,351
South Korea	Import	247,685	185,972	2,364,961	2,397,451
Sweden	Import	83,705	171,959	1,840,277	1,856,081
Mexico	Import	110,035	118,196	1,267,729	1,217,950
Yugoslavia	Import	15,645	6,928	142,907	55,646
United Kingdom	Import	85,144	97,627	1,190,383	955,915
Italy	Import	19,474	17,416	189,679	147,997
France	Import	10,540	6,347	214,513	171,511
Brazil	Import	31,833	19,602	297,513	320,443
Others	Export	100,018	150,044	994,752	1,843,516
	Import	26,210	30,479	311,195	291,056
Car total	Export	712,570	610,019	6,959,776	8,125,651
	Import	3,779,727	4,028,324	48,126,796	46,887,910
Trade balance		(3,067,157)	(3,418,305)	(41,167,020)	(38,762,259)
Light trucks (up to 10,000 lbs. GVW)					
Canada	Export	$ 161,854	$ 179,950	$ 1,637,815	$ 1,594,502
	Import	310,371	504,296	2,007,563	3,819,708
Japan	Import	261,748	240,396	3,996,753	3,190,611
Mexico	Import	151	64	71,122	2,978
Others	Export	13,293	19,036	230,284	389,879
	Import	12,094	6,119	83,461	140,066
Truck total	Export	175,147	198,986	1,868,099	1,984,381
	Import	584,365	750,875	6,158,898	7,153,363
Trade balance		(409,218)	(551,889)	(4,290,799)	(5,168,982)
Car and truck total	Export	887,717	809,005	8,827,875	10,110,032
	Import	4,364,092	4,779,199	54,285,694	54,041,273
VEHICLE TRADE BALANCE		(3,476,375)	(3,970,194)	(45,457,819)	(43,931,241
TOTAL U.S. Merchandise trade (customs value)	Export	24,518,300	28,905,300	265,400,100	330,736,700
	Import	37,729,000	39,400,900	414,738,900	446,677,500
TRADE BALANCE		(13,210,700)	(10,495,600)	(149,338,800)	(115,940,800)

Feb. trade deficit up

Value of vehicle imports jumps 14.2%

WASHINGTON — The U.S. automotive trade deficit in passenger cars and light trucks expanded 14.2 percent in February due to falling exports and rising imports. Import value surged 9.5 percent, while the value of exports dropped 8.9 percent for the month, compared with the year-earlier period.

February's increase in the automotive trade deficit followed a 3.1 percent decrease in January.

For the 12 months ending in February, the deficit stood at $43.93 billion compared with a $45.46 billion deficit for the 12-month period ending in February 1988.

For February 1989, U.S. Commerce Department figures show a trade deficit for passenger cars and light trucks of $3.97 billion, compared with a $3.48 billion a year earlier.

Total car and truck imports were valued at $4.78 billion during the month, compared with exports of $809 million.

Passenger-car exports totalled 48,999 vehicles with an estimated value of $610.0 million in February. Light-truck exports totaled 17,515 units with an estimated value of $199.0 million.

Passenger-car exports were up 114.8 percent to Japan and 43.2 percent to nations labeled "others" by the Commerce Department. Exports to Canada were off 40.2 percent.

On the import side for the month, Japan registered an 8.8 percent increase in the number of cars shipped to the United States. The value of those imports were up 14.2 percent for the month. Both the value and quantity of Japanese truck imports declined.

Total car and truck imports from all nations had a value of $4.78 billion in February, up 9.5 percent from the $4.36 billion recorded in February 1988. There were 450,273 finished vehicles imported to the United States in February 1988.

Imports of passenger cars reached 372,585 units for the month with a value of $4.03 billion. Light-truck imports totaled 77,688 units, with a value of $750.9 million. The value of imported trucks surged 28.5 percent from one year ago, while shipments increased 6.2 percent, largely on the strength due to a 62.5 percent increase in the value of trucks shipped from Canada.

Canada sent 39,622 trucks to the United States in February 1989, compared with 27,035 trucks in February one year ago.

Sweden posted a 104.9 percent increase in car imports to the United States in February, sending 10,979 cars here.

Japan also increased car shipments with an 8.8 percent increase to 170,600 units.

Canada imported 4.7 percent more cars to the United States in February, while the United Kingdom boosted import car volume by 4.3 percent.

Mexico shipped 13,710 cars to the United States in February, a 6 percent increase from one year ago. Shipping fewer cars in January were: West Germany, off 11.5 percent; South Korea, 29.8 percent; Yugoslavia, 61.6 percent; Italy, 39.5 percent; and Brazil, 42.6 percent.

Ogilvy purchase adds to WPP's auto accounts

NEW YORK — When the British advertising conglomerate WPP Group purchased the Ogilvy Group of advertising agencies this month for $864 million, it added a number of international automotive accounts to its portfolio.

The Ogilvy Group's accounts include the estimated $20 million Ford parts and service business in the United States and Ford advertising accounts in Austria, Belgium, Denmark, France, Great Britain, Italy, the Netherlands, Spain, Sweden and Switzerland.

Ogilvy also owns 75 percent of Scali, McCabe, Sloves of New York, the agency for Volvo Cars of North America. Scali, McCabe also has controlling interest in Fallon, McElligot of Minneapolis, agency for Porsche Cars North America, and the Martin Agency of Richmond, Va., agency for Maserati.

WPP also owns J. Walter Thompson, agency for Ford Division and several overseas Ford subsidiaries.

Spokesmen for Ford and Volvo said there will be no changes in the United States as a result of the takeover.

But Doug McClure, executive director of Ford Motor Co.'s marketing staff, said WPP's Conquest Europe $25 million Alfa Romeo European account and Ogilvy & Mather's Ford of Europe assignments would be a "definite problem" of overlapping accounts. He said the issue hasn't been resolved.

— Laura Clark and Pat Strnad

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Europeans study U.S. light-truck phenomenon

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — The garageable van concept took the United States by storm five years ago, but Europe is still waiting to see if the same phenomenon unfolds here.

In Europe, trucks are used more for commercial purposes than personal transportation. But DRI-Europe, a research group, recently predicted that Europe's light-truck segment will grow in importance, boosted in part by burgeoning minivan and sport-utility sales.

DRI-Europe Senior Analyst Edmund Chew estimates there were about 1.5 million vehicles registered in Western Europe's light-truck classes during 1988. By the mid-1990s, the figure is likely to be at least 2.25 million, he said.

Nearly every European manufacturer is known to have a small van under study if not in the pipeline. Among them are General Motors of Europe, Ford of Europe, Volkswagen AG, Fiat S.p.A. and Mercedes-Benz.

At DRI's recent European Trucks Outlook Conference here, Chew said West European demand for light trucks grew 16.5 percent between 1986 and 1988. "Light trucks" are defined as commercial vehicles up to 3.5 metric tons GVW, plus some vans registered as station wagons in West Germany. That compares with overall market growth of 12.4 percent during the same period.

Chew said the light-truck category increasingly reflects new segments of demand that are replacing traditional car demand.

"Where changes are expected to occur on a dramatic scale is in the sport-utility and minivan segments," he said.

Chew noted that the United States and European light-truck segments have taken different paths since 1980, when U.S. truck production was little more than that of Europe. Last year, sales of trucks below 6 metric tons totaled 1.42 million units in Europe, compared with 4.9 million in Classes 1 through 3 in the United States.

Much of that U.S. growth has come from new products that appeal to younger, wealthier buyers, which corresponds to a growing young and affluent demographic pattern emerging in Europe.

"Prices do point to the fact that minivans and sport-utilities are being increasingly targeted to wealthy individuals, and the image they are being sold with is a fairly exciting and more fashionable alternative second vehicle," Chew said.

In addition, Chew said an expected increase in consumer spending in Europe will move more buyers into leisure-oriented segments.

"We have reports of new minivans or multipurpose vehicles from most of the big European carmakers," Chew said. "We can expect more models and a refinement of concepts after the fashion of the U.S. market. We think these new concepts and new vehicles will be sufficient to transport the market."

Ford of Europe officials have said they are looking at minivan prospects for Europe, including possible co-development of a vehicle with North American automotive operations. A joint minivan production venture with Mazda in Europe is also thought to be under consideration.

But recent reports in Germany suggest Ford may have put a European minivan on the back burner, citing lack of buyer interest in a competitor for the Renault Espace and Mitsubishi Space Wagon. A spokeswoman at Ford of Germany in Cologne declined to comment on Ford's minivan plans.

General Motors is expected to bring out a high-roof van based on its next-generation Kadett, due in 1991 or 1992. The new van, which also may be marketed by GM in the United States, could be produced in Europe.

Mercedes-Benz is studying its own upscale small van. The vehicle would likely be based on Mercedes' mid-range platform.

At Mercedes' recent press launch for the new SL, Herman Gaus, who is in charge of total vehicle development at Mercedes, said no decision has been made on whether to go ahead with a small van. But he said a minivan may find increasing acceptance in West Germany — Europe's largest market — if authorities impose an autobahn speed limit, as has been suggested.

BMW also admits eyeing the luxury minivan market.

Elsewhere, VW will launch its new T-4 Transporter replacement early next year and reportedly plans to have a passenger version to compete with the Espace and Mitsubishi Space Wagon.

Meanwhile, Alfa Romeo has been assigned the role of developing a new minivan concept for the Fiat Group, possibly based on the Tipo platform that will spawn several new Fiat, Lancia and Alfa models during the next several years.

Last year, Renault upgraded its Matra-built Espace minivan by adding a four-wheel-drive version with viscous coupling and anti-lock brakes.

VAN

FROM PAGE 3

tion has not been finally ruled out.

General Motors do Brasil has invested heavily to begin production of a modified version of the Kadett, and the expansion put the Brazilian affiliate in the running for the minivan project.

But Portugal and Belgium are now considered candidates. GM operates an assembly plant in Azambuja, Portugal, that produces Kadetts for the local market as well as some Kadett-based utility vehicles and Bedford vans and light pickups. The plant employs about 800.

GM closed one of its two plants in Antwerp, Belgium, last year to consolidate production of the new Opel Vectra at the newer one. But GM Europe President Robert Eaton has said the mothballed plant could be reopened to help alleviate capacity constraints in Europe.

Portugal and Antwerp were contenders for a version of Isuzu's new Amigo sport-utility vehicle that will be built by IBC Vehicles in Luton, England. IBC is a joint venture between GM and Isuzu.

There have also been rumors that the minivan might be built in Korea, though European sources could not confirm that possibility.

The six-passenger minivan will use a platform derived from the next Kadett subcompact, due in 1992. The Opel insider described the vehicle as "a people-mover, a Renault Espace-type vehicle, with high roof and high seats."

He said it will resemble GM's forthcoming front-wheel-drive APV vans in the United States and will be offered with four-wheel drive, possibly using the sophisticated new system co-developed with Steyr-Daimler-Puch that recently debuted on the Vectra.

Incentives boost sales in mid-May

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Buoyed by a plethora of incentives, mid-May sales of U.S.-built cars and light trucks posted a year-to-year gain.

In the May 11-20 period, deliveries of domestic vehicles rose 5.79 percent to 355,758 units from 336,276 last year. Both periods had nine selling days.

The eight domestic car manufacturers sold 223,897 cars in mid-May vs. 216,325 in the same period of 1988. That was an increase of 3.50 percent or 7,572 units.

Light-truck sales moved ahead even more. The four domestic light-truck makers sold 131,861 units, 9.93 percent more than 119,951 in the year-ago period.

Five of the seven makers that were selling domestic cars both years reported gains in mid-May. Ford Motor Co. delivered 2.78 percent more cars in the period thanks to gains by Lincoln and Mercury.

General Motors sold 2.61 percent more cars. Cadillac reported a year-to-year gain of 42.66 percent, and Buick sales jumped 22.26 percent.

Chrysler Motors' 10-day car sales were virtually unchanged from last year's. Plymouth and Dodge reported slight gains.

Among the transplants, Toyota and Honda were the big winners. Toyota sold 2½ times as many U.S.-built cars as it did last year. Camry sales from its new Georgetown, Ky., plant accounted for the advance. Honda sold 26.50 percent more U.S.-built Accords and Civics than in 1988.

Mazda delivered seven fewer U.S.-built cars in mid-May than it did a year ago, and Nissan sold about half as many U.S.-built cars as it did in 1988. But year-to-date sales of Nissan's U.S.-built Sentras are 10.88 percent ahead of its 1988 tally.

Mitsubishi, the newest transplant, sold 854 Eclipse models in early May. Sales of Eclipses built at the Diamond-Star Motors plant in Illinois began in February.

There was a wide swing of gains and losses in light-truck sales in mid-May. GM's light-truck sales climbed 33.48 percent and Ford's rose 6.09 percent. Conversely, Nissan's light-truck sales dived 34.45 percent, and Chrysler's were off 8.36 percent.

GM's combined car and light-truck sales rose 11.17 percent in the 10-day period, and Ford's went up 4.06 percent.

Chrysler and Nissan reported declines. Chrysler's combined car and truck-deliveries slipped 4.37 percent, and Nissan's fell 43.22 percent below the equivalent year-ago period.

DOMESTIC CAR SALES

	May 11-20, 1989	May 11-20, 1988
Eagle	1,415	1,490
Chrysler	6,559	7,132
Plymouth	8,545	8,106
Dodge	13,880	13,620
Chrysler Motors	30,399	30,348
Ford	46,458	48,261
Mercury	15,752	13,308
Lincoln	6,333	5,122
Ford Motor Co.	68,543	66,691
Buick	16,401	13,415
Cadillac	10,207	7,155
Chevrolet	39,919	43,642
Oldsmobile	19,048	18,591
Pontiac	21,479	21,527
General Motors	107,054	104,330
Volkswagen	—	1,234
Honda	10,178	8,046
Nissan	1,312	2,829
Toyota	4,572	1,805
Mazda	985	992
Mitsubishi	854	—
U.S. Car Total	223,897	216,325

Another rental firm for Chrysler

Thrifty to buy Snappy, giving automaker new market

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

When Thrifty Rent-A-Car System completes its acquisition of Snappy Car Rental for $40 million, it will give the company a foothold in the growing $1.7 billion insurance replacement market.

Snappy, based in Mayfield Heights, Ohio, also will give Chrysler Corp. another captive customer for its vehicles.

Chrysler announced 10 days ago it is buying Thrifty for $263 million. Last Wednesday, the automaker began its tender offer for all outstanding shares of Thrifty common stock at $27.75 per share.

Thrifty, headquartered in Tulsa, Okla., is on the acquisition trail. Gerald Greenwald, Chrysler vice chairman, made it clear that Chrysler plans to expand Thrifty, hinting at additional purchases of car rental companies.

But in this instance, a Thrifty spokeswoman said the acquisition of Snappy was already under way when serious talks with Chrysler began.

For the Big 3 automakers, ownership of daily rental companies makes sense. The rental industry purchases about 10 percent of total U.S. car production. That represents more than $9.2 billion in revenue to domestic automakers and makes rental car companies their biggest customers.

An ownership stake gives an automaker a captive customer. Hence, General Motors has a stake in Avis Inc. and National Car Rental Systems Corp. And Ford Motor Co. owns part of Hertz Corp. and Budget Rent a Car Corp.

Snappy will replace an estimated 10,000 vehicles next year. Chrysler vehicles currently account for about 50 percent of its fleet.

Snappy was founded in 1973 and is considered the third largest car rental company specializing in the insurance replacement market with approximately 20,000 cars operating from 250 locations.

"Snappy Car Rental has an excellent name and reputation in the insurance replacement segment of the car rental industry and will continue to operate separately under the Snappy brand name," said William E. Lobeck Jr., chairman of Thrifty.

For the fiscal year ended March 31, 1989, Snappy expects to report a net loss on revenue of approximately $134 million. The loss is due to the company's entry into the airport car rental market last year.

"The company's expertise was in the insurance replacement market," said the Thrifty spokeswoman. "It didn't have the capital required to enter the daily rental market. Snappy was profitable the previous five years."

Snappy will withdraw from the airport rental car market to concentrate on its core business — insurance replacement vehicles.

The company rents to people whose vehicles are stolen, damaged or being repaired. Rates are negotiated with insurance companies and are normally 35 to 50 percent lower than rates charged by airport rental companies.

Other differences are that airport daily rental car companies replace their vehicles every few months while insurance replacement companies turn over their vehicles every 12 to 18 months.

The average rental for an airport vehicle is 2.5 days while an insurance rental averages 20 days, the Thrifty spokeswoman said.

"The acquisition will enable us to get into a segment of the market that is growing at a rapid clip," she said. "It will also allow us to combine our vehicle purchasing power."

Snappy is a closely held company. Its chairman and founder, Sanford Miller, will remain with the company as a consultant.

Tecoplan readies two-seater for Hungary build, U.S. sales

FRANKFURT, West Germany — Tecoplan, a Munich-based design and development firm, plans to begin production in Hungary next year of a small two-seater the company would like to sell in North America.

The Leo urban concept vehicle, which debuted at the 1988 Geneva auto show, will be produced in a joint venture with Ikarus, a bus manufacturer. It will be sold in Hungary and throughout Western Europe.

Production is due to begin in late 1990 with plans to build about 2,000 the first year, the company said.

The car has a steel chassis and fiberglass body designed by Target Design, a Bavarian firm. Power will be provided by a 34-horsepower 770-cc Fiat engine.

The price will be about 15,000 marks ($7,610). Standard equipment will include electric windows, air conditioning and leather interior.

PRODUCTION

FROM PAGE 1

centives that are already in effect. Ford and GM began the process last week by adding models, sweetening deals and extending the periods of the incentives. (Related story begins on Page 2.)

One GM insider who is knowledgeable about the marketing situation said rebates of $2,000 to $3,000 a vehicle are possible.

Another company insider said the super-low interest rates could be applied to the more popular 48-month contracts. Few customers now choose the zero and under-3-percent interest rates because they are available only on 24-month loans. Dealers have been urging automakers to offer lower rates on four-year loans.

Said Bernard Campbell, director of automotive services for Data Resources Inc. of Lexington, Mass.: "The automakers have one of two choices to keep inventory levels in line with sales — either cut third-quarter production schedules or offer a blow-out incentive of 0 percent financing for three years or 2.9 percent financing for four years."

The Big 3 soon will be outlining their year-end cleanup plans to dealers.

GM and Ford already have told dealers that they will not pay the traditional 5 percent carryover allowance. The companies used to pay dealers 5 percent of the retail price of the base car and factory-installed options on each previous-model-year vehicle remaining in the dealer's inventory when the next model year starts. That 5 percent has been cut from time to time in recent years to pay for massive year-end incentives.

If incentives don't stimulate sales above the present 9.5 million seasonally adjusted rate and inventories build up, analysts predict automakers could start slicing production schedules of the 1990 models in August and September.

At GM, four plants produce models that will be undergoing changes for the 1990 model year. Those plants will be shut down longer than the traditional one week.

GM's Willow Run, Mich., plant is scheduled for the longest shutdown this year as the company prepares the plant for the redesigned 1991 Chevrolet Caprice. Pontiac Bonneville has been moved to the Wentzville, Mo., plant.

A redesign and lengthening of the Oldsmobile Toronado will take place as GM shuts its Detroit-Hamtramck plant for about 40 days. The changeover isn't the only reason for the long shutdown. On May 1, the Toronado's inventory represented a 184-day supply.

A 30-day shutdown is planned for GM's Kansas City, Mo., plant to prepare for production of the Pontiac Grand Prix sedan.

GM's Doraville, Ga., plant, which builds Oldsmobile Cutlass Supreme, will add a four-door version during a 25-day shutdown. On May 1, Cutlass Supreme inventory was a hefty 128 days.

GM has slated long shutdowns at these plants solely because of high inventories: Reatta Craft Centre, Lansing, Mich., 50 days; Van Nuys, Calif., 30 days; Flint, Mich., 18 days; and Linden, N.J., 15 days.

Ford's Wayne, Mich., plant is scheduled for a 59-working-day model changeover, starting in November. When the plant resumes output in late February, it will assemble the redesigned Ford Escort.

The Wayne plant will be closed the week of June 5 because of high inventories of Escorts, and the Edison, N.J., facility, also an Escort assembly point, was down last week and is down again this week for the same reason. It is the first time in six years that Ford has closed plants because of high inventories.

Shutdowns at Chrysler plants this summer are about the same as last summer except at Belvidere, Ill., where the plant will retool for the new Y-body cars in September. The Y-bodies are the Chrysler Fifth Avenue and Chrysler Imperial.

Chrysler said last week it has canceled plans to add a second shift to its Jefferson Avenue assembly plant in Detroit, which builds the L-body Dodge Omni/Plymouth Horizon.

An estimated 1,600 hourly workers, therefore, will remain on indefinite layoff.

But Chrysler will add 200 workers to the first shift to permit a production boost to 470 cars daily from 352.

SHUTDOWN DATES FOR U.S. CAR ASSEMBLY PLANTS

Plant	Model changeover/vacation dates (Tentative)	1990 product	Days Shut 1989	Days Shut 1988
GENERAL MOTORS				
Arlington, Texas	Weekend change July 28 to Aug. 1	Cadillac Brougham, Oldsmobile Custom Cruiser and Chevrolet Caprice	4	0
Bowling Green, Ky.	Aug. 2 to Aug. 8	Chevrolet Corvette	5	0
Detroit (Detroit-Hamtrack plant)	June 16 to Aug. 11; Allante changeover Aug. 15 to Sept. 6	Oldsmobile Toronado; Buick Riviera; Cadillac Eldorado, Seville and Allante	15*	10
Doraville, Ga.	June 2 to July 10	Oldsmobile Cutlass Supreme	25	14
Flint, Mich. (Buick City)	July 12 to Aug. 7	Buick LeSabre, Oldsmobile 88 Royale	18	5
Framingham, Mass.	Will close indefinitely by August	Chevrolet Celebrity, Oldsmobile Cutlass Ciera	-	34
Janesville, Wis.	Aug. 8 to Aug. 10	Chevrolet Cavalier	3	5
Kansas City, Mo. (Fairfax)	June 2 to July 17	Pontiac Grand Prix	30	10
Lakewood, Ga.	Weekend changeover July 28 to July 30	Chevrolet Caprice, Buick Estate Wagon	0	0
Lansing, Mich. (Plant 1)	July 21 to July 28	Pontiac Grand Am	5	10
Lansing, Mich. (Plant 2)	July 19 to Aug. 11	Oldsmobile Cutlass Calais, Buick Skylark	18	20
Lansing, Mich. (Craft Centre)	June 2 to Aug. 11	Buick Reatta	50	0
Linden, N.J.	July 14 to Aug. 7	Chevrolet Beretta and Corsica	15	10
Lordstown, Ohio	Aug. 3 to Aug. 7	Chevrolet Cavalier, Pontiac Sunbird	5	10
North Tarrytown, N.Y.	Currently in pilot production, regular production to begin sometime in June	Oldsmobile Silhouette, Pontiac Trans Sport, Chevrolet Lumina APV	-	11
Oklahoma City, Okla.	July 27 to July 31	Oldsmobile Ciera, Pontiac 6000, Buick Century	5	5
Orion Township, Mich.	June 30 to July 20	Oldsmobile 98 Regency, Buick Electra, Cadillac Deville, Cadillac Fleetwood	14	17
Van Nuys, Calif.	June 30 to Aug. 11	Chevrolet Camaro, Pontiac Firebird	30	15
Wentzville, Mo.	June 30 to July 31	Oldsmobile Delta 88, Buick Electra, Pontiac Bonneville	20	8
Ypsilanti, Mich. (Willow Run)	Down through December	changing over to Chevrolet Caprice	140	10
Wilmington, Del.	July 31 build out, rolling changeover	Chevrolet Beretta and Corsica	0	10
FORD MOTOR CO.				
Atlanta	July 3 to July 17 (vacation) Model change not available	Ford Taurus, Mercury Sable	10	10
Chicago	July 3 to July 17 (vacation)	Ford Taurus, Mercury Sable	10	10
Dearborn, Mich.	July 3 to July 17 (vacation)	Ford Mustang	10	10
Edison, N.J.	July 3 to July 17 (vacation)	Ford Escort	10	10
Kansas City, Mo.	July 3 to July 17 (vacation) Model change not available	Ford Tempo, Mercury Topaz	10	10
Lorain, Ohio	July 3 to July 17 (vacation) July 28 to July 30 (weekend changeover)	Ford Thunderbird, Mercury Cougar	13	59
Wayne, Mich.	July 3 to July 17 (vacation) Nov. 22 to Feb. 26, 1990 changeover to reskinned Escort	Ford Escort	59	10
Wixom, Mich.	July 3 to July 17	Lincoln Town Car, Mark VII and Continental	10	10
CHRYSLER MOTORS				
Belvidere, Ill.	July 10 to July 21	Dodge Dynasty, Chrysler New Yorker Salon and Imperial models to be added in September	10	15
Detroit, Mich. (Jefferson Ave.)	Aug. 28 to Sept. 1	Dodge Omni and Plymouth Horizon	5	20
Newark, Del.	July 10 to July 21	Dodge Spirit, Plymouth Acclaim	10	80
St. Louis, Mo.	Weekend changeover June 9 to July 12	Dodge Daytona, Chrysler LeBaron J	3	5
Sterling Heights, Mich.	July 10 to July 21	Plymouth Sundance, Dodge Shadow	10	5
HONDA OF AMERICA MANUFACTURING				
Marysville, Ohio	Rolling changeover; July 3 to July 7 vacation	Civic and Accord	0	5
NISSAN MOTOR MANUFACTURING CO. U.S.A.				
Smyrna, Tenn.	July 3 to July 17 (vacation)	Sentra	10	10
NEW UNITED MOTOR MANUFACTURING INC.				
Fremont, Calif.	No shutdown	Chevrolet Geo Prizm, Toyota Corolla FX	0	5
TOYOTA MOTOR MANUFACTURING U.S.A.				
Georgetown, Ky.	No shutdown	Camry	0	-
DIAMOND-STAR MOTORS				
Normal, Ill.	July 3 to July [illegible] (vacation)	Plymouth Laser, Mitsubishi Eclipse, Eagle Talon; Eagle Summit and Mitsubishi Mirage to be added in the fall	5	-

*Plus 17 days for Allante line

PRODUCTION

U.S. output dips as Ford closes plant

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

The softening of the new-car market in the United States became apparent last week as Ford Motor Co. announced it will close plants to cut inventories for the first time since 1983.

Last week's targeted domestic auto production totaled 147,204 units, 7.70 percent below the prior week and 9.02 percent below the year-ago week.

So far this year, 3,162,708 cars have been assembled in the United States, 5.41 percent more than last year at this point.

Of the Big 3, only General Motors is outpacing last year's production. Each of the transplants has produced more cars this year than last.

Truck output was targeted at 86,732 units last week, 3.61 percent below the prior week but 2.36 percent more than the year-ago week.

So far this year, 1,882,948 trucks have been built, 5.88 percent more than last year at this time.

Citing softness in the subcompact market, Ford shut its Edison, N.J., assembly plant for two weeks beginning May 22. The plant produces Escort. Its Wayne, Mich., plant, which also builds Escort, will be shut the week beginning June 5.

Ford also said it and the UAW have reached an agreement under which the company will give workers "maximum practical notice" before shutdowns. In the past, shutdowns usually were announced on the Wednesday preceding a plant closing.

Chrysler Motors last week canceled plans to add a second shift to its Jefferson Avenue assembly plant in Detroit, where Dodge Omni and Plymouth Horizon are built. It will, however, add 200 workers to the first shift at Jefferson to boost production to 470 daily from 352.

The company scheduled four assembly plants for overtime this week. Slated to operate two nine-hour daily shifts are Newark, Del.; Toledo, Ohio; St. Louis Assembly Plant No. 2; and Dodge City Truck Plant, Warren, Mich.

Canada builds more trucks

Scheduled Canadian truck production rose last week, but car output was mixed — higher than the prior week but lower than the year-earlier week.

Canada's truckmakers were scheduled to produce 17,588 trucks last week, up 5.88 percent from the prior week's 16,611 and up 10.78 from the year-earlier week's total of 15,877. Truck production is outpacing 1988 by 4.64 percent.

The week's car production of 19,827 climbed 10.14 percent from the prior week's 18,001 but fell 8.57 percent from the year-earlier week's 21,685. This year's car production is 15.47 percent short of last year's pace.

General Motors' Oshawa, Ontario, plant will operate Saturday. It is the only Canadian plant with overtime scheduled.

U.S. CAR	Week Ended May 27, 1989	Week Ended May 28, 1988	Week Ended May 20, 1989	May to Date	Jan. 1 to May 27, 1989	Jan. 1 to May 28, 1988
Horizon	700	2,167	850	3,169	7,174	39,977
Sundance	2,500	2,052	2,720	10,315	50,020	43,903
Reliant	0	2,843	0	0	0	43,346
Acclaim	2,800	0	3,303	11,354	51,263	0
Caravelle	0	605	0	0	0	8,999
Gran Fury	0	415	0	0	0	5,441
Total Plymouth	6,000	8,082	6,873	24,838	108,457	141,666
LeBaron K	0	391	0	0	0	7,964
LeBaron J	2,700	2,276	2,776	11,201	50,531	30,540
LeBaron GTS	0	257	0	0	2,946	3,765
N. Yorker C-Class	1,600	2,774	1,984	7,685	47,761	49,887
Fifth Avenue	0	280	0	0	0	13,835
Total Chrysler	4,300	5,978	4,760	18,886	101,238	104,291
Omni	900	2,055	940	3,783	8,433	39,854
Daytona	1,800	2,272	1,867	7,452	43,396	29,679
Shadow	2,200	2,375	2,145	8,877	48,902	46,208
Aries	0	2,418	0	0	0	36,451
Dodge 600	0	456	0	0	0	7,986
Dynasty	[illegible]	2,225	3,424	13,193	67,297	46,976
Lancer	[illegible]	136	0	0	1,528	4,514
Spirit	[illegible]	0	2,993	10,148	47,654	0
Diplomat	[illegible]	257	0	0	0	9,904
Total Dodge	[illegible]	12,194	11,369	43,453	217,210	221,572
CHRYSLER MOTORS	[illegible]	26,254	23,002	87,177	426,905	467,529
Escort	[illegible]	9,449	8,494	31,276	146,208	156,334
Mustang	4,159	4,244	3,699	15,321	96,095	89,856
Tempo	3,023	3,941	3,022	11,664	67,223	84,607
Taurus	7,993	8,424	7,918	31,898	167,132	170,098
Thunderbird	3,304	3,522	3,233	12,627	73,080	67,913
Total Ford Div.	23,959	29,580	26,366	102,786	549,738	568,808
Topaz	1,380	1,548	1,488	6,269	30,088	31,494
Cougar	2,201	2,345	2,334	10,676	62,281	51,160
Sable	2,519	3,469	2,515	10,297	54,575	59,877
Total Mercury	6,100	7,362	6,337	27,242	146,944	142,531
Continental	1,439	947	1,443	5,751	30,654	19,363
Mark VII	480	475	467	1,576	11,031	10,774
Lincoln	2,881	2,878	2,867	10,730	56,363	62,278
Total Lincoln	4,800	4,300	4,777	18,057	98,048	92,415
Total L-M Division	10,900	11,662	11,114	45,299	244,992	234,946
FORD MOTOR CO.	34,859	41,242	37,480	148,085	794,730	803,754
Skyhawk	248	0	337	1,122	6,857	11,350
Skylark/Somerset	1,410	1,579	1,419	5,640	24,416	19,269
Century	2,855	3,634	2,796	10,670	51,795	43,495
Riviera	0	128	337	986	10,418	2,921
Electra	2,308	2,092	2,317	7,171	36,255	36,177
LeSabre (fwd)	4,320	2,500	4,550	18,541	65,040	54,186
LeSabre (rwd)	60	261	65	267	3,515	4,179
Reatta	199	187	205	601	2,993	2,334
Total Buick	11,400	10,381	12,026	44,998	201,289	173,911
Cimarron	0	0	0	0	0	3,696
Eldorado	0	1,020	965	2,891	16,301	17,799
Seville	0	621	730	2,126	11,984	11,150
Brougham (rwd)	710	977	619	2,573	17,000	15,825
Deville (fwd)	4,105	3,563	4,141	16,510	93,755	77,651
Allante	75	58	0	225	1,378	1,034
Total Cadillac	4,890	6,239	6,475	24,325	140,418	127,155
Cavalier	6,886	7,277	8,301	31,371	166,897	147,604
Camaro	2,900	2,348	2,783	11,155	52,999	35,994
Celebrity	1,965	5,077	1,975	7,932	57,957	75,004
Corsica/Beretta	8,960	9,042	8,447	34,340	178,380	171,697
Caprice	4,470	3,844	4,061	16,647	86,212	82,264
Corvette	560	444	560	2,240	11,129	9,041
Total Chevrolet	25,741	28,032	26,127	103,685	553,574	521,604
Calais	2,190	3,024	2,235	8,786	41,305	48,625
Firenza	0	0	0	0	0	5,220
Cutlass Ciera	1,560	1,050	1,879	7,147	36,129	1,882
Cutlass Supreme	3,670	4,229	3,702	14,459	48,719	88,891
Toronado	0	413	202	594	4,255	7,853
88 (fwd)	2,873	3,400	5,224	16,701	70,697	71,000
88 (rwd)	200	207	194	783	3,425	5,451
Olds 98	1,095	1,596	1,112	4,138	36,819	35,505
Total Oldsmobile	11,588	13,919	14,548	52,608	241,349	264,487
Sunbird	3,126	2,253	3,714	13,679	65,566	45,629
Grand Am	4,800	5,277	4,867	20,701	106,684	103,962
Firebird	1,240	1,690	1,325	5,101	29,523	26,632
Grand Prix	3,975	3,455	4,000	15,975	66,352	50,950
Pontiac 6000	1,100	1,888	1,151	5,066	38,006	33,417
Bonneville	739	2,752	2,209	7,502	42,374	47,133
Safari/Parisienne	150	237	129	556	2,411	3,786
Fiero	0	450	0	0	0	8,685
Total Pontiac	15,130	18,002	17,395	68,580	350,916	320,194
GENERAL MOTORS	68,749	76,573	76,571	294,196	1,487,546	1,407,351
DIAMOND-STAR	1,271	0	886	4,658	18,738	0
HONDA	7,520	7,409	7,809	30,786	161,335	155,169
Civic	2,353	2,337	2,580	10,143	54,213	40,899
Accord	5,167	5,072	5,229	20,643	107,122	114,270
MAZDA†	4,466	2,356	4,485	17,849	99,462	34,946
NISSAN	2,734	2,664	2,494	10,015	48,051	40,624
NUMMI	4,000	3,336	4,231	16,743	83,065	67,606
Corolla	1,600	1,203	1,662	6,536	33,747	24,863
Geo Prizm/Nova	2,400	2,133	2,569	10,207	49,318	42,743
TOYOTA	3,005	0	2,521	9,986	42,876	0
VOLKSWAGEN	0	1,968	0	0	0	23,512
Golf/GTI	0	1,968	0	0	0	17,959
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	147,204	161,802	159,479	619,475	3,162,708	3,000,491
Total Cars, Canada	19,827	21,685	18,001	79,253	416,207	492,402
U.S., Canada Cars	167,031	183,487	177,480	698,728	3,578,915	3,492,893
U.S., Canada Cars and Trucks	271,351	284,093	284,070	1,133,197	5,880,512	5,671,398

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended May 27, 1989	Week Ended May 28, 1988	Week Ended May 20, 1989	*May to Date	Jan. 1 to May 27, 1989	Jan. 1 to May 28, 1988
Premier	1,020	1,083	1,052	3,371	18,256	30,571
CHRYSLER MOTORS	1,020	1,083	1,052	3,371	18,256	30,571
Tempo	2,688	3,349	0	6,061	62,764	86,042
Topaz	1,152	946	0	2,596	26,544	28,943
Crown Victoria	2,307	2,223	2,943	11,078	56,210	58,368
Grand Marquis	2,253	2,252	2,867	10,869	62,106	57,966
FORD MOTOR CO.	8,400	8,770	5,810	30,604	207,624	231,319
Celebrity	796	553	860	2,965	6,856	8,739
Cutlass Ciera	2,052	6,149	2,700	10,651	72,757	113,554
Lumina	3,614	0	3,146	14,990	36,186	0
Pontiac 6000	0	1,302	0	0	0	22,126
Regal	2,135	2,861	2,195	8,085	32,729	69,067
GENERAL MOTORS	8,597	10,865	8,901	36,691	148,528	213,486
Civic	1,320	549	1,696	6,406	25,124	2,257
Accord	0	274	0	0	9,021	11,949
HONDA	1,320	823	1,696	6,406	34,145	14,206
TOYOTA	350	0	362	1,501	4,055	0
VOLVO	140	144	180	680	3,599	2,820
Total Cars, Canada	19,827	21,685	18,001	79,253	416,207	492,402

U.S. TRUCK☆	Week Ended May 27, 1989	Week Ended May 28, 1988	Week Ended May 20, 1989	May to Date	Jan. 1 to May 27, 1989	Jan. 1 to May 28, 1988
Caravan	2,000	1,886	2,482	9,149	47,363	42,202
Dakota	2,300	2,168	2,394	9,706	48,350	50,044
Caravan C/V	100	337	111	450	3,894	6,620
Ram pickups	2,300	2,172	2,396	9,738	48,380	28,733
Total Dodge	6,700	6,563	7,383	29,043	147,987	127,599
Cherokee	4,600	3,591	5,543	20,388	98,799	76,119
Comanche	500	845	665	2,359	13,873	20,145
Grand Wagoneer	300	340	0	650	5,723	6,360
Wagoneer	100	248	132	468	3,897	5,507
Total Jeep	5,500	5,024	6,340	23,865	122,292	113,331
Voyager	1,800	1,825	2,311	8,456	45,006	38,905
Town & Country	100	0	190	445	445	0
Total C-P Div.	1,900	1,825	2,501	8,901	45,451	38,905
CHRYSLER MOTORS	14,100	13,412	16,224	61,809	315,730	279,835
Aerostar	4,975	4,531	4,190	19,869	104,739	93,751
Bronco	1,444	1,301	1,683	6,213	36,156	25,995
Bronco II	2,401	2,460	2,528	10,015	56,093	58,403
Econoline	5,247	5,135	5,226	20,802	105,329	105,695
Heavy trucks	1,305	1,475	1,316	5,264	29,059	28,951
Light trucks	11,403	10,379	12,316	48,317	236,598	217,626
Ranger	6,032	7,782	5,964	25,178	148,197	154,974
Total Ford Div.	32,807	33,063	33,223	135,658	714,171	685,395
FORD MOTOR CO.	32,807	33,063	33,223	135,658	714,171	685,395
Astro	3,404	3,129	3,492	13,676	72,640	72,450
Blazer	547	512	649	2,351	11,965	11,694
Mediums/Heavies	0	544	0	0	1,312	7,724
P-Model	862	940	983	3,513	14,694	16,399
Pickups	7,820	6,756	8,210	31,685	170,080	140,947
S-10	5,055	5,854	4,672	19,795	116,254	122,309
S-10 Blazer	3,897	3,603	3,972	15,552	81,469	68,948
Sportsvan/Van	1,734	1,928	2,380	8,509	41,942	35,561
Suburban	1,544	1,402	1,828	6,600	33,305	31,127
Total Chevrolet	24,863	24,668	26,186	101,681	543,869	506,859
Jimmy	171	158	200	728	3,601	3,621
Mediums/Heavies	0	689	0	0	1,496	17,149
P-Model	106	170	132	431	1,907	2,353
Pickups	2,355	2,082	1,959	8,867	50,965	44,027
S-15	1,090	1,330	1,127	4,569	27,397	28,539
S-15 Jimmy	1,127	967	1,116	4,570	23,425	18,453
Safari	932	773	932	3,649	18,617	18,617
Suburban	611	617	720	2,613	13,403	14,827
Vandura/Rally Vans	788	552	648	2,561	11,646	15,849
Total GMC	7,180	7,338	6,834	27,988	152,457	163,435
GENERAL MOTORS	32,043	32,006	33,020	129,669	696,326	670,294
NAVISTAR	1,920	1,805	1,901	7,547	37,013	37,213
NISSAN	2,412	1,693	2,161	8,970	53,338	48,473
AM GENERAL	450	450	450	1,860	9,270	9,360
MISCELLANEOUS	3,000	2,300	3,000	12,000	57,100	47,840
Total Trucks, U.S.	86,732	84,729	89,979	357,453	1,882,948	1,778,410

CANADIAN TRUCK	Week Ended May 27, 1989	Week Ended May 28, 1988	Week Ended May 20, 1989	May to Date	Jan. 1 to May 27, 1989	Jan. 1 to May 28, 1988
Caravan	2,590	2,596	2,148	11,013	63,518	62,582
Caravan C/V	315	287	223	1,234	5,047	6,066
Ram Wagon	564	441	540	2,475	12,314	10,339
Ram Van	1,316	1,210	1,396	6,183	31,801	26,513
Total Dodge	4,785	4,534	4,307	20,905	112,680	105,500
Voyager	2,215	2,297	1,824	9,521	55,266	57,418
Total Plymouth	2,215	2,297	1,824	9,521	55,266	57,418
Wrangler	1,528	848	1,304	6,594	34,492	21,224
Total Jeep	1,528	848	1,304	6,594	34,492	21,224
CHRYSLER MOTORS	8,528	7,679	7,435	37,020	202,438	184,142
FORD MTR. (lt. trks.)	2,888	2,878	3,518	13,538	72,016	74,288
Light trucks	3,047	2,299	2,548	12,382	65,491	65,288
Vans	1,209	1,249	958	4,967	28,233	25,449
Total Chevrolet	4,256	3,548	3,506	17,349	93,724	90,737
Light trucks	1,130	1,044	1,321	5,567	31,335	32,060
Vans	546	517	561	2,491	13,857	14,288
Total GMC	1,676	1,561	1,882	8,058	45,192	46,348
GENERAL MOTORS	5,932	5,109	5,388	25,407	138,916	137,085
NAVISTAR	240	211	270	1,051	5,279	4,580
Total Trks., Canada	17,588	15,877	16,611	77,016	418,649	400,095
U.S., Canada Trks.	104,320	100,606	106,590	434,469	2,301,597	2,178,505

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

Automotive News.

May 31, 1989

64th year—$60.00 per year, this issue $30.00 per co

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Products/Specifications ■ Prices

1989 MARKET DATA BOOK

Options/Equipment ■ Dealers
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Automotive News

The weekly newspaper of the industry

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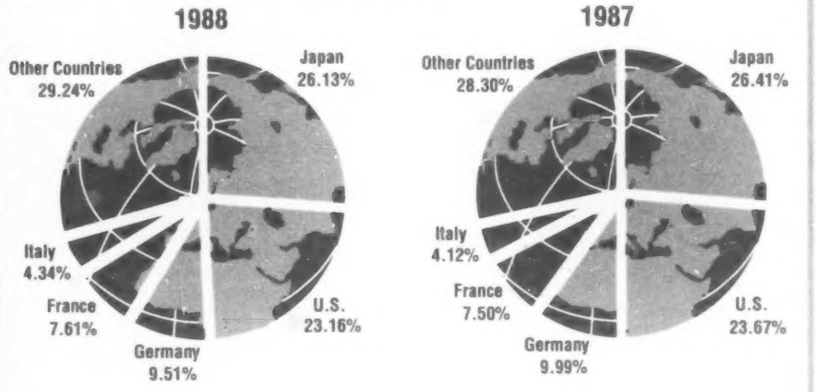
PRODUCTION

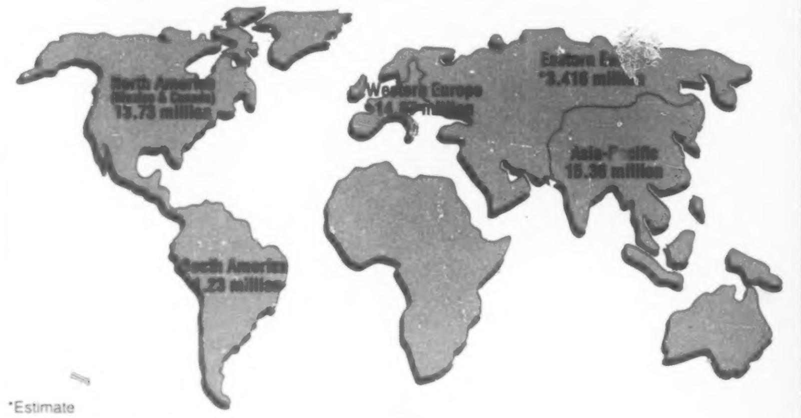
Global vehicle output climbs by about 2.2 million units

In sheer volume, Japan and the United States were the world's top producers. Among the 5 majors, only France and Italy increased world share.



Sources: Auto News MVMA, AID LTD., JAMA.

Total 1988 output was about 48.61 million units vs. 46.38 million in 1987.


North America (Mexico & Canada) 13.73 million
Western Europe
Eastern Eu
*3.416 million
Asia-Pacific 15.38 million
South America
1.23 million

*Estimate

Sources: Auto News MVMA, AID LTD., JAMA.

AUTOMOTIVE NEWS / C. BEEVER

Annual world vehicle production since World War II — 1988 output rises to 48.61 million

Year	Australia	Belgium	Brazil	Canada	France	Italy	Japan	S. Korea	Mexico	Spain	Sweden	U.K.	U.S.	USSR	W. Germany	World Total
1988	339,500	399,102	1,068,900	1,960,149	3,698,465	2,111,019	12,699,803	1,083,655	512,191	1,866,464	483,622	1,544,848	11,262,149	2,180,000	4,625,314	48,616,072
1987	330,241	352,378	1,058,332	1,563,910	3,493,210	1,912,612	12,249,174	979,739	395,258	1,704,473	501,822	1,388,772	10,975,334	2,202,000	4,634,074	46,384,697
1986	362,247	295,315	1,056,332	1,863,836	3,194,615	1,912,612	12,259,817	601,546	338,392	1,306,644	487,152	1,202,661	11,372,865	2,226,000	4,578,278	45,156,013
1985	411,332	266,682	966,625	1,936,511	3,016,106	1,572,907	12,271,095	378,162	398,192	1,417,604	461,072	1,311,256	11,671,475	2,200,000	4,445,920	44,690,081
1984	399,084	249,461	864,663	1,877,966	3,062,152	1,601,177	11,392,711	265,361	343,698	1,308,769	431,852	1,133,731	10,924,077	2,209,400	4,045,462	42,159,635
1983	337,075	285,478	896,462	1,523,324	3,335,860	1,575,151	11,055,711	221,019	285,485	1,288,721	414,522	1,289,111	9,512,781	2,180,000	4,154,439	40,022,104
1982	408,570	278,014	860,593	1,270,012	3,148,807	1,453,043	10,731,794	163,484	472,637	1,069,507	349,066	1,156,477	6,876,034	2,172,700	4,062,655	36,433,276
1981	391,614	237,456	779,836	1,198,416	3,019,370	1,433,743	11,179,962	133,905	597,118	987,474	313,679	1,184,205	7,981,167	2,197,500	3,897,007	37,380,354
1980	364,109	259,966	1,165,207	1,373,054	3,378,433	1,611,856	11,042,884	123,135	490,006	1,181,659	298,400	1,312,904	8,010,374	2,199,200	3,878,553	38,837,519
1979	461,468	314,997	1,127,966	1,602,369	3,613,458	1,632,289	9,635,546	204,447	444,426	1,122,918	354,820	1,478,512	11,391,867	2,173,200	4,249,725	41,978,835
1978	384,966	303,260	1,062,197	1,805,737	3,507,930	1,656,115	9,269,153	186,418	384,128	1,143,831	305,534	1,607,467	12,830,046	2,150,984	4,186,364	42,611,388
1977	452,592	336,382	919,242	1,698,904	3,507,881	1,583,917	8,514,522	83,000	280,813	1,129,700	286,091	1,714,020	12,727,243	2,088,369	4,104,216	41,240,509
1976	456,216	326,978	985,469	1,640,912	3,402,715	1,596,677	7,841,447	48,292	324,979	866,240	367,780	1,705,506	11,484,169	2,024,660	3,868,089	38,619,510
1975	456,167	222,176	929,805	1,446,330	2,861,305	1,458,629	6,941,591	36,264	360,678	814,164	366,753	1,648,399	8,991,091	1,964,056	3,186,208	33,322,385
1974	489,339	183,128	858,479	1,481,595	3,462,847	1,772,515	6,551,840	30,290	350,755	837,414	368,359	1,936,685	10,052,265	1,846,000	3,099,777	35,108,355
1973	454,190	298,957	729,135	1,587,500	3,569,179	1,957,994	7,082,757	26,314	285,513	822,020	378,042	2,163,941	12,674,613	1,602,000	3,949,065	39,236,122
1972	466,197	271,453	608,985	1,459,695	3,328,320	1,839,793	6,294,438	18,648	229,766	695,217	350,989	2,329,430	11,299,236	1,379,000	3,815,982	35,845,958
1971	470,122	295,764	516,038	1,372,328	3,010,294	1,817,019	5,810,774	23,002	210,840	532,358	317,295	2,198,146	10,655,574	1,142,700	3,982,722	33,728,068
1970	473,790	272,433	416,047	1,157,476	2,750,086	1,854,252	5,289,157	28,819	192,841	536,026	310,887	2,098,498	8,266,718	916,118	3,842,247	29,707,707
1969	451,917	302,549	349,519	1,350,708	2,459,072	1,595,951	4,674,932	30,994	165,164	454,571	271,440	2,182,793	10,181,263	844,300	3,604,567	30,083,671
1968	418,307	172,906	278,473	1,169,498	2,075,617	1,663,648	4,085,826	17,657	143,478	393,433	244,786	2,225,122	10,797,851	800,900	3,106,958	28,611,717
1967	366,547	183,087	225,418	939,635	2,009,672	1,542,669	3,146,486	6,604	126,365	361,637	214,650	1,937,199	8,996,490	728,800	2,482,319	24,183,980
1966	343,929	195,219	224,574	896,119	2,024,552	1,365,898	2,286,399	3,430	113,807	340,418	199,910	2,042,354	10,363,418	675,300	3,050,708	24,983,204
1965	407,569	166,594	185,187	852,274	1,641,696	1,175,548	1,875,614	141	96,654	228,935	205,717	2,177,261	11,118,020	634,312	2,976,477	24,567,935
1964	411,750	2,070	183,707	668,508	1,615,896	1,090,078	1,702,475	249	90,752	178,128	184,184	2,332,376	9,304,403	603,100	2,909,657	22,020,669
1963	374,058	1,200	174,191	631,356	1,736,977	1,180,536	1,283,531	1,254	69,135	131,988	167,850	2,011,720	9,108,305	587,012	2,667,896	20,720,363
1962	329,629	1,043	191,194	505,187	1,536,133	946,793	990,706	1,777	66,637	100,163	151,568	1,674,530	8,191,494	577,500	2,356,612	18,202,797
1961	231,651	800	145,584	386,923	1,244,223	759,140	813,879	—	62,563	75,000	131,755	1,464,134	6,650,282	555,330	2,147,825	15,215,435
1960	326,250	256	133,041	397,739	1,369,210	644,633	481,551	—	49,807	58,209	128,527	1,810,700	7,901,502	523,591	2,055,149	16,382,932
1959	263,592	343	96,114	367,939	1,283,159	500,784	262,814	—	51,118	56,800	112,394	1,560,427	6,723,204	494,994	1,718,556	13,877,791
1958	241,324	382	60,983	356,418	1,127,549	403,560	188,303	—	38,955	31,050	91,179	1,365,407	5,114,807	511,074	1,495,256	11,369,912
1957	213,620	320	30,542	413,577	927,956	351,815	181,977	—	41,106	30,436	71,654	1,149,095	7,220,431	495,408	1,212,232	12,530,056
1956	204,176	383	—	471,350	827,079	315,802	111,066	—	39,387	4,500	57,274	1,004,544	6,905,458	464,632	1,075,619	11,654,526
1955	218,004	1,625	—	452,114	725,061	268,766	68,932	—	32,275	3,972	50,299	1,237,068	9,204,049	445,268	908,742	13,221,695
1954	200,605	3,620	—	352,109	600,040	216,715	70,073	—	33,380	620	44,735	1,037,879	6,536,729	403,873	680,597	10,226,561
1953	159,307	1,786	—	486,049	497,348	174,320	49,778	—	35,709	600	29,427	834,275	7,349,123	354,175	490,681	10,500,267
1952	116,293	550	—	434,102	498,962	138,446	38,966	—	46,987	400	21,233	689,658	5,561,796	307,936	428,383	8,320,091
1951	129,259	N.A.	—	415,420	445,655	145,533	38,490	—	46,081	308	22,950	733,883	6,757,014	288,683	374,151	9,453,285
1950	126,721	248	—	387,726	357,552	127,847	31,597	—	21,575	253	17,553	783,677	8,005,859	362,895	306,064	10,579,168
1949	—	200	—	290,664	285,641	86,054	28,700	—	—	486	11,069	628,196	6,243,834	275,992	163,583	8,044,400
1948	—	1,058	—	261,009	198,372	59,953	20,367	—	—	760	9,497	507,608	5,220,755	197,056	61,294	6,564,946
1947	—	—	—	242,107	137,383	43,736	11,320	—	—	—	9,287	441,284	4,795,587	132,968	23,343	5,853,636

NOTE: Totals may not add because of double counting of CKD kits and unavailable production numbers in other countries.

SOURCES: Automotive News, MVMA, AID Ltd., JAMA

PRODUCTION

World vehicle production and assembly by region — 10 years

	North America	Europe	Asia	South America
1988	13,734,489	18,286,367	15,362,154	1,233,062
1987	12,934,502	17,635,428	14,563,120	1,251,647
1986	13,461,068	16,706,054	13,835,201	1,231,098
1985	14,006,178	15,901,217	12,880,368	1,104,300
1984	13,145,741	15,215,560	11,759,738	977,419
1983	11,015,273	15,682,826	11,486,316	1,055,457
1982	8,734,684	14,787,194	11,047,858	992,709
1981	9,862,814	14,412,699	11,462,754	952,199
1980	9,874,206	15,412,225	11,279,345	1,454,124
1979	13,556,095	16,269,079	9,941,266	1,394,210

Definitions: North America — Canada, Mexico, U.S.; Europe — Western Europe and Eastern Bloc including U.S.S.R.; Asia — India, Japan, Korea; South America — Argentina, Brazil. Totals will not match with other production tables because of CKD kits.

SOURCE: MVMA, AID LTD, JAMA

World vehicle production and assembly climb slightly in 1988; total output rises more than 4.80 percent

	Cars		Trucks*		Total	
	1988	1987	1988	1987	1988	1987
North America						
United States	7,129,420	7,094,992	4,132,729	3,880,342	11,262,149	10,975,334
Canada	1,026,323	809,943	933,826	753,967	1,960,149	1,563,910
Mexico	353,345	265,344	158,846	117,850	512,191	395,258
Total	**8,509,088**	**8,170,279**	**5,225,401**	**4,752,159**	**13,734,489**	**12,934,502**
South America						
Argentina	135,776	158,743	28,386	34,572	164,162	193,315
Brazil	782,608	883,380	286,292	238,891	1,068,900	1,058,332
Total	**918,384**	**1,042,123**	**314,678**	**273,463**	**1,233,062**	**1,251,647**
Western Europe						
Belgium	345,327	293,995	53,775	58,383	399,102	352,378
France	3,223,987	3,051,830	474,478	441,380	3,698,465	3,483,210
Italy	1,884,313	1,713,300	226,706	199,312	2,111,019	1,912,612
Netherlands	122,000	125,247	19,325	26,677	141,325	151,924
Spain	1,497,967	1,402,574	368,497	301,899	1,866,464	1,704,473
Sweden	407,117	431,777	76,506	70,045	483,622	501,822
United Kingdom	1,226,835	1,142,985	318,013	246,727	1,544,848	1,388,772
West Germany	4,346,283	4,373,629	279,031	260,445	4,625,314	4,634,074
Total	**13,053,829**	**12,535,337**	**1,816,331**	**1,604,868**	**14,870,159**	**14,129,285**
Eastern Europe						
Czechoslovakia#	159,160	172,355	N.A.	54,544	159,160	228,899
East Germany#	217,900	218,600	44,290	47,306	262,190	266,108
Hungary#	N.A.	N.A.	13,000	12,923	13,000	12,923
Poland#	293,475	302,516	57,164	64,841	350,639	367,357
Turkey	120,796	107,185	N.A.	N.A.	120,796	107,185
U.S.S.R.#	1,330,000	1,332,000	850,000	870,000	2,180,000	2,202,000
Yugoslavia#	294,138	285,269	36,285	36,422	330,423	321,691
Total	**2,415,469**	**2,417,925**	**1,000,739**	**1,086,036**	**3,416,208**	**3,506,163**
Asia-Pacific						
Australia**#	314,500	309,962	25,000	20,279	339,500	330,241
India	159,841	148,495	151,521	138,215	311,362	286,710
Japan	8,198,400	7,891,087	4,501,403	4,358,087	12,699,803	12,249,174
People's Republic#** of China (PRC)	10,500	4,045	636,500	468,493	647,000	472,538
South Korea	865,685	783,125	217,970	188,814	1,083,655	971,939
Taiwan	N.A.	195,315	N.A.	57,203	280,834	252,518
Total	**9,548,926**	**9,332,029**	**5,532,394**	**5,231,091**	**15,362,154**	**14,563,120**

NOTE: In some cases, figures are preliminary estimates and subject to slight change. Total may not add because of CKD kits counted by more than one country.
*—Truck figures include buses and commercial vehicles. European truck figures include car-derived vans. U.S. figures include minivans.
**—Includes assemblies. #—Estimates.
SOURCES: Automotive News, AID Ltd., MVMA, JAMA and other trade groups.

1988 Japan car output rises 3.89%; truck build climbs 1.97%

	Cars		Trucks		Total Vehicles	
	12 mos., 1988	12 mos., 1987	12 mos., 1988	12 mos., 1987	12 mos., 1988	12 mos., 1987
Daihatsu	160,125	141,572	483,067	455,983	643,192	597,555
Fuji	276,448	266,755	318,838	338,502	595,286	605,257
Hino			74,124	65,817	74,124	65,817
Honda	1,072,773	1,021,895	220,643	219,227	1,293,416	1,241,122
Isuzu	158,750	203,930	411,393	337,653	570,143	541,583
Mazda	880,131	853,309	339,831	344,563	1,219,962	1,197,872
Mitsubishi	639,890	594,654	613,609	636,515	1,253,499	1,231,169
Nissan	1,730,948	1,803,924	425,122	422,389	2,156,070	2,226,313
Nissan Diesel			47,196	35,933	47,196	35,933
Suzuki	296,413	296,979	549,510	570,881	845,923	867,860
Toyota	2,982,922	2,708,069	960,176	930,210	3,943,098	3,638,279
Others			481	414	481	414
Total	**8,198,400**	**7,891,087**	**4,443,999**	**4,358,087**	**12,642,399**	**12,249,174**

SOURCE: JAMA

12 top global vehicle producers

	1988	1987	Pct. of change
General Motors	8,108,000	7,765,535	4.41
Ford	6,517,186	6,115,000	6.58
Toyota	3,854,721	3,643,977	5.78
Volkswagen	2,848,000	2,771,000	2.78
Nissan	2,713,234	2,284,896	18.75
Chrysler	2,566,920	2,260,290	13.57
Fiat	2,141,500	1,969,800	8.72
Peugeot-Citroen	2,080,000	1,952,500	6.53
Renault	1,850,667	1,831,390	1.05
Honda	1,783,416	1,582,000	12.73
Mitsubishi	1,273,662	1,257,016	1.32
Mazda	1,224,192	1,192,319	2.67

Note: Compiled by Automotive News.

No breakout of CKD (knock-down vehicles) is available from manufacturers. All figures include cars, trucks and buses.

Some totals include factory sales.

Mexican car production climbs 33.16%

	1988	Percent change	1987
Chrysler	77,307	21.12	63,827
Ford	98,815	46.22	67,578
GM	51,595	60.00	32,242
Nissan	72,514	24.91	58,052
Volkswagen	53,114	21.70	43,645
Total Cars, Mexico	**353,345**	33.16	**265,344**

Annual vehicle production — 8 countries; Western Europe — passenger car

Country	1988	1987	% of change
Belgium	345,327	293,995	17.50
France	3,223,987	3,051,830	5.60
Germany	4,346,283	4,373,629	−0.60
Italy	1,884,313	1,713,300	10.00
Netherlands	122,000	125,247	−2.60
Spain	1,497,967	1,402,574	6.80
Sweden	407,117	431,777	−5.70
United Kingdom	1,226,835	1,142,985	7.30
Europe	**13,053,829**	**12,535,337**	**4.10**

SOURCE: AID Ltd. Reuse or republication is prohibited.

Japan's standard class car production grows 18.46%

Category	1988	1987
CARS		
Standard	735,053	588,575
Small	7,307,239	7,174,763
Midget	156,108	127,749
Car total	**8,198,400**	**7,891,087**
TRUCKS		
Standard	1,242,385	1,277,581
Small	1,604,589	1,492,896
Midget	1,597,016	1,537,623
Truck total	**4,443,999**	**4,308,100**
BUSES		
30 passengers & over	16,297	16,018
Under 30 passengers	41,116	33,969
Bus total	**57,413**	**49,987**
Grand Total	**12,699,803**	**12,249,174**

VEHICLE CLASSIFICATIONS

	Standard (Futsuu)	Small (Kogata)	Midget (Kei)
Width	Over 60 inches	Over 48 inches to 60 inches	48 inches or less
Height	Over 72 inches	72 inches or less	72 inches or less
Length	Over 180 inches	Over 120 inches to to 180 inches	120 inches or less
Displacement	More than 2,000cc (for vehicles except diesel)	More than 550cc to 2,000cc (for vehicles except diesel)	550cc or less

SOURCE: JAMA

PRODUCTION

1988 U.S. car output rises 4.85 percent to 7.13 million

Company	January	February	March	First Quarter Total	April	May	June	Second Quarter Total	July	August	September	Third Quarter Total	October	November	December	Fourth Quarter Total	Grand Total
Horizon	6,363	7,565	8,075	22,003	9,301	9,476	10,116	28,893	3,431	699	6,271	10,401	6,494	5,999	5,004	17,497	78,794
Sundance	8,348	8,988	10,187	27,523	8,396	7,892	9,485	25,773	8,482	5,585	8,609	22,676	9,376	9,542	9,420	28,338	104,310
Reliant	4,611	7,468	10,308	22,387	9,729	11,744	12,163	33,636	8,427	886	9,132	18,445	9,464	8,332	8,198	25,994	100,462
Acclaim	0	0	0	0	0	0	0	0	0	0	0	0	627	3,308	3,306	7,241	7,241
Caravelle	1,375	1,528	2,063	4,966	1,807	2,258	507	4,572	94	33	51	178	33	56	29	118	9,834
Gran Fury	841	1,216	690	2,747	1,356	1,477	1,822	4,655	672	800	865	2,357	1,111	1,471	718	3,300	13,059
Plymouth Total	21,538	26,765	31,323	79,626	30,589	32,847	34,093	97,529	21,106	8,003	24,948	54,057	27,105	26,708	26,675	82,488	313,700
LeBaron K	675	1,091	2,366	4,132	2,061	1,717	2	3,780	0	0	0	0	0	0	0	0	7,912
LeBaron J	0	5,312	8,827	14,139	7,047	9,752	9,929	26,728	5,222	4,145	8,372	17,739	10,477	10,577	10,789	31,843	90,449
LeBaron GTS	670	591	966	2,227	593	941	1,033	2,567	853	603	834	2,290	844	707	904	2,455	9,539
New Yorker	6,283	9,638	10,499	26,420	10,150	11,914	12,577	34,641	2,639	6,507	8,994	18,140	9,407	9,153	9,071	27,631	106,832
Fifth Avenue	5,157	4,739	1,294	11,190	1,365	1,309	1,410	4,084	552	3,294	4,036	7,882	4,019	2,976	3,129	10,124	33,280
Total Chrysler	12,785	21,371	23,952	58,108	21,216	25,633	24,951	71,800	9,266	14,549	22,236	46,051	24,747	23,413	23,893	72,053	248,012
Omni	6,115	7,512	8,004	21,631	9,278	9,325	9,770	28,373	3,060	719	6,242	10,021	6,534	5,779	4,994	17,307	77,332
Daytona	0	4,539	8,923	13,462	6,946	9,741	9,967	26,654	5,199	4,092	8,413	17,704	7,118	7,070	7,649	21,837	79,657
Shadow	8,553	9,512	10,191	28,256	8,549	9,887	8,218	26,654	7,255	5,685	8,877	21,817	9,102	8,392	8,969	26,463	103,190
Aries	4,607	4,808	9,022	18,437	8,491	10,028	10,730	29,249	7,380	1,084	8,946	17,410	9,434	9,896	7,572	26,902	91,998
Dodge 600	1,062	1,424	1,724	4,210	1,879	1,961	499	4,339	0	0	0	0	0	0	0	0	8,549
Dynasty	6,974	10,491	11,686	29,151	8,389	9,653	10,197	28,239	2,267	8,384	11,516	22,167	11,449	12,024	11,126	34,599	114,156
Lancer	908	1,126	889	2,923	949	684	606	2,239	532	410	746	1,688	833	934	748	2,515	9,365
Spirit	0	0	0	0	0	0	0	0	0	0	0	0	323	3,444	4,323	8,090	8,090
Diplomat	1,309	1,925	2,395	5,629	2,268	1,856	1,892	6,016	722	1,024	1,539	3,285	1,353	1,428	1,085	3,866	18,796
Dodge Total	29,528	41,337	52,834	123,699	46,749	53,135	51,879	151,763	26,415	21,398	46,279	94,092	46,146	48,967	46,466	141,579	511,133
CHRYSLER MOTORS	**63,851**	**89,473**	**108,109**	**261,433**	**98,554**	**111,615**	**110,923**	**321,092**	**56,787**	**43,950**	**93,463**	**194,200**	**97,998**	**101,088**	**97,034**	**296,120**	**1,072,845**
Escort	36,152	32,727	16,308	85,187	32,209	41,055	43,180	116,444	21,267	38,652	38,171	98,090	43,031	39,719	32,342	115,092	414,813
Mustang	18,253	18,337	20,842	57,432	15,649	17,643	18,998	52,290	9,895	14,987	18,539	43,421	16,591	15,397	14,958	46,946	200,089
Tempo	17,240	16,239	19,064	52,543	16,277	16,921	17,184	50,382	8,418	13,144	14,637	36,199	16,268	14,518	13,349	44,135	183,259
Taurus	32,159	33,244	36,670	102,073	33,617	36,649	41,070	111,336	18,469	32,992	34,213	85,674	33,179	33,611	30,089	96,879	395,962
Thunderbird	12,581	13,985	15,328	41,894	12,538	14,225	15,587	42,350	6,691	0	0	6,691	2,543	7,847	10,435	20,825	111,760
Ford Division	116,385	114,532	108,212	339,129	110,290	126,493	136,019	372,802	64,740	99,775	105,560	270,075	111,612	111,092	101,173	323,877	1,305,883
Topaz	6,385	6,293	7,266	19,944	5,424	6,258	6,591	18,273	3,513	5,249	5,985	14,747	6,605	5,653	5,321	17,579	70,543
Cougar	10,499	10,259	11,168	31,926	9,108	10,606	12,151	31,865	6,557	0	0	6,557	2,464	6,356	8,746	17,566	87,914
Sable	8,168	11,402	12,525	32,095	13,519	14,664	13,004	41,187	5,751	10,757	11,341	27,849	11,670	12,097	10,334	34,101	135,232
Mercury Total	25,052	27,954	30,959	83,965	28,051	31,528	31,746	91,325	15,821	16,006	17,326	49,153	20,739	24,106	24,401	69,246	293,689
Continental	2,980	3,802	4,585	11,367	3,876	4,294	4,146	12,316	1,312	5,774	6,532	13,618	6,109	6,215	5,762	18,086	55,387
Lincoln	2,284	2,201	2,292	6,777	1,961	2,136	2,130	6,227	655	2,883	3,244	6,782	3,001	3,090	2,875	8,966	28,752
Mark VII	12,492	12,010	13,778	38,280	11,683	12,890	12,691	37,264	2,076	8,669	9,816	20,561	9,030	9,315	8,641	26,986	123,091
Lincoln Total	17,756	18,013	20,655	56,424	17,520	19,320	18,967	55,807	4,043	17,326	19,592	40,961	18,140	18,620	17,278	54,038	207,230
L-M Division	42,808	45,967	51,614	140,389	45,571	50,848	50,713	147,132	19,864	33,332	36,918	90,114	38,879	42,726	41,679	123,284	500,919
FORD MOTOR CO.	**159,193**	**160,499**	**159,826**	**479,518**	**155,861**	**177,341**	**186,732**	**519,934**	**84,604**	**133,107**	**142,478**	**360,189**	**150,491**	**153,818**	**142,852**	**447,161**	**1,806,802**
Skyhawk	3,118	1,902	4,088	9,108	2,204	0	24	2,228	248	1,434	2,033	3,715	4,945	4,233	3,801	12,979	28,030
Skylark	2,984	1,342	1,774	6,100	5,928	7,207	6,955	20,090	2,402	3,442	5,307	11,151	5,270	7,173	5,555	17,998	55,339
Century	3,161	4,462	10,403	18,026	12,084	14,144	15,776	42,004	4,887	10,421	18,940	34,248	19,752	16,087	11,540	47,379	141,657
Riviera	186	967	704	1,857	522	587	627	1,736	65	252	2,123	2,440	2,538	2,690	2,238	7,466	13,499
Electra	5,969	5,283	6,589	17,841	8,794	9,645	10,095	28,534	5,396	5,161	5,803	16,360	10,674	10,291	8,399	29,364	92,099
LeSabre (fwd)	9,055	10,548	12,341	31,944	11,925	10,520	10,639	33,084	10,312	12,138	13,625	36,075	12,296	11,352	10,610	34,258	135,361
LeSabre (rwd)	342	651	1,182	2,175	1,195	1,196	1,223	3,614	677	571	997	2,245	806	890	804	2,500	10,534
Reatta	177	370	537	1,084	552	736	805	2,093	746	923	974	2,643	961	661	803	2,425	8,245
Buick Total	24,992	25,525	37,618	88,135	43,204	44,035	46,144	133,383	24,733	34,342	49,802	108,877	57,242	53,377	43,750	154,369	484,764
Cimarron	1,135	1,216	701	3,052	471	174	0	645	0	0	0	0	0	0	0	0	3,697
Eldorado	617	3,391	5,062	9,070	4,428	4,629	4,909	13,966	525	660	2,353	3,538	2,993	3,183	2,635	8,811	35,385
Seville	461	2,485	3,012	5,958	2,634	2,752	2,911	8,297	347	459	1,776	2,582	2,270	2,416	1,991	6,677	23,514
Brougham (rwd)	0	0	5,603	5,603	3,906	4,422	2,384	10,712	1,997	2,836	3,747	8,580	3,956	3,623	3,470	11,049	35,944
DeVille	14,843	17,870	18,403	51,116	13,450	14,873	14,869	43,192	3,822	1,361	11,775	16,978	17,600	19,400	15,884	52,884	164,170
Allante	60	253	299	612	247	175	157	579	0	0	259	259	315	300	255	870	2,320
Cadillac Total	17,116	25,215	33,080	75,411	25,136	27,025	25,230	77,391	6,691	5,336	19,910	31,937	27,134	28,922	24,235	80,291	265,030
Cavalier	26,680	28,182	32,380	87,242	28,501	33,806	37,915	100,222	24,734	28,633	30,673	84,040	33,277	29,043	23,983	86,303	357,807
Camaro	3,826	4,823	8,314	16,963	9,110	10,104	10,694	29,908	7,907	3,686	10,514	22,107	11,538	10,868	8,437	30,843	99,821
Celebrity	6,535	18,437	14,767	39,739	14,989	21,463	23,121	59,573	8,109	14,980	15,417	38,506	16,767	20,627	14,699	52,093	189,911
Corsica/Beretta	24,445	34,867	41,692	101,004	34,155	38,571	41,347	114,073	18,618	43,360	42,503	104,481	42,963	39,419	32,372	114,754	434,312
Caprice	17,194	18,285	14,693	50,172	15,330	17,393	22,861	55,584	16,461	17,822	17,752	52,035	17,916	15,987	11,802	45,705	203,496
Corvette	1,610	1,892	2,051	5,553	1,688	1,877	1,958	5,523	1,856	2,075	1,889	5,820	2,314	2,134	1,530	5,978	22,874
Chevrolet Total	80,290	106,486	113,897	300,673	103,773	123,214	137,896	364,883	77,685	110,556	118,748	306,989	124,775	118,078	92,823	335,676	1,308,221
Calais	8,296	8,678	9,318	26,292	10,454	12,289	12,585	35,328	4,526	5,783	14,870	25,179	10,056	12,073	10,762	32,891	119,690
Firenza	1,568	959	1,915	4,442	788	0	0	788	0	0	0	0	0	0	0	0	5,230
Cutlass Ciera	0	0	0	0	0	2,236	7,564	9,800	4,171	1,109	5,205	10,485	5,791	6,323	5,654	17,768	38,053
Cutlass Supreme	7,388	11,081	15,683	34,152	14,386	17,574	17,310	49,270	8,225	6,130	6,870	21,225	15,154	9,919	10,793	35,866	140,513
Toronado	327	2,055	2,043	4,425	1,801	1,867	1,979	5,647	204	401	895	1,500	1,271	1,341	1,124	3,736	15,308
88 (fwd)	13,470	10,441	15,890	39,801	13,668	15,464	15,201	44,333	6,418	13,576	13,339	33,333	15,041	13,728	11,141	39,910	157,377
88 (rwd)	1,254	1,013	1,055	3,322	1,266	1,024	1,084	3,374	501	289	685	1,475	742	649	846	2,237	10,408
Olds 98	6,607	7,655	8,802	23,064	6,096	6,727	6,991	19,814	2,256	4,598	4,786	11,640	7,441	7,160	7,222	21,823	76,341
Oldsmobile Total	38,910	41,882	54,706	135,498	48,459	57,181	62,714	168,354	26,301	31,886	46,650	104,837	55,496	51,193	47,542	154,231	562,920
Sunbird	8,510	9,439	9,523	27,472	8,500	10,124	10,210	28,834	6,944	7,594	9,850	24,388	11,604	10,818	10,620	33,042	113,736
Grand Am	19,242	20,246	21,966	61,454	19,310	24,200	24,487	67,997	9,837	14,595	23,853	48,285	24,408	20,869	19,108	64,385	242,121
Firebird	4,004	3,321	6,657	13,982	6,403	6,772	7,026	20,201	3,755	2,534	6,883	13,172	6,733	6,947	5,417	19,097	66,452
Grand Prix	7,287	10,204	12,933	30,424	12,879	15,022	16,023	43,924	5,666	12,191	17,327	35,184	16,812	13,564	7,261	37,637	147,169
Pontiac 6000	86	4,360	11,696	16,142	9,894	7,878	6,895	24,667	2,445	8,840	12,558	23,843	12,531	9,355	8,127	30,013	94,665
Bonneville	7,714	6,335	9,839	23,888	10,851	11,898	12,274	35,023	5,986	10,251	11,846	28,083	12,958	12,823	9,153	34,934	121,908
Safari/Parisienne	348	582	891	1,821	987	989	362	2,338	320	644	668	1,632	429	386	390	1,205	6,996
Fiero	0	2,019	2,784	4,803	1,940	1,941	1,966	5,847	1,487	1,159	0	2,646	0	0	0	0	13,296
Pontiac Total	47,191	56,506	76,269	179,966	70,764	78,824	79,243	228,831	36,420	57,808	82,985	177,213	85,475	74,762	60,076	220,313	806,343
GENERAL MOTORS	**208,499**	**255,614**	**315,590**	**779,703**	**291,336**	**330,279**	**351,227**	**972,842**	**171,830**	**239,928**	**318,095**	**729,853**	**350,122**	**326,332**	**268,426**	**944,880**	**3,427,278**
Civic	6,672	6,842	9,305	22,819	9,038	9,220	10,689	28,947	7,520	11,551	9,795	28,866	10,688	10,473	8,392	29,553	110,185
Accord	20,919	22,626	25,792	69,337	23,168	22,282	22,836	68,286	15,707	22,261	21,822	59,790	20,562	20,918	17,277	58,757	256,170
HONDA	**27,591**	**29,468**	**35,097**	**92,156**	**32,206**	**31,502**	**33,525**	**97,233**	**23,227**	**33,812**	**31,617**	**88,656**	**31,250**	**31,391**	**25,669**	**88,310**	**366,355**
MAZDA	**3,299**	**5,346**	**8,154**	**16,799**	**9,060**	**9,879**	**11,995**	**30,934**	**13,389**	**20,121**	**20,573**	**54,083**	**23,072**	**20,929**	**17,472**	**61,473**	**163,289**
NISSAN	**5,352**	**5,612**	**9,370**	**20,334**	**10,035**	**11,045**	**12,076**	**33,156**	**5,697**	**12,987**	**12,213**	**30,897**	**9,810**	**8,341**	**7,359**	**25,510**	**109,897**
Corolla	4,674	5,080	5,603	15,357	4,674	5,062	5,361	15,097	3,500	5,345	1,774	10,619	3,456	4,490	6,466	14,412	55,485
Geo Prizm/Nova	8,111	8,641	9,620	26,372	7,908	8,923	9,194	26,025	6,237	9,597	2,887	18,721	0	293	1,534	1,827	72,945
NUMMI	**12,785**	**13,721**	**15,223**	**41,729**	**12,582**	**13,985**	**14,555**	**41,122**	**9,737**	**14,942**	**4,661**	**29,340**	**3,456**	**4,783**	**8,000**	**16,239**	**128,430**
TOYOTA	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**NA**	**NA**	**NA**	**18,527**	**18,527**
Golf/GTI	2,505	2,854	5,790	11,149	0	6,601	8,600	15,201	3,512	0	0	3,512	0	0	0	0	29,862
Jetta	1,399	1,580	3,156	6,135	0	0	0	0	0	0	0	0	0	0	0	0	6,135
VOLKSWAGEN	**3,904**	**4,434**	**8,946**	**17,284**	**0**	**6,601**	**8,600**	**15,201**	**3,512**	**0**	**0**	**3,512**	**0**	**0**	**0**	**0**	**35,997**
Total Cars U.S.	**484,474**	**564,167**	**660,315**	**1,708,956**	**609,634**	**692,247**	**729,633**	**2,031,514**	**368,783**	**498,847**	**623,100**	**1,490,730**	**666,199**	**646,682**	**566,812**	**1,898,220**	**7,129,420**

PRODUCTION

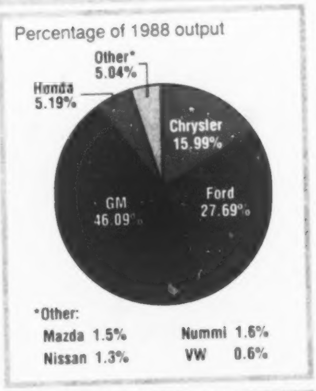
U.S. car output in 1988 model year edges up

	1988 Model Year	Pct. of Output	1987 Model Year	Pct. of Output	Pct. of Change '88 vs. '87
Alliance	0	0.00	36,336	0.49	−0.49
Total Eagle	0	0.00	36,336	0.49	−0.49
Horizon	66,997	0.97	166,859	2.26	−1.29
Sundance	97,488	1.41	93,696	1.27	+0.14
Reliant	138,091	2.00	118,604	1.61	+0.39
Caravelle	22,060	0.32	48,096	0.65	−0.33
Gran Fury	11,434	0.17	16,551	0.22	−0.06
Total Plymouth	336,070	4.87	443,806	6.01	−1.14
LeBaron K	29,091	0.42	63,069	0.86	−0.43
LeBaron J	88,540	1.28	75,449	1.02	+0.26
LeBaron GTS	19,406	0.28	44,013	0.60	−0.32
N. Yorker E-Class	9,605	0.14	73,835	1.00	−0.86
N. Yorker C-Class	82,616	1.20	0	0.00	+1.20
Fifth Avenue	49,029	0.71	104,247	1.41	−0.70
Total Chrysler	278,287	4.03	360,613	4.89	−0.86
Omni	64,740	0.94	152,931	2.07	−1.14
Daytona	74,852	1.08	37,272	0.51	+0.58
Shadow	102,619	1.49	93,222	1.26	+0.22
Aries	123,533	1.79	111,811	1.52	+0.27
Dodge 600	21,221	0.31	45,118	0.61	−0.30
Dynasty	68,143	0.99	0	0.00	+0.99
Lancer	13,829	0.20	28,731	0.39	−0.19
Diplomat	20,708	0.30	32,841	0.45	−0.15
Total Dodge	489,645	7.09	501,926	6.81	+0.29
CHRYSLER MOTORS	**1,104,002**	**15.99**	**1,342,681**	**18.20**	**−2.21**
Escort	422,035	6.11	337,323	4.57	+1.54
Mustang	211,225	3.06	159,145	2.16	+0.90
Tempo	163,409	2.37	177,409	2.41	−0.04
Taurus	387,577	5.61	374,763	5.08	+0.53
Thunderbird	147,243	2.13	128,135	1.74	+0.40
Total Ford Div.	1,331,489	19.29	1,176,775	15.96	+3.33
Lynx	0	0.00	35,372	0.48	−0.48
Topaz	58,412	0.85	53,936	0.73	+0.11
Cougar	119,162	1.73	104,526	1.42	+0.31
Sable	121,285	1.76	121,313	1.64	+0.11
Total Mercury	298,859	4.33	315,147	4.27	+0.06
Continental	41,287	0.60	17,597	0.24	+0.36
Mark VII	38,259	0.55	15,286	0.21	+0.35
Lincoln	201,113	2.91	76,483	1.04	+1.88
Total Lincoln	280,659	4.07	109,366	1.48	+2.58
Total L-M Division	579,518	8.39	424,513	5.76	+2.64
FORD MOTOR CO.	**1,911,007**	**27.69**	**1,601,288**	**21.71**	**+5.98**
Skyhawk	29,134	0.42	46,664	0.63	−0.21
Skylark/Somerset	54,792	0.79	80,206	1.09	−0.29
Century	113,258	1.64	184,178	2.50	−0.86
Regal (rwd)	10,635	0.15	65,287	0.89	−0.73
Riviera	8,625	0.12	15,223	0.21	−0.08
Electra	91,913	1.33	90,041	1.22	+0.11
LeSabre (fwd)	136,044	1.97	154,331	2.09	−0.12
LeSabre (rwd)	9,659	0.14	12,759	0.17	−0.03
Reatta	4,708	0.07	0	0.00	+0.07
Total Buick	458,768	6.65	648,689	8.80	−2.15
Cimmaron	6,454	0.09	14,561	0.20	−0.10
Eldorado	33,210	0.48	17,775	0.24	+0.24
Seville	22,968	0.33	18,578	0.25	0.08
Brougham (rwd)	53,130	0.77	65,504	0.89	−0.12
Deville (fwd)	152,513	2.21	162,798	2.21	+0.00
Allante	2,569	0.04	3,366	0.05	−0.01
Total Cadillac	270,844	3.92	282,582	3.83	+0.09
Chevette	0	0.00	46,208	0.63	−0.63
Cavalier	322,939	4.68	346,254	4.69	−0.02
Camaro	96,275	1.39	137,760	1.87	−0.47
Celebrity	197,289	2.86	290,814	3.94	−1.09
Corsica/Beretta	377,764	5.47	225,000	3.05	+2.42
Monte Carlo	30,174	0.44	79,045	1.07	−0.63
Caprice	189,086	2.74	228,501	3.10	−0.36
Corvette	22,789	0.33	30,632	0.42	−0.09
Total Chevrolet	1,236,316	17.91	1,384,214	18.76	−0.85
Calais	110,276	1.60	117,010	1.59	+0.01
Firenza	12,260	0.18	25,828	0.35	−0.17
Cutlass Ciera	21,620	0.31	170,488	2.31	−2.00
Cutlass Supreme	94,723	1.37	0	0.00	+1.37
Cutlass Supreme Classic	27,678	0.40	69,578	0.94	−0.54
Toronado	16,496	0.24	15,040	0.20	+0.04
88 (fwd)	160,913	2.33	170,432	2.31	+0.02
88 (rwd)	11,114	0.16	17,742	0.24	−0.08
Olds 98	79,935	1.16	84,762	1.15	+0.01
Total Oldsmobile	535,015	7.75	670,880	9.10	−1.35
Acadian*	0	0.00	7,751	0.11	−0.11
Pontiac 1000	0	0.00	5,628	0.08	−0.08
Sunbird	93,694	1.36	106,769	1.45	−0.09
Grand Am	235,371	3.41	244,728	3.32	+0.09
Firebird	62,467	0.90	88,623	1.20	−0.30
Grand Prix	86,357	1.25	0	0.00	+1.25
Pontiac 6000	61,446	0.89	86,972	1.18	−0.29
Bonneville	108,580	1.57	123,815	1.68	−0.11
Safari/Parisienne	6,397	0.09	13,422	0.18	−0.09
Fiero	26,402	0.38	46,581	0.63	−0.25
Total Pontiac	680,714	9.86	724,289	9.82	+0.04
GENERAL MOTORS	**3,181,657**	**46.09**	**3,710,654**	**50.31**	**−4.22**
HONDA	**358,274**	**5.19**	**309,534**	**4.20**	**+0.99**
Civic	97,859	1.42	92,061	1.25	+0.17
Accord	260,415	3.77	217,473	2.95	+0.82
MAZDA	**105,616**	**1.53**	**0**	**0.00**	**+1.53**
NISSAN	**91,281**	**1.32**	**137,427**	**1.86**	**−0.54**
NUMMI	**112,034**	**1.62**	**197,375**	**2.68**	**−1.06**
Corolla	40,918	0.59	42,480	0.58	+0.02
Nova	71,116	1.03	154,895	2.10	−1.07
VOLKSWAGEN	**39,647**	**0.57**	**76,400**	**1.04**	**−0.46**
Golf/GTI	25,697	0.37	62,642	0.85	−0.48
Jetta	13,950	0.20	13,758	0.19	+0.02
Total Cars, U.S.	**6,903,518**	**100.00**	**7,375,359**	**100.00**	

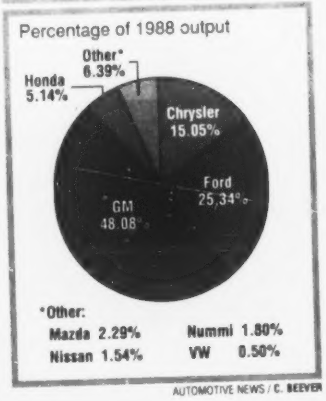
NOTE: *—Built for sale in Canada only. Percentages rounded.

Compiled by Automotive News

Model year car output



Calendar year car output



AUTOMOTIVE NEWS / C. BEEVER

U.S. car output by model year

1988	6,903,518
1987	7,375,359
1986	7,890,392
1985	7,975,390
1984	8,102,269
1983	5,768,893
1982	5,447,135
1981	6,639,954
1980	7,085,480
1979	9,526,024
1978	8,995,418
1977	9,159,100
1976	8,114,376
1975	6,523,880
1974	8,125,488
1973	9,915,802
1972	8,589,049
1971	7,221,290
1970	7,595,411
1969	8,440,765
1968	8,402,870
1967	7,666,898
1966	8,606,166
1965	7,882,679
1964	7,892,090

U.S. car output by calendar year

1988	7,129,420
1987	7,094,992
1986	7,829,697
1985	8,186,040
1984	7,777,721
1983	7,112,352
1982	4,973,870
1981	6,280,045
1980	6,416,885
1979	8,418,369
1978	9,153,299
1977	9,293,674
1976	8,537,759
1975	6,740,584
1974	7,309,763
1973	9,667,118
1972	8,827,706
1971	8,557,878
1970	6,550,077
1969	8,224,267
1968	8,848,507
1967	7,412,610
1966	8,604,726
1965	9,335,208
1964	7,744,888

1988 U.S. calendar year car output edges up

	Total Output 1988	Pct. of Total Output	Total Output 1987	Pct. of Total Output	Pct. pt. Change '88 vs. '87
Alliance	0	0.00	15,994	0.24	−0.24
Total Eagle	0	0.00	15,994	0.23	−0.23
Horizon	78,794	1.11	45,663	0.64	0.46
Sundance	104,310	1.46	89,678	1.26	0.20
Reliant	100,462	1.41	136,109	1.92	−0.51
Acclaim	7,241	0.10	0	0.00	0.10
Caravelle	9,834	0.14	42,955	0.61	−0.47
Gran Fury	13,059	0.18	7,180	0.10	0.08
Total Plymouth	313,700	4.40	321,585	4.53	−0.13
LeBaron K	7,912	0.11	64,089	0.90	−0.79
LeBaron J	90,449	1.27	113,858	1.60	−0.34
LeBaron GTS	9,539	0.13	37,508	0.53	−0.39
N. Yorker E-Class	0	0.00	57,102	0.80	−0.80
N. Yorker C-Class	106,832	1.50	18,916	0.27	1.23
Fifth Avenue	33,280	0.47	65,675	0.93	−0.46
Total Chrysler	248,012	3.48	357,148	5.03	−1.56
Omni	77,332	1.08	40,039	0.56	0.52
Daytona	79,657	1.12	64,054	0.90	0.21
Shadow	103,190	1.45	96,073	1.35	0.09
Aries	91,998	1.29	127,948	1.80	−0.51
Dodge 600	8,549	0.12	39,773	0.56	−0.44
Dynasty	114,156	1.60	8,486	0.12	1.48
Lancer	9,365	0.13	23,123	0.33	−0.19
Spirit	8,090	0.11	0	0.00	0.11
Diplomat	18,796	0.26	15,188	0.21	0.05
Total Dodge	511,133	7.17	414,684	5.84	1.32
CHRYSLER MOTORS	**1,072,345**	**15.05**	**1,109,411**	**15.64**	**−0.59**
Escort	414,813	5.82	394,704	5.56	0.26
Mustang	200,089	2.81	214,153	3.02	−0.21
Tempo	183,259	2.57	145,779	2.05	0.52
Taurus	395,962	5.55	405,644	5.72	−0.16
Thunderbird	111,760	1.57	157,507	2.22	−0.65
Total Ford Div.	1,305,883	18.32	1,317,787	18.57	−0.26
Lynx	0	0.00	21,351	0.30	−0.30
Topaz	70,543	0.99	47,008	0.66	0.33
Cougar	87,914	1.23	138,434	1.95	−0.72
Sable	135,232	1.90	121,686	1.72	0.18
Total Mercury	293,689	4.12	328,509	4.63	−0.51
Continental	55,387	0.78	13,505	0.19	0.59
Lincoln	28,752	0.40	142,005	2.00	−1.60
Mark VII	123,091	1.73	28,550	0.40	1.32
Total Lincoln	207,230	2.91	184,150	2.60	0.31
Total L-M Division	500,919	7.03	512,659	7.23	−0.20
FORD MOTOR CO.	**1,806,802**	**25.34**	**1,830,446**	**25.80**	**−0.46**
Skyhawk	28,030	0.39	34,516	0.49	−0.09
Skylark/Somerset	55,339	0.78	63,612	0.90	−0.12
Century	141,657	1.99	152,898	2.16	−0.17
Regal (rwd)	0	0.00	40,425	0.57	−0.57
Riviera	13,499	0.19	13,468	0.19	0.00
Electra	92,099	1.29	94,485	1.33	−0.04
LeSabre (fwd)	135,361	1.90	142,635	2.01	−0.11
LeSabre (rwd)	10,534	0.15	10,230	0.14	0.00
Reatta	8,245	0.12	332	0.00	0.11
Total Buick	484,764	6.80	552,601	7.78	−0.98
Cimarron	3,697	0.05	10,404	0.15	−0.09
Eldorado	35,385	0.50	20,538	0.29	0.21
Seville	23,514	0.33	21,395	0.30	0.03
Brougham (rwd)	35,944	0.50	73,195	1.03	−0.53
DeVille (fwd)	164,170	2.30	145,540	2.05	0.25
Allante	2,320	0.03	4,665	0.07	−0.03
Total Cadillac	265,030	3.72	275,737	3.89	−0.17
Cavalier	357,807	5.02	315,319	4.44	0.57
Camaro	99,821	1.40	121,551	1.71	−0.31
Celebrity	189,911	2.66	285,111	4.02	−1.35
Corsica/Beretta	434,312	6.09	348,806	4.92	1.18
Monte Carlo	0	0.00	72,749	1.03	−1.03
Caprice	203,496	2.85	200,583	2.83	0.03
Corvette	22,874	0.32	28,514	0.40	−0.08
Total Chevrolet	1,308,221	18.35	1,372,633	19.35	−1.00
Calais	119,690	1.68	115,065	1.62	0.06
Firenza	5,230	0.07	17,988	0.25	−0.18
Cutlass Ciera	38,053	0.53	108,766	1.53	−1.00
Cutlass Supreme	140,513	1.97	76,751	1.08	0.89
Toronado	15,308	0.21	16,453	0.23	−0.02
88 (fwd)	157,377	2.21	178,747	2.52	−0.31
88 (rwd)	10,408	0.15	10,463	0.15	0.00
Olds 98	76,341	1.07	73,004	1.03	0.04
Total Oldsmobile	562,920	7.90	597,257	8.42	−0.52
Sunbird	113,736	1.60	89,465	1.26	0.33
Grand Am	242,121	3.40	247,661	3.49	−0.09
Firebird	66,452	0.93	77,731	1.10	−0.16
Grand Prix	147,169	2.06	6,343	0.09	1.97
Pontiac 6000	94,665	1.33	67,947	0.96	0.37
Bonneville	121,908	1.71	125,005	1.76	−0.05
Paris./Safari	6,996	0.10	9,147	0.13	−0.03
Fiero	13,296	0.19	33,936	0.48	−0.29
Total Pontiac	806,343	11.31	657,235	9.26	2.05
GENERAL MOTORS	**3,427,278**	**48.08**	**3,456,463**	**48.70**	**−0.62**
HONDA	**366,355**	**5.14**	**324,064**	**4.57**	**0.57**
Civic	110,185	1.55	88,445	1.25	0.30
Accord	256,170	3.59	235,619	3.32	0.27
MAZDA	**163,289**	**2.29**	**4,200**	**0.06**	**2.23**
NISSAN	**109,887**	**1.54**	**117,334**	**1.65**	**−0.11**
NUMMI	**128,410**	**1.80**	**187,378**	**2.64**	**−0.84**
Corolla	55,465	0.78	43,726	0.62	0.16
Nova/Prizm	72,945	1.02	143,652	2.02	−1.00
TOYOTA	**18,827**	**0.26**	**0**	**0.00**	**0.26**
VOLKSWAGEN	**35,997**	**0.50**	**66,696**	**0.94**	**−0.44**
Golf/GTI	29,862	0.42	47,157	0.66	−0.25
Jetta	6,135	0.09	19,539	0.28	0.26
Total Cars U.S.	**7,129,420**	**100.00**	**7,094,992**	**100.00**	

Percentages rounded.

Compiled by Automotive News

PRODUCTION

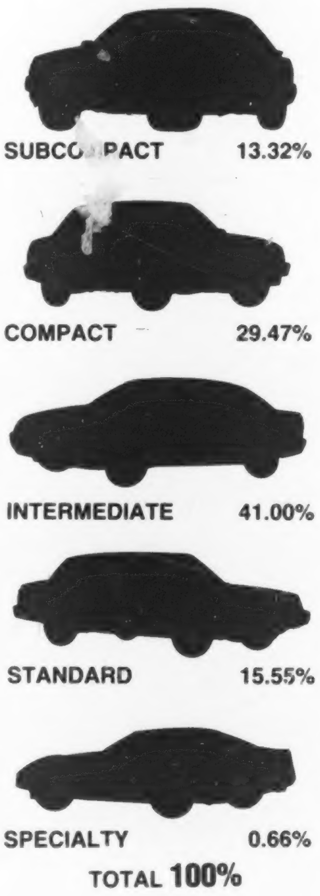
U.S. model year output

By size classification

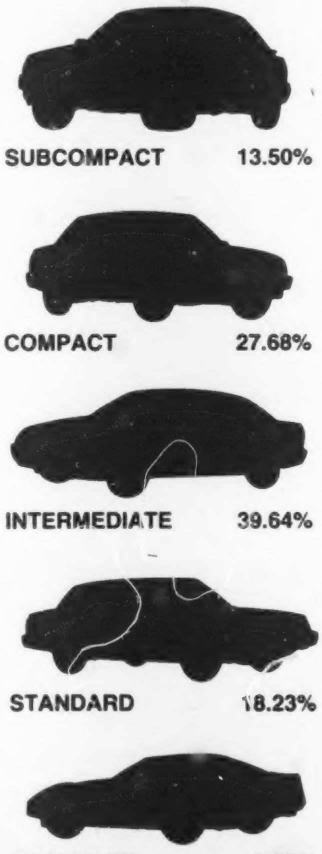
1988 Position	1988 Total	Make	1987 Total	1987 Position
		Subcompacts		
1	422,035	Escort	337,323	1
2	97,859	Civic	92,061	6
3	91,281	Sentra	137,427	5
4	71,116	Prizm/Nova	154,895	3
5	66,997	Horizon	166,859	2
6	64,740	Omni	152,931	4
7	40,918	Corolla	42,480	9
8	25,697	Golf/GTI	62,642	7
—	0	Chevette	46,208	8
—	0	Alliance	36,336	10
—	0	Lynx	35,372	11
—	0	Acadian	7,751	12
—	0	Pontiac 1000	5,628	13
	880,643	**Total**	**1,277,913**	
		Compacts		
1	322,939	Cavalier	346,254	1
2	260,415	Accord	217,473	3
3	235,371	Grand Am	244,728	2
4	163,409	Tempo	177,409	4
5	138,091	Reliant	118,604	5
6	123,533	Aries	111,811	7
7	110,276	Calais	117,010	6
8	105,616	Probe/MX-6	0	—
9	102,619	Shadow	93,222	10
10	97,488	Sundance	93,696	9
11	93,694	Sunbird	106,769	8
12	74,852	Daytona	37,272	16
13	58,412	Topaz	53,936	13
14	54,792	Skylark/Somerset	80,206	11
15	29,134	Skyhawk	46,664	14
16	29,091	LeBaron K	63,069	12
17	21,221	Dodge 600	45,118	15
18	13,950	Jetta	13,758	19
19	12,260	Firenza	25,828	17
20	6,454	Cimarron	14,561	18
	2,053,617	**Total**	**2,007,388**	
		Intermediates		
1	387,577	Taurus	374,763	1
2	377,764	Corsica/Beretta	225,000	3
3	211,225	Mustang	159,145	6
4	197,289	Celebrity	290,814	2
5	147,243	Thunderbird	128,135	8
6	121,285	Sable	121,313	9
7	119,162	Cougar	104,526	10
8	113,258	Century	184,178	4
9	96,275	Camaro	137,760	7
10	94,723	Cutlass Supreme	0	—
11	88,540	LeBaron J	75,449	14
12	86,357	Grand Prix	0	—
13	82,616	New Yorker C	0	—
14	68,143	Dynasty	0	—
15	62,467	Firebird	88,623	11
16	61,446	Pontiac 6000	86,972	12
17	41,287	Continental	17,597	23
18	38,259	Mark VII	15,286	24
19	33,210	Eldorado	17,775	22
20	30,174	Monte Carlo	79,045	13
21	27,678	Cutlass Supreme (rwd)	69,578	16
22	22,968	Seville	18,578	21
23	22,060	Caravelle	48,096	18
24	21,620	Cutlass Ciera	170,488	5
25	19,406	LeBaron GTS	44,013	19
26	16,496	Toronado	15,040	26
27	13,829	Lancer	28,731	20
28	10,635	Regal	65,287	17
29	9,605	New Yorker E	73,835	15
30	8,625	Riviera	15,223	25
	2,631,222	**Total**	**2,655,250**	
		Standards		
1	201,113	Lincoln	76,483	9
2	189,086	Caprice	228,501	1
3	160,913	Olds 88 (fwd)	170,432	2
4	152,513	DeVille	162,798	3
5	136,044	LeSabre (fwd)	154,331	4
6	108,580	Bonneville	123,815	5
7	91,913	Electra	90,041	7
8	79,935	Olds 98	84,762	8
9	53,130	Brougham	65,504	10
10	49,029	Fifth Avenue	104,247	6
11	20,708	Diplomat	32,841	11
12	11,434	Gran Fury	16,551	13
13	11,114	Olds 88 (rwd)	17,742	12
14	9,659	LeSabre (rwd)	12,759	15
15	6,397	Paris./Safari	13,422	14
	1,281,568	**Total**	**1,354,229**	
		Speciality		
1	26,402	Fiero	46,581	1
2	22,789	Corvette	30,632	2
3	4,708	Reatta	0	—
4	2,569	Allante	3,366	3
	56,468	**Total**	**80,579**	
	6,903,518	**Grand Total**	**7,375,359**	

Compacts rise 1.79%

1988 CALENDAR



1987 CALENDAR



U.S. calendar year output

By size classification

1988 Position	1988 Total	Make	1987 Total	1987 Position
		Subcompacts		
1	414,813	Escort	394,704	1
2	110,185	Civic	88,445	4
3	109,897	Sentra	117,334	3
4	78,794	Horizon	45,663	6
5	77,332	Omni	40,039	8
6	72,945	Prizm/Nova	143,652	2
7	55,485	Corolla	43,726	7
8	29,862	Golf/GTI	47,157	5
—	0	Alliance	15,994	10
—	0	Lynx	21,351	9
	949,313	**Total**	**958,065**	
		Compacts		
1	357,807	Cavalier	315,319	1
2	256,170	Accord	235,619	3
3	242,121	Grand Am	247,661	2
4	183,259	Tempo	145,779	4
5	163,289	Probe/MX-6	4,200	20
6	119,690	Calais	115,085	7
7	113,736	Sunbird	89,465	10
8	103,190	Shadow	96,073	8
9	104,310	Sundance	89,678	9
10	100,462	Reliant	136,109	5
11	91,998	Aries	127,948	6
12	79,657	Daytona	64,054	12
13	70,543	Topaz	47,008	14
14	55,339	Skylark/Somerset	63,612	13
15	28,030	Skyhawk	34,516	16
16	8,549	Dodge 600	39,773	15
17	7,912	LeBaron K	64,089	11
18	6,135	Jetta	19,539	17
19	5,230	Firenza	17,988	18
20	3,697	Cimarron	10,404	19
	2,101,124	**Total**	**1,963,919**	
		Intermediates		
1	434,312	Corsica/Beretta	348,806	2
2	395,962	Taurus	405,644	1
3	200,089	Mustang	214,153	4
4	189,911	Celebrity	285,111	3
5	147,169	Grand Prix	6,343	29
6	141,657	Century	152,898	6
7	140,513	Cutlass Supreme	76,751	13
8	135,232	Sable	121,686	8
9	123,091	Mark VII	28,550	20
10	114,156	Dynasty	8,486	28
11	111,760	Thunderbird	157,507	5
12	106,832	New Yorker C	18,916	24
13	99,821	Camaro	121,551	9
14	94,665	Pontiac 6000	67,947	15
15	90,449	LeBaron J	113,858	10
16	87,914	Cougar	138,464	7
17	66,452	Firebird	77,731	12
18	55,387	Continental	13,595	26
19	38,053	Cutlass Ciera	108,766	11
20	35,385	Eldorado	20,538	23
21	23,514	Seville	21,395	22
22	18,527	Camry	0	—
23	15,308	Toronado	16,453	25
24	13,499	Riviera	13,468	27
25	9,834	Caravelle	42,955	17
26	9,539	LeBaron GTS	37,508	19
27	9,365	Lancer	23,123	21
28	8,090	Spirit	0	—
29	7,241	Acclaim	0	—
—	0	Monte Carlo	72,749	14
—	0	New Yorker E	57,102	16
—	0	Regal	40,425	18
	2,923,727	**Total**	**2,812,479**	
		Standards		
1	203,496	Caprice	200,583	1
2	164,170	DeVille	145,540	3
3	157,377	Olds 88 (fwd)	178,747	2
4	135,361	LeSabre (fwd)	142,635	4
5	121,908	Bonneville	125,005	6
6	92,099	Electra	94,485	7
7	76,341	Olds 98	73,004	9
8	35,944	Brougham	73,195	8
9	33,280	Fifth Ave.	65,675	10
10	28,752	Lincoln	142,005	5
11	18,796	Diplomat	15,188	11
12	13,059	Gran Fury	7,180	15
13	10,534	LeSabre (rwd)	10,230	13
14	10,408	Olds 88 (rwd)	10,463	12
15	6,996	Paris./Safari	9,147	14
	1,108,521	**Total**	**1,293,082**	
		Speciality		
1	22,874	Corvette	28,514	2
2	13,296	Fiero	33,936	1
3	8,245	Reatta	332	4
4	2,320	Allante	4,665	3
	46,735	**Total**	**67,447**	
	7,129,420	**Grand Total**	**7,094,992**	

Where 1989-model cars are built

UNITED STATES

CHRYSLER MOTORS

Belvidere, Ill.	New Yorker, New Yorker Landau, Dynasty
Jefferson (Detroit)	Dodge Omni, Plymouth Horizon
Kenosha, Wis	Closed December 1988
Newark, Del	Dodge Spirit, Plymouth Acclaim
St. Louis (No. 1)	LeBaron J, Daytona
Sterling Heights, Mich	LeBaron GTS, Lancer (ended production March 3, 1989), Sundance, Shadow

FORD MOTOR CO.

Atlanta	Taurus, Sable
Chicago	Taurus, Sable
Dearborn, Mich	Mustang
Edison, N.J.	Escort
Kansas City, Mo	Tempo, Topaz
Lorain, Ohio	Thunderbird, Cougar
Wayne, Mich	Escort
Wixom, Mich	Lincoln, Mark VII, Continental

GENERAL MOTORS

Arlington, Texas	Fleetwood Brougham, Caprice, Olds 88 (rwd)
Bowling Green, Ky	Corvette
Detroit-Hamtramck	Allante, Toronado, Riviera, Eldorado, Seville
Doraville, Ga	Cutlass Supreme
Fairfax, Kans	Grand Prix
Flint, Mich. (Buick City)	LeSabre (fwd), Olds 88 Royal
Framingham, Mass	Century, Cutlass Ciera
Janesville, Wis	Cavalier, Skyhawk
Lake Orion, Mich	Cadillac/DeVille (rwd), Olds 98
Lakewood, Ga	LeSabre (rwd), Caprice, Parisienne/Safari Wagon
Lansing, Mich	Calais, Grand Am, Skylark
Lansing, Mich. (Reatta Craft Centre)	Reatta
Leeds, Mo	Closed May 1988
Linden, N.J.	Corsica, Beretta
Lordstown, Ohio	Cavalier, Sunbird
Oklahoma City	Pontiac 6000, Celebrity, Century, Ciera
Tarrytown, N.Y.	Pontiac 6000, Century (conversion to APV'S February 4, 1989)
Van Nuys, Calif	Camaro, Firebird
Wentzville, Mo	Electra/Park Avenue, Olds 98, Old 88 (fwd)
Willow Run, Mich	Bonneville, Olds 88 (fwd)
Wilmington, Del	Corsica, Beretta

DIAMOND-STAR MOTORS

Normal, Ill	Mitsubishi Eclipse, Plymouth Laser

HONDA OF AMERICA MFG. INC.

Marysville, Ohio	Accord, Civic

MAZDA MOTOR MFG. (U.S.A.) CORP.

Flat Rock, Mich	Ford Probe, Mazda MX-6

NEW UNITED MOTOR MFG. INC.

Fremont, Calif	Geo Prizm, Toyota Corolla FX

NISSAN MOTOR MFG. CO. U.S.A.

Smyrna, Tenn	Sentra

TOYOTA MOTOR MFG. CO. U.S.A.

Georgetown, Ky	Camry

CANADA

CHRYSLER MOTORS

Bramalea, Ontario	Premier

FORD MOTOR CO.

Oakville, Ontario	Tempo, Topaz
St. Thomas, Ontario	Crown Victoria, Grand Marquis

GENERAL MOTORS

Oshawa, Ontario (No. 1)	Lumina
Oshawa, Ontario (No. 2)	Lumina, Regal
Ste. Therese, Quebec	Cutlass Ciera, Celebrity

HONDA OF CANADA MFG. INC.

Alliston, Ontario	Civic

TOYOTA MOTOR MFG. CANADA INC.

Cambridge, Ontario	Corolla

VOLVO

Halifax, Nova Scotia	740 Series

MEXICO

CHRYSLER

Toluca	Aries, Reliant, LeBaron J

FORD MOTOR CO.

Hermosillo	Mercury Tracer
Cuautitian	Topaz, Thunderbird, Taurus

GENERAL MOTORS

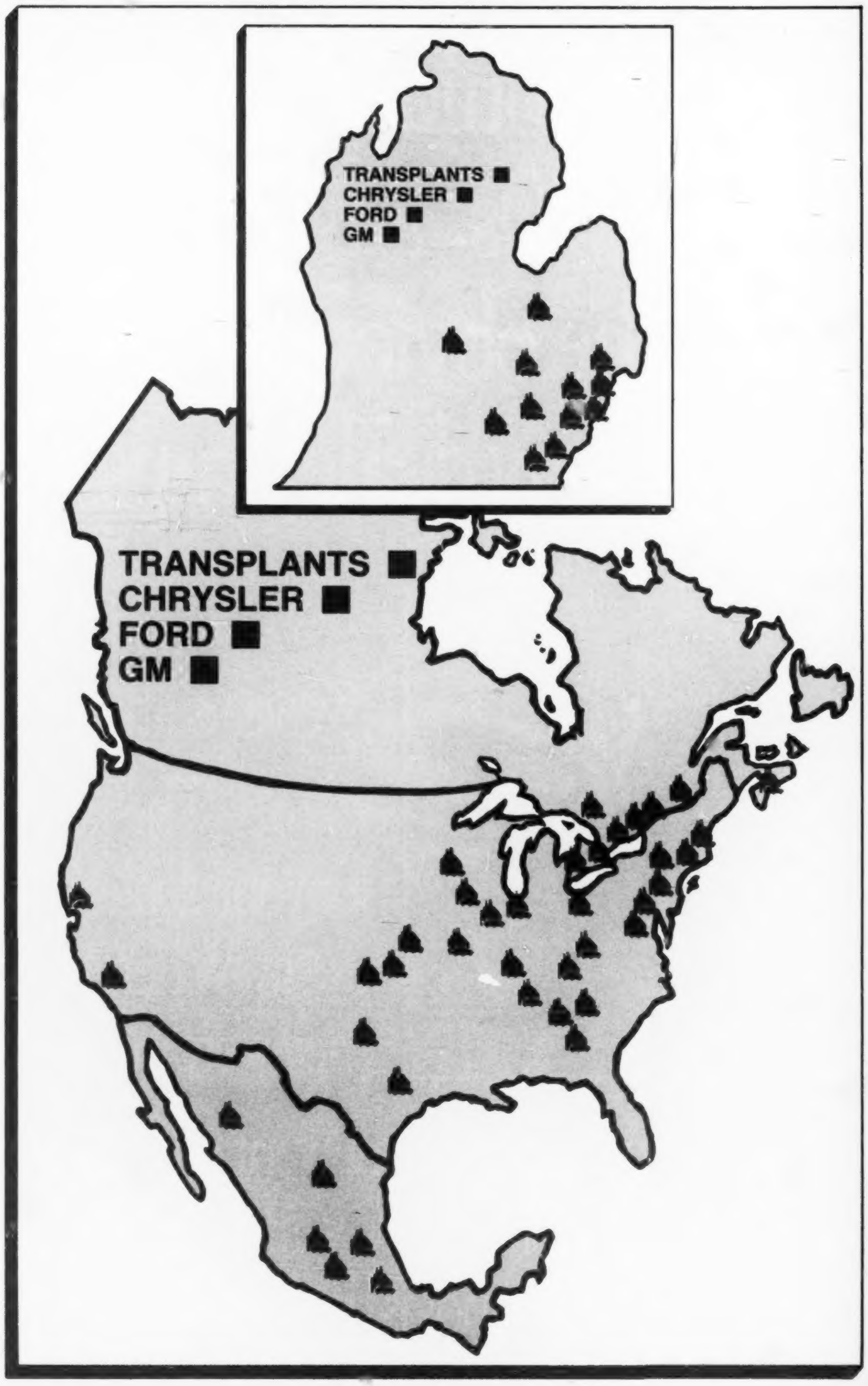
Ramos Arispe	Celebrity, Cutlass Ciera, Century

NISSAN

Cuernavaca	Sentra

VOLKSWAGEN

Puebla	Kosar (Quantum), Beetle, Golf, Jetta



Midwest retains top share of U.S. car production

(Breakdown by states, 1988 vs. 1987)

	Total Output 1988	Pct. of Output 1988	Overall Pos., 1988	Total Output 1987	Pct. of Output 1987	Overall Pos., 1987
Michigan	2,547,946	35.74	1	2,595,004	36.58	1
Ohio	679,765	9.53	2	829,426	11.69	2
Missouri	593,707	8.33	3	554,509	7.82	3
Illinois	489,219	6.86	4	355,273	5.01	7
Georgia	481,803	6.76	5	411,827	5.80	5
Wisconsin	439,337	6.16	6	191,367	2.70	11
New Jersey	329,389	4.62	7	292,569	4.12	8
California	294,712	4.13	8	386,660	5.45	8
Delaware	285,727	4.01	9	417,422	5.88	4
Oklahoma	262,619	3.68	10	261,942	3.69	10
Texas	188,247	2.64	11	54,890	0.77	16
New York	157,590	2.21	12	152,114	2.14	12
Kansas	147,211	2.06	13	270,964	3.82	9
Tennessee	109,897	1.54	14	117,334	1.65	13
Massachusetts	44,852	0.63	15	108,481	1.53	14
Kentucky	41,402	0.58	16	28,514	0.40	17
Pennsylvania	35,997	0.50	17	66,696	0.94	15
TOTAL	7,129,420	100.00	—	7,094,992	100.00	—

PRODUCTION

U.S. van and light-truck output climbs 12.17 percent

	Total '88 Output	% of Output	Total '87 Output	% of Output
CHEVROLET				
Chevy/Sportvan	86,309	2.18	96,387	2.73
S-10	296,306	7.49	229,405	6.51
S-10 Blazer	174,437	4.41	170,671	4.84
Blazer	26,314	0.67	34,431	0.98
Astro	174,999	4.43	163,508	4.64
Suburban	70,768	1.79	67,889	1.93
Pickups	371,805	9.40	323,421	9.17
P Models	39,662	1.00	46,163	1.31
Total	1,240,602	31.38	1,131,875	32.11
CHRYSLER				
Dakota	109,184	2.76	109,220	3.10
Mini-Vans	192,699	4.87	108,806	3.09
Pickups	87,678	2.22	112,507	3.19
Total	389,561	9.85	330,533	9.38
FORD				
Aerostar	208,848	5.28	187,875	5.33
Bronco	59,412	1.50	57,013	1.62
Bronco II	122,686	3.10	135,760	3.85
Econoline/Club Wagon	242,392	6.13	236,622	6.71
Pickups	660,370	16.70	482,794	13.70
Ranger	326,112	8.25	318,007	9.02
Total	1,619,820	40.97	1,418,071	40.23
GMC				
Vandura/Rally Vans	30,401	0.77	26,927	0.76
S-15	68,489	1.73	59,300	1.68
S-15 Jimmy	47,292	1.20	51,610	1.46
Jimmy	9,438	0.24	9,499	0.27
Safari	44,538	1.13	41,302	1.17
Suburban	31,880	0.81	26,407	0.75
Pickups	115,351	2.92	107,221	3.04
P Models	4,937	0.12	6,823	0.19
Total	352,326	8.91	329,089	9.34
JEEP				
Cherokee	187,136	4.73	139,295	3.95
Pickups	0	0.00	1,153	0.03
Wagoneer	10,902	0.28	15,033	0.43
Grand Wagoneer	14,117	0.36	14,265	0.40
Comanche	43,718	1.11	43,070	1.22
Total	255,873	6.47	212,816	6.04
NISSAN				
Pickups	95,919	2.43	102,718	2.91
Grand Total	3,954,101	100.00	3,525,102	100.00

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Where 1989-model trucks are built

UNITED STATES

CHRYSLER MOTORS

Toledo, Ohio	Cherokee, Comanche, Grand Wagoneer, Wagoneer
Warren, Mich.	light-duty trucks, Dakota, standard and mid-size trucks
St. Louis (No. 2)	Mini Ram Van, Caravan, Voyager minivans

FORD MOTOR CO.

Kansas City, Mo	light trucks
Kentucky Truck (Louisville)	medium, heavy and extra-heavy trucks
Lorain, Ohio	Econoline, Club Wagon
Louisville, Ky.	Ranger, Bronco II
Michigan Truck (Wayne)	Bronco, light trucks
Norfolk, Va.	light trucks
St. Louis	Aerostar minivans
St. Paul, Minn.(Twin Cities)	light trucks, Ranger

FREIGHTLINER CORP.

Mount Holly, N.C.	heavy trucks
Portland, Ore.	heavy trucks

GENERAL MOTORS

Baltimore	Chevrolet Astro, GMC Safari minivans
Detroit	commercial, recreational, specialty vehicle chassis
Flint, Mich.	Blazer, Jimmy, Suburban wagons
Janesville, Wis.	Chevrolet, GMC light trucks
Lordstown, Ohio	Chevrolet, GMC vans
Moraine, Ohio	Chevrolet S-10, GMC S-15 trucks
Pontiac, Mich.	Chevrolet, GMC light and medium-duty trucks, Chevrolet S-10 and GMC S-15 trucks
Shreveport, La.	Chevrolet S-10, GMC S-15 trucks, Blazer, Jimmy
Tarrytown, N.Y.	1990 APV's, Chevrolet Lumina, Oldsmobile Silhouette, Pontiac Trans Sport
Ft. Wayne, Ind.	Chevrolet, GMC light trucks

KENWORTH TRUCK CO.

Chillicothe, Ohio	heavy trucks
Seattle	heavy trucks

MACK TRUCKS, INC.

Allentown, Pa.	heavy trucks
Macungie, Pa	heavy trucks
Winnsboro, S.C.	heavy trucks

MERCEDES-BENZ TRUCK CO.

Hampton, Va.	medium trucks

NAVISTAR

Springfield, Ohio	medium and heavy trucks

NISSAN MOTOR MFG. CO.

Smyrna, Tenn.	pickup trucks

PETERBILT MOTORS CO.

Denton, Texas	heavy trucks
Nashville, Tenn.	heavy trucks

VOLVO GM HEAVY TRUCK CORP.

Dublin, Va.	heavy trucks
Ogden, Utah	heavy trucks
Pontiac, Mich.	heavy trucks

CANADA

CHRYSLER MOTORS

Brampton, Ontario	Jeep Wrangler
Windsor, Ontario	Caravan, Voyager minivans, Mini Ram Van
Pillete Road (Windsor)	Ram Van, Ram Wagon

FORD MOTOR CO.

Ontario Truck (Oakville)	light trucks

FREIGHTLINER OF CANADA LTD.

Burnaby, British Columbia	heavy trucks

GENERAL MOTORS

Oshawa, Ontario	Chevrolet, GMC pickups
Scarborough, Ontario	full-size Chevrolet and GMC vans

NAVISTAR

Chatham, Ontario	medium and heavy trucks

MACK TRUCKS INC.

Oakville, Ontario	heavy trucks

MEXICO

CHRYSLER

Lago Alberto	Ramcharger

FORD

Cuautitian	light trucks

GENERAL MOTORS

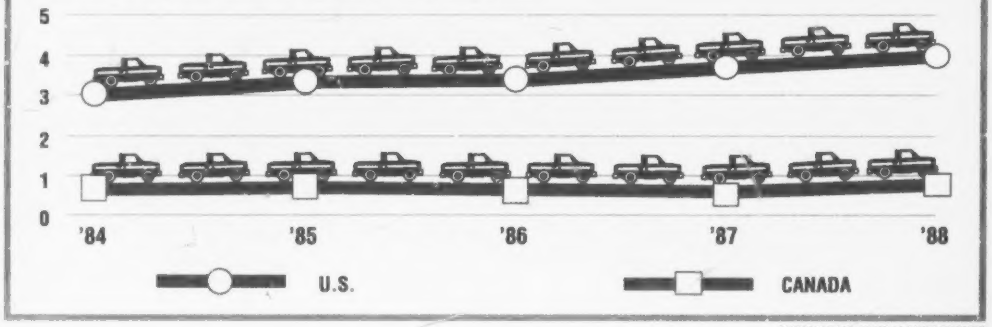
Mexico City	Chevrolet light trucks

NISSAN

Cuernavaca	pickup trucks

North American truck production

North American truck build sets a record. United States and Canada combined truck output tops 5.0 million. Figures in millions of units.



AUTOMOTIVE NEWS / LANCE GRAVES

1988 U.S. truck production outpaces '87 by 6.50%

Note: Compiled by Automotive News

Company	January	February	March	First Quarter Total	April	May	June	Second Quarter Total	July	August	September	Third Quarter Total	October	November	December	Fourth Quarter Total	Grand Total
Chevrolet	85,191	97,612	113,831	296,634	100,787	112,859	116,798	330,444	102,227	98,050	113,999	314,276	122,950	107,283	87,945	318,178	1,259,532
Dodge/Plymouth	34,747	25,050	39,598	99,395	33,231	35,532	36,364	105,127	15,106	32,591	38,323	86,020	27,379	37,041	34,599	99,019	389,561
Ford	128,389	139,357	155,079	422,825	128,152	141,016	137,575	406,743	60,693	129,801	126,510	317,004	119,219	130,840	126,724	376,783	1,523,355
GMC	31,203	35,212	36,540	102,955	32,493	30,579	32,729	95,801	29,864	29,457	33,603	92,924	36,122	33,354	25,311	94,787	386,467
Navistar	7,183	7,344	7,774	22,301	7,384	7,751	7,680	22,815	3,465	8,624	6,903	18,992	7,733	7,114	6,117	20,964	85,072
Jeep	20,758	21,744	22,759	65,261	20,161	23,265	24,933	68,359	14,469	18,428	22,687	55,584	25,174	22,328	19,167	66,669	255,873
Nissan	12,952	13,661	8,778	35,391	6,594	7,038	6,999	20,631	2,645	6,488	5,856	14,989	6,296	9,755	8,857	24,908	95,919
AM General*	1,800	1,890	2,070	5,760	1,890	1,980	1,980	5,850	1,890	1,800	1,980	5,670	1,800	1,800	1,530	5,130	22,410
Miscellaneous*	9,200	9,660	10,580	29,440	9,660	10,120	10,120	29,900	9,600	9,200	10,120	28,980	9,200	9,200	7,820	26,220	114,540
Total Trucks	331,429	351,530	397,009	1,079,962	340,352	370,140	375,178	1,085,670	240,019	334,439	359,981	934,439	355,873	358,715	318,070	1,032,658	4,132,729

*—Actual figures for AM General and Miscellaneous trucks were not reported in 1988. These figures are Automotive News estimates

1988 Canadian truck build beats 1987 by 23.86%

Company	January	February	March	First Quarter Total	April	May	June	Second Quarter Total	July	August	September	Third Quarter Total	October	November	December	Fourth Quarter Total	Grand Total
Dodge/Plymouth	30,198	31,894	37,116	99,208	33,002	33,305	34,706	101,013	12,164	32,819	35,668	80,651	35,962	36,193	29,027	101,182	382,054
Jeep	3,713	4,481	4,870	13,064	4,303	4,249	4,385	12,937	1,630	5,126	5,085	11,841	4,763	5,690	4,396	14,849	52,691
Ford	14,296	14,984	16,767	46,047	14,411	15,239	15,719	45,369	3,292	12,262	13,906	29,460	14,162	15,964	11,860	41,986	162,862
Chevrolet	17,062	18,947	19,624	55,633	19,300	17,751	22,525	59,576	11,807	14,239	20,652	46,698	19,182	23,605	18,940	61,727	223,634
GMC	7,528	8,959	12,203	28,690	8,435	8,882	9,599	26,916	5,279	6,537	9,202	21,018	9,465	9,025	6,125	24,615	101,239
Navistar	901	883	1,035	2,819	920	1,017	1,137	3,074	484	1,166	1,127	2,777	1,095	759	822	2,676	11,346
Total trucks	73,698	80,148	91,615	245,461	80,371	80,443	88,071	248,885	34,656	72,149	85,640	192,445	84,629	91,236	71,170	247,035	933,826

PRODUCTION

U.S. factory sales of special trucks — 4x4 trucks climb by nearly 70,000 units

4x4 trucks

	Domestic	Export	Total
1969	142,790	32,036	174,826
1970	142,095	19,740	161,835
1971	204,811	20,561	225,372
1972	271,382	25,656	297,038
1973	368,471	35,157	403,628
1974	431,108	49,816	480,924
1975	413,720	65,991	479,711
1976	615,652	58,680	674,332
1977	749,154	74,959	824,113
1978	893,662	79,361	973,023
1979	666,522	85,066	751,588
1980	241,528	55,290	296,818
1981	241,889	56,633	298,522
1982	344,302	29,079	373,381
1983	673,720	49,307	723,027
1984	911,518	57,945	969,463
1985	997,861	72,752	1,070,613
1986	900,643	81,821	982,464
1987	983,739	95,047	1,078,786
1988	1,043,689	104,575	1,148,264

Multi-stop delivery trucks

	Domestic	Export	Total
1969	48,918	1,904	50,822
1970	45,244	2,258	47,502
1971	68,211	3,886	72,097
1972	73,005	4,534	77,539
1973	82,811	5,885	88,696
1974	38,800	3,987	42,787
1975	33,019	4,000	37,019
1976	49,473	4,664	54,137
1977	52,573	3,685	56,258
1978	112,730	7,142	119,872
1979	45,395	6,422	51,817
1980	23,148	3,466	26,614
1981	25,979	3,451	29,430
1982	31,793	1,040	32,833
1983	46,431	1,519	47,950
1984	61,524	1,460	62,984
1985	47,623	1,910	49,533
1986	44,090	2,059	46,149
1987	53,317	2,329	55,646
1988	55,892	2,040	57,932

Trucks with diesel engines

	Domestic	Export	Total
1969	101,703	13,167	114,870
1970	91,801	13,913	105,714
1971	101,488	11,664	113,152
1972	129,628	13,461	143,089
1973	152,373	16,016	168,389
1974	144,702	22,557	167,259
1975	72,605	29,903	102,508
1976	107,216	21,860	129,076
1977	165,559	19,738	185,297
1978	219,915	23,933	243,848
1979	227,834	28,210	258,528
1980	214,562	29,584	244,146
1981	209,394	27,776	237,170
1982	219,748	16,853	236,601
1983	231,905	15,376	247,281
1984	333,122	27,664	360,786
1985	324,471	35,921	360,392
1986	261,072	37,613	298,685
1987	274,786	44,012	318,798
1988	290,316	—	290,316

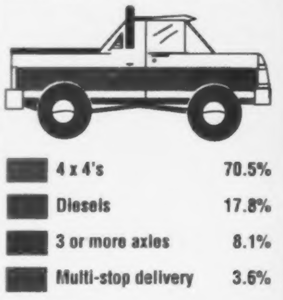
Trucks with 3 or more axles

	Domestic	Export	Total
1969	81,286	12,431	93,717
1970	76,129	9,426	85,555
1971	84,027	9,314	93,341
1972	106,732	12,165	118,897
1973	124,913	14,652	139,565
1974	125,658	21,126	146,784
1975	56,772	26,682	83,454
1976	80,533	16,064	96,597
1977	124,427	13,804	138,231
1978	134,296	16,668	150,964
1979	142,646	23,315	165,961
1980	86,572	17,747	104,319
1981	83,103	16,414	99,517
1982	59,170	7,176	66,346
1983	66,340	5.027	71,367
1984	113,512	10,170	123,682
1985	105,703	11,313	117,016
1986	87,810	10,954	98,764
1987	104,388	13,490	117,878
1988	117,126	14,760	131,886

SOURCE: MVMA

Special trucks' factory sales

1988 special truck factory sales rise to 1.6 million units.



Source: MVMA

AUTOMOTIVE NEWS / **C. BEEVER**

1988 Canadian car production rises 2.67 percent

Company	January	February	March	First Quarter	April	May	June	Second Quarter	July	August	September	Third Quarter	October	November	December	Fourth Quarter	Grand Total
Premier	6,236	6,815	4,454	17,505	6,662	6,879	4,078	17,619	3,135	1,726	5,394	10,255	4,979	5,629	3,081	13,689	59,068
CHRYSLER Total	**6,236**	**6,815**	**4,454**	**17,505**	**6,662**	**6,879**	**4,078**	**17,619**	**3,135**	**1,726**	**5,394**	**10,255**	**4,979**	**5,629**	**3,081**	**13,689**	**59,068**
Tempo	16,913	16,470	20,192	53,575	16,549	17,457	14,417	48,423	3,607	13,596	12,746	29,949	13,544	13,616	11,338	38,498	170,445
Topaz	5,450	6,244	6,202	17,896	6,134	5,354	7,082	18,570	1,272	6,448	6,294	14,014	6,682	6,843	5,995	19,520	70,000
Crown Victoria	11,228	11,935	13,162	36,325	11,262	11,921	12,384	35,567	3,677	9,244	11,337	24,258	11,149	12,687	9,844	33,680	129,830
Grand Marquis	10,517	11,867	13,182	35,566	11,524	12,067	12,744	36,335	3,903	9,581	12,035	25,519	11,697	12,685	9,736	34,118	131,538
FORD Total	**44,108**	**46,516**	**52,738**	**143,362**	**45,469**	**46,799**	**46,727**	**138,895**	**12,459**	**38,869**	**42,412**	**93,740**	**43,072**	**45,831**	**36,913**	**125,816**	**501,813**
Celebrity	2,007	1,016	1,614	4,637	1,378	2,971	2,675	7,024	1,234	1,717	752	3,703	2,371	1,745	733	4,849	20,213
Cutlass Ciera	14,378	17,443	28,997	60,818	26,777	29,540	29,952	86,269	7,451	9,749	13,103	30,303	13,647	15,886	13,022	42,555	219,945
Regal	12,538	13,660	15,551	41,749	14,534	14,472	16,244	42,250	7,148	9,906	16,021	33,075	17,351	1,815	0	19,166	139,240
Pontiac 6000	4,809	3,444	3,734	11,987	4,913	5,670	6,228	16,811	705	0	0	705	0	0	0	0	29,503
Regal	12,538	13,660	15,551	41,749	14,534	14,472	16,244	45,250	7,148	9,906	16,021	33,075	17,351	1,815	0	19,166	139,240
GM Total	**33,732**	**35,563**	**49,896**	**119,191**	**47,602**	**52,653**	**55,099**	**155,354**	**16,538**	**21,372**	**29,876**	**67,786**	**33,369**	**19,446**	**13,755**	**66,570**	**408,901**
HONDA	**2,287**	**2,586**	**3,175**	**8,048**	**2,848**	**3,632**	**4,815**	**11,295**	**3,076**	**5,089**	**4,929**	**13,094**	**5,404**	**6,742**	**5,385**	**17,531**	**49,968**
VOLVO	**423**	**476**	**671**	**1,570**	**616**	**756**	**787**	**2,159**	**720**	**126**	**0**	**846**	**720**	**755**	**523**	**1,998**	**6,573**
Grand Total	**86,786**	**91,956**	**110,934**	**289,676**	**103,197**	**110,719**	**111,406**	**325,322**	**35,928**	**67,182**	**82,611**	**185,721**	**87,544**	**78,403**	**59,657**	**225,604**	**1,026,323**

Canadian car production by corporation for 20 years

	AMC	Bricklin	Chrysler	Ford	Honda	GM	Renault	Studebaker	Volvo	Total
1988	—	—	59,068	501,813	49,968	408,901	—	—	6,573	1,026,323
1987	—	—	12,553	433,976	15,685	339,226	—	—	8,523	809,943
1986	4,432	—	—	517,418	526	540,526	—	—	10,390	1,073,312
1985	11,311	—	—	495,955	—	573,687	—	—	10,030	1,090,983
1984	22,992	—	—	463,296	—	585,457	—	—	10,438	1,062,183
1983	29,551	—	104,365	272,642	—	551,826	—	—	10,390	968,774
1982	30,344	—	149,442	283,001	—	332,038	—	—	6,860	801,685
1981	34,535	—	69,149	191,928	—	437,622	—	—	10,336	743,570
1980	3,077	—	71,530	249,870	—	512,330	—	—	[illegible]	846,770
1979	—	—	134,086	284,810	—	517,471	—	—	8,768	944,933
1978	26,263	—	160,085	372,296	—	564,187	—	—	8,190	1,131,060
1977	41,708	—	219,747	341,329	—	198,456	—	—	4,506	805,746
1976	42,289	—	245,332	371,305	—	475,090	—	—	9,496	1,143,482
1975	48,373	2,085	261,275	324,783	—	406,323	—	—	13,763	1,056,602
1974	58,002	—	225,476	387,880	—	461,596	—	—	10,081	1,143,037
1973	74,290	—	260,722	445,299	—	443,806	—	—	10,449	1,234,566
1972	58,920	—	265,773	458,972	—	354,167	7,658	—	8,448	1,154,938
1971	42,908	—	232,749	392,433	—	408,186	11,930	—	8,280	1,094,486
1970	47,798	—	239,032	396,243	—	222,676	9,581	—	8,200	923,538
1969	35,819	—	201,115	391,105	—	391,561	8,739	—	8,015	1,035,354

Canadian car output, highest since 1986

1988	1,026,323
1987	809,943
1986	1,073,312
1985	1,090,983
1984	1,062,183
1983	968,774
1982	801,685
1981	642,587
1980	846,777
1979	944,933
1978	1,131,050
1977	1,129,575
1976	1,143,842
1975	1,056,602
1974	1,143,037
1973	1,234,566
1972	1,154,938
1971	1,094,486
1970	923,538
1969	1,035,354
1968	891,849
1967	714,084
1966	696,100
1965	709,568
1964	559,392
1963	532,915
1962	428,189
1961	326,841

SALES/REGISTRATIONS

North American car and truck producers in 1988 turned in the second-strongest sales figures in recent automotive history.

In passing five million sales, light trucks set a record for the fifth straight year.

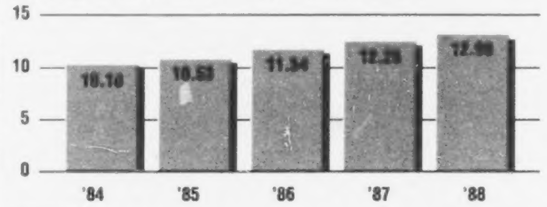
U.S. automakers, including Japanese transplants, gained market share by selling 7,526,034 cars in 1988 compared to 7,081,262 in 1987. Imports sales fell to 3,061,039 units in 1988 from 3,144,042 in 1987.

In North America, the United States and Canada compiled combined new-car registrations of 11,523,058 units in 1988 compared to 11,194,161 in 1987, according to R.L. Polk data.

In Western Europe, sales records were set and annual new-car registrations continued to climb. Nearly 13 million new cars were sold in Western European countries in 1988.

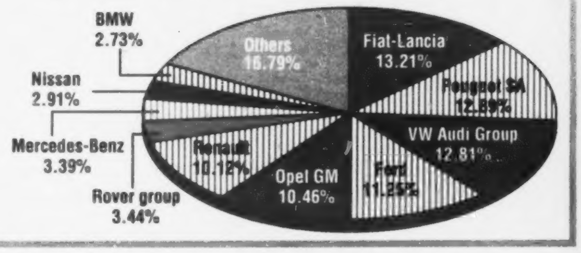
Western Europe's car registrations surge 5.95%

Western Europe held the lead in worldwide passenger car registrations again in 1988. Figures in millions.



Source: AID Ltd.

Top ten makes; sales in 1988 by percent.



Western European car registrations total rises 5.95% in 1988

Manufacturer	1988 Totals	1987 Totals	% of Change
Fiat-Lancia	1,715,702	1,561,761	9.86
Alfa Romeo (Fiat)	214,834	184,223	16.62
Peugeot	1,674,145	1,492,831	12.15
VW-Audi Group	1,664,143	1,599,761	4.02
Seat (VAG)	275,976	228,888	20.57
Ford	1,461,595	1,467,028	−0.37
Opel-GM	1,359,055	1,299,008	4.62
Renault	1,314,542	1,302,426	0.93
Rover Group	446,413	412,017	8.35
Mercedes-Benz	440,700	432,478	1.92
Nissan	377,813	352,810	7.09
BMW	354,419	292,963	20.98
Toyota	348,348	342,431	1.73
Volvo	267,364	266,585	0.29
Mazda	248,310	234,468	5.90
Mitsubishi	156,957	149,168	5.22
Honda	139,022	126,687	9.74
Lada	117,657	119,885	−1.86
Suzuki	87,198	79,040	10.32
Saab	66,107	69,165	−4.42
Subaru	50,905	54,896	−7.27
Daihatsu	35,522	37,116	−4.29
Skoda	33,636	35,224	−4.51
Jaguar	21,850	17,271	26.51
Porsche	15,516	14,220	9.11
FSO	8,751	8,440	3.68
Proton	525	0	—
Isuzu	14,951	9,791	52.70
Others	79,592	71,349	11.55
Totals	**12,991,618**	**12,261,930**	**5.95**
Japanese	**1,459,026**	**1,386,407**	**5.24**

SOURCE: AID Ltd., reuse or republication is prohibited

Western European car registrations: Germany, France, Italy lead in '88

Country	1988	% Share	1987	% Share	% Change
Austria	253,072	1.95	243,221	1.97	4.05
Belgium	427,172	3.29	406,239	3.29	5.15
Denmark	88,603	0.68	124,097	1.01	−28.60
Ireland	60,788	0.47	54,219	0.44	12.12
Finland	173,519	1.34	151,432	1.23	14.59
France	2,217,149	17.07	2,105,180	17.06	5.32
Germany	2,807,939	21.61	2,915,654	23.62	−3.69
Greece	57,666	0.44	50,501	0.41	14.19
Italy	2,184,324	16.81	1,976,537	16.01	10.51
Luxembourg	30,722	0.24	29,805	0.24	3.08
Netherlands	482,422	3.71	555,743	4.50	−13.19
Norway	67,822	0.52	115,097	0.93	−41.07
Portugal	213,063	1.64	129,243	1.05	64.85
Sweden	343,963	2.65	315,950	2.56	8.87
Switzerland	321,366	2.47	303,302	2.46	5.96
Spain	1,046,454	8.05	852,323	6.91	22.78
United Kingdom	2,215,574	17.05	2,013,693	16.32	10.03
Total	**12,991,618**	**100.00**	**12,342,236**	**100.00**	**5.26**

SOURCE: AID Ltd. Reuse or republication without permission is prohibited.

Japanese car registrations rise 5.20 percent in Western Europe

Manufacturer	1988	% Share	1987	% Share	% Change
Nissan	377,813	25.89	352,810	25.44	7.09
Toyota	348,343	23.88	342,431	24.69	1.73
Mazda	248,310	17.02	234,468	16.91	5.90
Mitsubishi	156,957	10.76	149,168	10.76	5.22
Honda	139,022	9.53	126,687	9.13	9.74
Suzuki	87,193	5.98	79,040	5.70	10.32
Subaru	50,905	3.49	54,896	3.96	−7.27
Daihatsu	35,522	2.43	37,116	2.68	−4.29
Isuzu	14,951	1.02	9,791	0.71	52.70
Other	0	0.00	495	0.04	−100.00
Japanese	**1,459,025**	**100.00**	**1,386,902**	**100.00**	**5.20**

SOURCE: AID Ltd.

World's major vehicle exporters

	Total exports 1988	Total exports 1987
Japan	6,104,152	6,304,924
Germany	2,752,134	2,607,299
France	2,036,884	1,852,136
United States*	963,573	811,869
Italy*	686,419	N.A.
South Korea	576,134	546,310
Canada	N.A.	1,364,785
U.K.	331,861	N.A.

*Italy's total includes only cars.
U.S. total includes cars and light trucks.

Western European new car registrations near 13 million mark in 1988

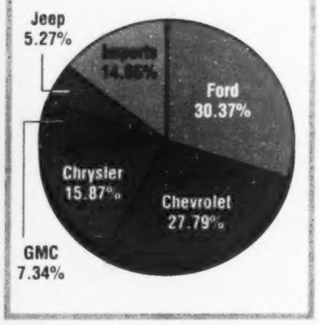
Manufacturer	Austria	Belgium	Denmark	Ireland	Finland	France	Germany	Greece	Italy	Luxembourg	Netherlands	Norway	Portugal	Sweden	Switzerland	Spain	U.K.	1988 Totals	Market Share
Fiat-Lancia	15,651	12,943	4,735	2,724	6,156	744,735	725,821	4,674	1,166,374	1,383	24,944	1,271	33,580	6,364	24,829	62,773	79,185	1,715,702	13.2
Peugeot	15,973	63,535	11,979	3,055	12,676	757,691	108,5[illegible]4	2,230	168,598	5,615	58,530	5,984	30,333	14,985	25,218	195,404	193,755	1,674,145	12.9
VW-Audi Group	51,285	64,938	7,148	3,625	12,606	156,185	810,032	3,720	183,596	4,923	48,453	7,447	15,112	42,308	45,529	86,441	120,795	1,664,143	12.8
Ford	22,019	42,668	10,709	8,929	11,673	142,899	281,803	1,490	79,814	4,750	48,392	8,163	15,002	35,921	22,086	141,487	583,790	1,461,595	11.3
Opel-GM	29,074	50,190	11,943	6,185	15,668	106,589	430,066	3,026	71,499	2,892	67,539	7,703	28,518	29,601	40,204	154,793	303,565	1,359,055	10.5
Renault	10,775	36,012	549	2,375	1,530	642,501	78,449	1,040	154,953	2,922	21,603	497	47,649	4,984	16,197	206,914	85,592	1,314,542	10.1
Rover Group	244	4,423	279	1,619	0	42,306	8,191	1,795	23,631	235	5,018	69	9,612	2	2,137	14,245	332,607	446,413	3.4
Mercedes-Benz	9,654	12,109	1,201	385	3,466	25,154	281,995	230	30,803	835	12,487	1,030	1,564	10,091	9,019	16,851	23,896	440,770	3.4
Nissan	11,583	20,695	4,621	7,645	18,304	18,765	81,733	8,899	594	961	26,713	4,190	2,404	20,349	13,159	2,474	134,724	377,813	2.9
BMW	8,715	11,310	1,651	609	2,765	31,693	180,644	1,773	23,652	1,028	11,527	1,322	1,400	6,278	14,022	13,269	42,761	354,419	2.7
Toyota	19,353	30,299	10,172	10,525	24,749	14,968	85,289	8,864	2,265	1,116	25,705	9,050	5,701	26,057	31,388	2,994	39,853	348,348	2.7
Volvo	3,045	9,035	2,639	1,220	8,035	17,265	17,474	115	14,794	320	21,840	5,025	1,598	74,626	5,533	4,373	80,427	267,364	2.1
SEAT (VAG)	982	5,396	345	456	1,202	33,512	15,142	3,889	71,982	424	6,158	0	14,310	0	3,757	108,976	9,445	275,976	2.1
Mazda	23,359	9,743	9,251	2,304	10,109	17,853	91,508	574	76	614	23,546	6,181	250	19,909	11,401	627	21,005	248,310	1.9
Alfa Romeo	1,316	3,514	399	114	0	16,677	6,163	1,456	142,106	377	3,815	22	4,287	1,188	6,759	23,047	3,596	214,834	1.7
Mitsubishi	10,319	9,643	1,417	2,288	9,021	3,518	62,368	574	4,230	319	14,050	2,974	0	8,339	14,618	882	12,397	156,957	1.2
Honda	7,825	8,704	1,619	1,147	5,870	9,854	43,418	1,490	1,067	625	12,709	2,241	763	5,819	8,408	749	26,714	139,022	1.1
Lada	590	13,599	2,658	1,309	15,390	21,910	11,172	3,971	2,419	285	7,198	1,445	0	1,790	577	2,616	30,728	117,657	0.9
Suzuki	5,946	4,319	366	773	1,282	1,034	27,641	1,563	9,545	105	18,449	394	95	3,769	4,909	1,303	5,705	87,198	0.7
Saab	372	1,625	636	127	6,094	2,878	6,051	0	4,515	302	1,522	918	201	27,083	2,123	979	10,681	66,107	0.5
Subaru	3,081	3,070	364	691	1,986	0	14,031	307	1,006	200	4,952	1,262	165	1,766	12,972	75	4,977	50,905	0.4
Daihatsu	2,162	2,843	1,283	785	434	0	11,946	27	884	137	7,715	301	0	1,298	1,857	12	3,838	35,522	0.3
Skoda	8	1,708	1,849	65	2,318	620	2,086	2,002	2,635	18	2,211	156	0	44	0	2,118	15,798	33,636	0.3
Jaguar	157	624	28	68	0	1,305	2,291	0	804	76	486	37	30	190	797	453	14,504	21,850	0.2
Porsche	297	432	5	11	0	1,412	7,216	2	625	60	136	1	35	267	820	1,165	3,032	15,516	0.1
FSO	0	573	206	300	0	1,841	0	0	0	4	0	0	0	0	0	0	5,827	8,751	0.1
Proton	0	0	0	189	0	0	0	336	0	0	0	0	0	0	0	0	0	525	0.0
Isuzu	259	219	5	615	0	0	7,827	130	223	0	0	73	0	518	1,620	8	3,454	14,951	0.1
Others	848	3,003	546	650	2,205	4,854	8,998	3,489	21,634	196	6,724	66	454	417	1,427	1,426	22,925	79,592	0.6
Totals	**253,072**	**427,172**	**88,603**	**60,788**	**173,519**	**2,217,149**	**2,807,939**	**57,666**	**2,184,324**	**30,722**	**482,422**	**67,822**	**213,063**	**343,963**	**321,366**	**1,046,454**	**2,215,574**	**12,991,618**	**100.0**
Japanese	**83,887**	**89,535**	**29,098**	**26,773**	**71,755**	**65,992**	**426,761**	**22,428**	**19,890**	**4,077**	**133,830**	**26,096**	**9,376**	**87,824**	**108,332**	**9,124**	**252,667**	**1,459,026**	**11.2**

SOURCE: AID Ltd.; reuse or republication is prohibited

SALES/REGISTRATIONS

Light duty truck shares

Market share based on 1988 calendar year sales.



Light-duty truck sales reach 4.80 million

	1988	1987
Vans	187,710	184,413
Aerostar	184,578	159,149
Club Wagon	27,818	27,300
Ranger	298,579	305,295
Bronco	55,124	51,782
Bronco II	124,109	120,905
Pickups	582,192	550,125
Ford	**1,460,110**	**1,398,969**
Vans	121,691	114,835
Sportsvan	12,336	11,979
Geo Tracker	2,145	0
Astro	156,833	148,205
S-10	248,768	224,807
S-10 Blazer	184,500	153,064
El Camino	420	13,743
Blazer	27,180	30,859
Suburban	66,897	57,962
Pickups	515,637	418,221
Chevrolet	**1,336,407**	**1,173,675**
Vans	59,341	64,265
Ram Wagon	25,693	30,505
Voyager	192,273	140,799
Caravan	210,918	153,192
Mini Ram Van	19,222	13,851
Ram 50	53,283	65,593
Raider	7,861	19,539
Ramcharger	19,309	23,667
Dakota	93,396	99,045
Pickups	82,013	97,670
Chrysler	**763,309**	**708,126**
Vans	45,249	38,565
Safari	33,168	32,232
S-15	52,575	49,191
S-15 Jimmy	44,533	38,841
Jimmy	7,620	8,598
Caballero	60	1,705
Suburban	22,744	19,110
Pickups	141,329	115,839
P Model	4,145	5,602
W-4	1,576	1,534
GMC	**352,999**	**311,217**
Wrangler	42,076	30,663
Wagoneer	9,138	12,305
Cherokee	149,566	112,005
Grand Wagoneer	14,482	14,079
Comanche	37,971	38,061
J-10/J-20	221	1,327
Jeep	**253,454**	**208,440**
Toyota	247,077	303,783
Nissan	169,591	216,514
Mazda	93,287	123,699
Isuzu	90,405	86,990
Mitsubishi	43,516	51,862
Suzuki	57,064	81,349
Subaru	10	1,274
Range Rover	3,427	2,586
Imports	**704,377**	**868,057**
Industry Total	**4,807,656**	**4,668,483**

NOTE: *—Nissan includes domestic units built in Tennessee.

Compiled by Automotive News.

1988 North American heavy truck engine sales climb 10.95%

	Total 1988	Total 1987
Cummins	87,869	81,535
CAT	45,491	41,680
Mack	26,222	23,226
Detroit Diesel	6,046	5,285
Navistar	5,563	3,760
Volvo/GM	282	328
Others	5,246	3,831
Total	177,119	159,645

SOURCE: MVMA

1988 U.S. truck sales set a record; top 5-million mark for first time

	6,000 & less GVW Class 1	6,001-10,000 GVW Class 2	*10,001-14,000 GVW Class 3	14,001-16,000 GVW Class 4	16,001-19,500 GVW Class 5	19,501-26,000 GVW Class 6	26,001-33,000 GVW Class 7	33,001-& over GVW Class 8	Total 1988	Total 1987	Percent of change
DODGE	465,550	101,683	3,803						571,036	567,326	+ 0.65
PLYMOUTH	192,273								192,273	140,799	+ 36.56
JEEP	238,751	14,703							253,454	208,440	+ 21.60
TOYOTA	247,077								247,077	303,783	− 18.67
NISSAN	169,591								169,591	216,514	− 21.67
MAZDA	93,287								93,287	123,699	− 24.59
ISUZU	90,405								90,405	86,990	+ 3.93
MITSUBISHI	43,516								43,516	51,862	− 16.09
SUZUKI	57,064								57,064	81,349	− 29.85
SUBARU	10								10	1,274	− 99.22
RANGE ROVER	3,427								3,427	2,596	+ 32.01
FORD	770,909	671,480		19,698		10,833	35,437	14,858	1,523,215	1,453,225	+ 4.82
FREIGHTLINER								24,164	24,164	23,350	+ 3.49
CHEVROLET	921,698	413,942	767		249	8,093	9,469	273	1,354,491	1,191,848	+ 13.65
GMC	220,130	131,293	1,576		5,347	11,366	15,372	1,090	386,174	353,016	+ 9.39
KENWORTH							504	16,700	17,204	14,225	+ 20.94
MACK						2,078	2,807	21,846	26,731	23,564	+ 13.44
MERCEDES						1,124	1,882		3,006	3,828	− 21.47
NAVISTAR				273	304	18,142	32,382	33,808	84,909	73,305	+ 15.83
PETERBILT							547	16,154	16,701	12,779	+ 30.69
VOLVO GM							1,452	17,089	18,541	12,513	+ 48.17
HINO			6		603	482	1,032		2,123	2,004	+ 5.94
NISSAN DIESEL			69		739	287	948		2,043	1,711	+ 19.40
ISUZU TRUCK			4,785	505	137	774	486		6,687	5,668	+ 17.98
MITSUBISHI FUSO			1,624		530	234	613		3,001	1,726	+ 73.87
SCANIA								163	163	149	+ 9.40
IVECO			1,598	705	359	154			2,816	2,729	+ 3.19
WESTERN STAR								1,440	1,440	1,436	+ 0.28
OTHER DOMESTICS						32	111	776	919	1,232	− 25.41
Grand Total	**3,513,688**	**1,333,101**	**14,228**	**21,181**	**8,268**	**53,599**	**103,042**	**148,361**	**5,195,468**	**4,962,948**	**+ 4.69**
1987 Total	**3,485,516**	**1,175,000**	**14,000**	**2,129**	**8,185**	**44,282**	**102,883**	**131,156**			

*Note: Class 1-3 sales based on manufacturer reports to Automotive News. Class 4-8 sales based on manufacturer reports to the Motor Vehicle Manufacturers Association.
Ford and General Motors sell domestically built light trucks in Class 3, but do not break them out. They are included in the companies' Class 2 sales. Figures reported for Class 3 for these companies are imported vehicles, Isuzu-built units in the case of GMC and Chevrolet.

SALES/REGISTRATIONS

Domestic car sales surge ahead 6.28 percent in calendar 1988

Sales and rankings, 1988 vs. 1987 by model and month

	January	February	March	April	May	June	July	August	September	October	November	December	Total 1988	1988 Position	Total 1987	1987 Position
Alliance	764	944	739	543	450	256	111	114	497	0	0	0	4,418	79	25,094	59
Eagle	421	281	208	149	333	0	0	0	0	0	0	0	1,392	83	4,240	79
Premier	1,543	1,812	3,020	3,393	4,249	4,471	3,805	3,347	4,046	4,248	3,862	3,076	40,872	53	192	82
Total Eagle	2,728	3,037	3,967	4,085	5,032	4,727	3,916	3,461	4,543	4,248	3,862	3,076	46,682	0	29,526	0
Horizon	3,077	3,500	5,109	5,012	5,155	5,953	7,137	8,651	5,756	4,863	3,687	3,242	61,142	45	46,460	48
Sundance	4,688	6,162	7,481	7,208	7,627	10,013	9,047	7,697	6,489	7,859	7,570	7,377	89,218	37	75,883	69
Turismo	167	175	176	150	447	0	0	0	0	0	0	0	1,115	84	16,991	65
Reliant	8,824	14,395	13,501	10,701	10,085	8,191	6,429	7,024	7,867	9,567	7,157	6,117	109,858	25	105,919	26
Acclaim	0	0	0	0	0	0	0	0	0	0	1,587	1,921	3,508	81	0	0
Caravelle	2,011	2,001	2,151	1,482	1,526	1,116	542	650	601	431	228	164	12,903	71	36,077	54
Gran Fury	756	1,135	1,086	1,394	1,328	1,885	1,454	745	852	806	993	881	13,315	70	7,782	74
Total Plymouth	19,523	27,368	29,504	25,947	26,168	27,158	24,609	24,767	21,565	23,526	21,222	19,702	291,059	0	289,112	0
Laser	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,308	78
LeBaron K	2,062	2,436	3,262	2,674	2,179	1,725	1,626	1,703	1,233	679	313	221	20,113	65	54,746	46
LeBaron J	6,108	11,177	12,989	8,495	8,859	9,303	8,470	7,530	5,911	6,173	7,155	7,663	99,833	32	87,802	31
LeBaron GTS	1,558	1,303	1,624	1,485	1,399	1,427	1,344	1,624	1,371	910	547	577	15,169	66	30,939	56
Fifth Avenue	5,092	6,454	6,659	4,010	2,355	1,828	1,359	1,483	1,660	1,856	1,670	1,541	35,967	54	58,270	45
New Yorker C	3,040	4,373	5,511	5,178	7,080	9,342	6,806	6,630	8,357	8,156	7,810	11,339	83,622	40	8,581	73
New Yorker E	2,284	6,255	3,247	1,557	764	63	95	69	47	86	48	35	14,550	68	50,479	47
Total Chrysler	20,144	31,998	33,292	23,399	22,636	23,688	19,700	19,039	18,579	17,860	17,543	21,376	269,254	0	295,125	0
Omni	2,688	3,050	4,948	4,876	5,159	6,178	6,999	7,938	5,685	4,787	3,812	3,544	59,664	46	37,726	53
Shadow	5,909	7,833	7,787	7,803	8,945	9,546	8,090	7,156	5,922	8,382	6,675	7,042	91,090	36	77,086	35
Charger	136	159	207	147	373	0	0	0	0	0	0	0	1,022	85	18,032	63
Daytona	5,320	5,134	7,943	7,076	7,399	8,016	6,877	6,030	4,902	4,670	4,407	4,197	72,171	44	41,776	51
Aries	8,108	11,181	11,380	10,678	9,075	7,871	5,918	6,478	6,504	10,199	8,087	7,010	102,489	29	99,039	29
Lancer	980	979	1,127	850	912	907	888	1,013	851	784	396	345	10,032	74	22,422	60
Spirit	0	0	0	0	0	0	0	0	0	0	792	3,158	3,950	80	0	0
Diplomat	1,060	1,408	2,347	2,933	2,426	2,053	1,369	1,305	1,672	1,350	1,054	1,437	20,414	64	34,656	71
Dynasty	2,579	4,832	9,397	5,940	6,840	8,309	5,255	4,588	7,449	7,877	8,491	11,455	83,012	41	6,419	75
Dodge 600	1,904	1,840	1,694	1,436	1,455	1,075	533	591	471	490	267	187	11,943	72	33,019	55
Total Dodge	28,684	36,416	46,830	41,739	42,584	43,955	35,929	35,099	33,456	38,739	33,981	38,375	455,787	0	348,294	0
CHRYSLER MOTORS	**71,079**	**98,819**	**113,593**	**95,170**	**96,420**	**99,528**	**84,154**	**82,366**	**78,143**	**84,373**	**76,608**	**82,529**	**1,062,782**	**0**	**962,057**	**0**
Escort	28,296	29,026	34,737	28,643	32,781	38,588	33,817	34,962	33,760	33,884	27,582	31,739	387,815	1	392,360	1
Mustang	11,959	15,233	22,155	17,617	17,015	15,451	11,941	11,511	10,749	12,701	11,001	12,747	170,080	11	172,602	12
Tempo	22,421	24,665	25,164	22,671	25,000	27,167	23,780	24,193	21,635	25,041	19,794	23,610	285,141	5	219,296	7
Taurus	29,935	32,521	39,445	32,836	39,436	36,800	30,016	25,912	20,016	28,145	28,021	31,544	374,627	3	354,971	2
Thunderbird	10,568	10,396	12,973	10,811	12,351	11,333	10,575	10,288	8,067	6,072	4,197	10,235	117,866	20	132,623	17
Probe	0	0	2,401	3,354	6,192	6,890	7,447	8,812	10,551	11,596	10,720	9,800	77,763	42	0	0
Crown Victoria	8,871	9,317	12,685	9,816	11,233	12,182	8,596	7,760	7,623	9,513	7,992	8,624	114,212	23	118,034	21
Total Ford Div.	112,050	121,158	149,560	125,748	144,008	148,411	126,172	123,438	112,401	126,952	109,307	128,299	1,527,504	0	1,389,886	0
Lynx/Tracer	5,203	5,278	5,230	5,224	4,880	5,241	4,859	4,875	5,494	4,687	4,117	3,833	58,921	47	68,938	39
Topaz	6,203	6,590	7,579	7,423	7,560	9,302	8,314	7,950	7,508	8,258	7,607	8,429	92,723	35	63,200	43
Sable	8,935	10,778	11,456	10,861	12,377	12,486	10,097	9,510	7,048	8,112	8,281	9,277	119,218	19	104,518	27
Cougar	7,940	8,892	11,994	10,225	10,474	10,263	10,076	9,890	7,212	4,436	2,438	7,121	100,961	31	110,722	24
Grand Marquis	7,767	8,963	11,906	10,336	10,377	11,671	9,383	8,477	8,836	10,340	8,535	7,794	114,385	22	116,482	23
Total Mercury	36,048	40,501	48,165	44,069	45,668	48,963	42,729	40,702	36,098	35,833	30,978	36,454	486,208	0	463,860	0
Continental	2,368	3,190	4,942	3,585	3,710	3,767	1,988	3,164	4,018	4,769	5,609	6,314	47,424	51	12,909	70
Lincoln	7,973	10,252	11,614	10,853	11,444	12,252	8,923	9,111	10,568	10,100	8,198	10,386	121,674	18	126,009	18
Mark VII	1,593	1,777	2,354	1,920	1,785	1,846	1,520	1,608	1,886	2,249	2,057	1,931	22,526	62	27,119	57
Total Lincoln	11,934	15,219	18,910	16,358	16,939	17,865	12,431	13,883	16,472	17,118	15,864	18,631	191,624	0	166,037	0
Total L-M Division	47,982	55,720	67,075	60,427	62,607	66,828	55,160	54,585	52,570	52,951	46,842	55,085	677,832	0	629,897	0
FORD MOTOR CO.	**160,032**	**176,878**	**216,635**	**186,175**	**206,615**	**215,239**	**181,332**	**178,023**	**164,971**	**179,903**	**156,149**	**183,384**	**2,205,336**	**0**	**2,019,783**	**0**
Skyhawk	2,758	3,302	2,575	2,752	2,392	1,795	1,344	1,771	2,018	1,975	1,643	1,731	26,056	58	38,651	52
Skylark/Somerset	4,564	5,981	4,841	3,808	6,336	6,500	5,858	5,525	3,851	3,589	3,539	3,954	58,346	50	67,078	40
Century	9,347	10,946	9,872	8,358	10,243	10,407	9,550	12,374	13,343	12,512	12,155	12,887	131,994	15	147,797	14
Regal	8,714	10,172	11,203	9,627	11,637	11,774	8,686	11,206	12,227	9,776	9,044	8,805	122,871	17	63,853	41
LeSabre	11,943	15,554	15,996	11,520	12,341	11,877	8,521	9,996	10,978	10,708	10,155	11,851	141,440	14	141,126	15
Reatta	134	141	242	308	363	446	323	380	422	635	555	565	4,514	78	0	0
Electra	8,699	7,801	7,005	4,755	6,093	7,483	6,670	8,644	7,934	6,813	6,240	6,316	84,453	39	82,719	33
Riviera	1,033	1,064	862	788	718	722	488	455	769	1,438	1,578	1,835	11,750	73	16,187	68
Total Buick	47,192	54,961	52,596	41,916	50,123	51,004	41,440	50,351	51,542	47,446	44,909	47,944	581,424	0	557,411	0
Cimarron	534	578	743	659	693	490	569	484	383	286	243	222	5,884	77	12,295	72
Allante	233	243	333	325	320	338	371	250	223	161	145	123	3,065	82	2,517	80
Seville	1,275	1,816	1,605	2,281	1,836	1,798	2,178	1,571	1,648	1,900	2,361	2,170	22,439	63	21,515	61
Deville	11,512	12,022	14,496	14,796	14,734	9,792	12,696	12,498	12,667	13,961	15,307	15,810	160,291	12	-	-
Brougham	2,638	2,549	4,364	4,080	3,832	2,922	3,723	4,499	4,747	3,120	3,523	3,673	43,670	52	-	-
Eldorado	1,547	1,673	3,058	2,983	2,692	2,395	3,210	3,000	2,744	2,460	2,708	2,729	31,199	56	21,470	62
Total Cadillac	17,739	18,881	24,599	25,124	24,107	17,735	22,747	22,302	22,412	21,888	24,287	24,727	266,548	0	261,284	0
Chevette	50	52	43	16	17	13	14	0	0	0	0	0	205	86	16,967	66
Geo Prizm/Nova	5,095	15,434	12,928	11,568	8,834	8,147	6,398	7,920	8,421	5,031	2,710	4,382	96,868	34	134,956	16
Cavalier	20,083	23,588	27,676	25,126	29,065	31,317	27,621	25,417	20,522	24,396	22,390	29,066	306,267	4	307,028	3
Camaro	5,230	7,127	10,565	9,640	10,408	10,085	8,041	7,797	5,822	7,542	9,642	9,766	101,665	30	117,324	22
Celebrity	19,762	27,212	24,314	21,896	23,287	22,033	18,126	17,727	18,593	17,679	20,742	21,490	252,861	6	306,480	4
Corsica/Beretta	23,490	39,598	38,032	36,427	40,591	44,376	37,787	28,040	19,086	22,888	22,700	27,286	380,301	2	214,074	8
Monte Carlo	3,477	3,771	4,432	3,536	3,366	2,981	2,152	1,744	1,192	920	527	642	28,740	57	63,577	42
Chevrolet	10,973	13,170	16,277	13,795	18,014	17,669	15,163	12,349	11,123	15,180	14,147	15,133	172,993	10	177,344	11
Corvette	1,500	2,046	2,642	2,446	2,483	2,427	1,784	1,741	1,382	1,735	1,568	1,527	23,281	61	25,437	58
Total Chevrolet	89,660	131,998	136,909	124,450	136,065	139,048	117,086	102,735	86,141	95,371	94,426	109,292	1,363,181	0	1,363,187	0
Firenza	1,363	2,028	831	910	1,054	460	434	437	425	273	175	758	9,148	75	17,626	64
Calais	7,512	9,162	9,162	8,214	9,666	11,116	9,880	9,351	7,736	7,513	8,371	8,434	106,117	27	101,861	28
Cutlass Ciera	18,712	20,904	19,835	18,347	19,392	22,669	21,741	23,688	22,313	18,206	15,716	15,863	237,386	8	244,607	5
Cutlass Supreme	6,728	8,863	10,867	8,818	8,985	10,059	8,811	9,834	12,268	10,300	10,204	10,442	116,179	21	92,779	30
Olds 88	15,176	14,858	16,885	14,623	15,892	17,385	9,545	9,136	10,646	12,395	11,560	10,095	158,205	13	168,853	13
Olds 98	6,995	6,631	7,353	5,628	5,692	5,752	6,524	6,444	5,783	5,377	5,623	5,546	73,348	43	72,001	38
Toronado	1,059	1,395	1,455	1,688	1,419	1,882	1,251	1,165	971	967	767	868	14,887	67	16,667	67
Total Oldsmobile	57,545	63,841	66,388	58,228	62,100	69,323	58,186	60,055	60,142	55,031	52,425	52,006	715,270	0	714,394	0
Fiero	2,228	3,111	2,529	2,107	3,096	2,618	1,906	2,026	1,984	1,183	535	798	24,121	60	41,830	50
Pontiac 1000	51	49	13	5	36	0	0	0	0	0	0	0	154	87	4,826	77
Sunbird	5,998	7,007	7,438	7,137	8,598	8,922	5,804	5,985	6,851	8,027	6,523	7,283	85,573	38	79,014	34
Firebird	3,586	5,036	6,948	6,155	5,852	6,055	4,388	4,539	3,821	4,233	3,768	4,112	58,493	49	73,190	37
Grand Am	17,639	20,543	22,022	20,676	21,726	25,154	15,461	14,396	16,003	19,100	16,236	23,054	232,010	9	211,192	9
Pontiac 6000	8,806	7,804	8,173	9,545	9,543	11,518	6,227	6,482	7,010	7,556	7,701	7,561	97,926	33	120,373	19
Grand Prix	1,774	5,983	9,479	9,445	8,763	9,087	9,096	9,054	12,030	9,595	8,778	9,416	102,500	28	5,623	76
Bonneville	10,749	12,011	9,584	9,315	11,191	11,961	5,524	5,578	7,507	8,173	7,698	8,406	107,695	26	109,330	25
Paris./Safari	673	692	595	568	696	580	452	553	579	494	382	383	6,647	76	13,884	69
Total Pontiac	51,504	62,236	66,781	64,953	69,501	75,895	48,858	48,613	55,785	58,361	51,619	61,013	715,119	0	659,262	0
GENERAL MOTORS	**263,640**	**331,917**	**347,273**	**314,671**	**341,896**	**353,005**	**288,317**	**284,056**	**276,022**	**278,097**	**267,666**	**294,982**	**3,641,542**	**0**	**3,555,538**	**0**
Civic	5,540	6,565	8,773	8,688	9,604	9,175	11,668	13,677	11,703	13,299	14,873	14,016	127,581	16	86,533	32
Accord	16,831	21,039	27,418	25,172	25,197	20,874	17,457	19,809	18,694	19,414	18,728	17,411	248,044	7	230,085	6
HONDA	**22,371**	**27,604**	**36,191**	**33,860**	**34,801**	**30,049**	**29,125**	**33,486**	**30,397**	**32,713**	**33,601**	**31,427**	**375,625**	**0**	**316,618**	**0**
MAZDA	**1,342**	**1,826**	**2,814**	**2,295**	**2,819**	**2,909**	**3,023**	**3,232**	**2,780**	**3,153**	**2,561**	**2,577**	**31,331**	**55**	**1,671**	**81**
NISSAN	**5,114**	**4,723**	**7,784**	**10,649**	**9,772**	**11,915**	**10,161**	**13,794**	**18,046**	**5,618**	**6,667**	**7,882**	**112,125**	**24**	**119,678**	**20**
Corolla	4,461	3,315	5,162	4,115	5,100	5,418	6,434	5,069	6,176	3,078	3,743	6,508	58,579	48	44,853	49
Camry	0	0	0	0	0	0	0	0	0	2,880	5,054	5,841	13,775	69	0	0
TOYOTA	**4,461**	**3,315**	**5,162**	**4,115**	**5,100**	**5,418**	**6,434**	**5,069**	**6,176**	**5,958**	**8,797**	**12,349**	**72,354**	**0**	**44,853**	**0**
VOLKSWAGEN*	**3,186**	**3,977**	**4,286**	**4,625**	**4,564**	**4,301**	**0**	**0**	**0**	**0**	**0**	**0**	**24,939**	**59**	**61,064**	**44**
Total Sales	**531,225**	**649,059**	**733,738**	**651,560**	**701,987**	**722,364**	**602,546**	**600,026**	**576,535**	**589,815**	**552,049**	**615,130**	**7,526,034**	**0**	**7,081,262**	**0**

*U.S.-built Volkswagen models sold after June 30, 1988 are included in import totals.

Compiled by Automotive News.

SALES/REGISTRATIONS

1988 U.S. imported-car sales slip 2.64 percent

	January	February	March	April	May	June	July	August	September	October	November	December	Total 1988	Total 1987
ACURA	**9,037**	**8,988**	**10,470**	**10,600**	**10,818**	**11,390**	**11,064**	**12,448**	**13,417**	**10,101**	**10,075**	**9,830**	**128,238**	**109,470**
Integra	4,112	3,779	5,033	4,440	5,088	5,677	5,521	6,106	6,047	3,933	3,928	3,804	57,468	54,757
Legend	4,925	5,209	5,437	6,160	5,730	5,713	5,543	6,342	7,370	6,168	6,147	6,026	70,770	54,713
ALFA ROMEO	**241**	**522**	**545**	**577**	**338**	**485**	**339**	**386**	**230**	**222**	**232**	**359**	**4,476**	**6,320**
Milano	116	322	292	325	127	195	147	190	120	119	126	249	2,328	2,925
Spider	125	200	253	252	211	290	192	196	110	103	106	110	2,148	3,395
ASTON-MARTIN	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**65**	**54**
AUDI	**1,439**	**1,992**	**1,843**	**2,073**	**1,964**	**2,422**	**1,648**	**3,220**	**1,734**	**1,947**	**1,355**	**1,306**	**22,943**	**41,322**
4000S	40	38	31	20	31	17	10	13	9	1	6	2	218	9,043
4000CS Quattro	20	19	11	4	6	3	2	7	3	1	1	0	77	2,929
5000S	281	384	328	658	935	1,031	640	624	207	132	59	54	5,333	19,193
5000CS Turbo	89	88	66	105	150	176	83	75	21	32	10	11	906	3,604
5000CS Turbo Quattro	239	95	77	121	114	192	72	42	24	26	8	7	1,017	3,245
80	370	697	625	597	338	452	401	763	404	450	286	319	5,702	550
90	348	634	651	545	367	522	334	907	454	591	356	397	6,106	768
100/200	0	0	0	0	0	0	71	580	436	524	452	366	2,429	0
100/200 Quattro	0	0	0	0	0	0	23	191	162	182	175	144	877	0
Coupe GT	52	37	54	23	23	29	12	18	14	8	2	6	278	1,990
BERTONE	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**325**	**845**
BMW	**4,596**	**5,763**	**6,403**	**6,129**	**5,742**	**6,153**	**5,913**	**6,563**	**6,024**	**6,262**	**6,642**	**7,169**	**73,359**	**87,839**
3 Series	2,711	3,287	3,579	3,631	3,013	3,121	2,538	3,119	2,706	2,785	2,800	3,381	36,671	57,775
5 Series	865	1,224	1,221	1,101	1,369	1,249	1,631	1,711	1,811	1,895	2,288	2,264	18,629	15,980
635 CSi	63	115	169	164	188	178	192	214	188	141	132	119	1,863	1,944
7-Series	782	914	1,179	1,005	937	1,318	1,338	1,253	1,077	1,210	1,176	1,119	13,308	10,028
M3	129	140	165	166	159	180	125	166	121	102	112	110	1,675	1,121
M5	25	33	34	23	27	52	40	34	57	79	[illegible]	68	547	403
M6	21	50	56	39	49	55	49	66	64	50	59	108	666	588
CHEVROLET	**9,707**	**11,300**	**10,111**	**8,855**	**11,096**	**13,278**	**10,493**	**11,078**	**8,546**	**6,852**	**6,107**	**9,012**	**116,435**	**137,211**
Spectrum	5,536	6,487	6,250	5,652	7,416	9,393	6,135	6,022	4,259	3,209	2,733	5,255	68,347	76,852
Sprint	4,171	4,813	3,861	3,203	3,680	3,885	4,358	5,056	4,287	3,643	3,374	3,757	48,088	60,359
CHRYSLER MOTORS	**9,954**	**13,400**	**12,555**	**10,313**	**11,505**	**11,664**	**8,800**	**11,161**	**10,500**	**10,191**	**9,481**	**8,988**	**128,512**	**120,337**
Colt	5,473	8,284	8,270	7,399	8,027	7,656	5,706	7,009	6,289	5,592	5,261	4,919	79,885	79,367
Conquest	549	893	963	797	1,154	1,323	1,001	762	730	691	518	492	9,873	11,590
Medallion	2,655	2,244	1,624	671	696	678	459	900	1,233	1,571	1,214	767	14,712	13,991
Summit	0	0	0	0	0	0	0	573	702	704	1,099	1,525	4,603	0
Vista	1,277	1,979	1,698	1,446	1,628	2,007	1,634	1,917	1,546	1,633	1,389	1,285	19,439	29,380
DAIHATSU	**1,023**	**760**	**804**	**753**	**921**	**1,012**	**1,120**	**1,152**	**1,021**	**1,017**	**1,054**	**823**	**11,460**	**0**
FERRARI	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**1,054**
FORD Festiva	**5,088**	**6,080**	**6,894**	**5,461**	**5,659**	**6,087**	**5,854**	**6,575**	**5,768**	**4,799**	**5,164**	**5,738**	**69,167**	**26,750**
HONDA	**22,461**	**18,812**	**18,567**	**19,702**	**19,841**	**21,889**	**23,978**	**20,602**	**22,079**	**23,972**	**20,221**	**33,008**	**265,132**	**312,218**
Civic/CRX	10,650	10,340	12,353	9,602	9,134	7,976	6,595	6,536	6,574	5,096	5,173	7,933	97,962	134,719
Accord	7,122	3,299	2,352	7,365	7,080	8,928	12,548	12,224	10,117	13,032	10,916	19,646	114,629	104,791
Prelude	4,689	5,173	3,862	2,735	3,627	4,985	4,835	1,842	5,388	5,844	4,132	5,429	52,541	72,708
HYUNDAI	**22,324**	**22,536**	**26,166**	**25,157**	**24,269**	**28,041**	**18,160**	**25,119**	**17,194**	**16,232**	**17,732**	**21,352**	**264,282**	**263,610**
ISUZU	**1,561**	**1,448**	**1,675**	**1,744**	**2,379**	**2,788**	**2,590**	**3,197**	**2,478**	**1,539**	**1,599**	**1,522**	**24,520**	**39,587**
I-Mark	1,034	841	1,189	1,299	1,628	1,587	1,687	2,248	1,885	1,257	1,360	1,295	17,310	32,300
Impulse	527	607	486	445	751	1,201	903	949	593	282	239	227	7,210	7,287
JAGUAR	**1,168**	**1,400**	**1,854**	**1,758**	**1,809**	**1,908**	**1,539**	**1,645**	**1,832**	**1,849**	**1,925**	**2,040**	**20,727**	**22,919**
XJ6	907	1,046	1,411	1,288	1,375	1,445	1,208	1,211	1,385	1,440	1,599	1,629	15,944	17,539
XJS	261	354	443	470	434	463	331	434	447	409	326	411	4,783	5,380
LAMBORGHINI	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**150**	**124**
LOTUS	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**323**	**170**
MASERATI	**50**	**95**	**104**	**98**	**83**	**80**	**50**	**30**	**59**	**42**	**25**	**17**	**733**	**920**
MAZDA	**17,995**	**18,413**	**22,430**	**16,818**	**20,263**	**20,227**	**19,078**	**20,863**	**18,322**	**15,408**	**14,121**	**15,064**	**219,002**	**206,354**
323	7,653	7,362	9,394	6,751	7,860	7,997	7,821	8,803	7,756	6,967	5,848	6,610	90,822	76,212
626	4,835	5,272	6,583	4,745	6,041	6,400	6,189	6,473	5,636	5,124	4,573	4,483	66,354	74,439
MX-6	1,503	1,360	1,243	731	653	445	359	602	618	13	273	231	8,031	10,445
929	1,783	1,972	2,352	2,056	2,484	2,520	2,383	2,667	2,407	1,849	1,784	1,724	25,981	6,913
RX-7	2,221	2,447	2,858	2,535	3,225	2,865	2,326	2,318	1,905	1,455	1,643	2,016	27,814	38,345
MPV	0	0	0	0	0	0	0	9	105	997	2,002	2,604	5,717	0
MERCEDES-BENZ	**5,809**	**5,790**	**7,603**	**8,341**	**8,269**	**8,154**	**6,880**	**6,799**	**6,160**	**6,671**	**6,504**	**6,647**	**83,627**	**89,918**
190	904	968	1,367	1,731	1,832	2,200	1,854	1,650	1,323	701	1,049	1,161	16,740	17,545
260E	454	413	695	806	779	615	467	454	384	405	371	427	6,270	6,160
300	1,629	1,635	2,021	2,208	2,058	1,976	1,498	1,459	1,589	1,876	1,686	1,530	21,165	23,456
300 SE	0	0	38	346	611	636	605	656	426	596	683	734	5,331	0
300SDL Turbo	59	8	9	2	7	2	1	1	0	1	0	0	90	6,035
300SEL	532	587	759	593	528	364	240	224	180	210	280	329	4,826	906
420SEL	761	783	926	897	769	564	512	627	585	712	686	678	8,500	14,945
560SEL	524	420	478	449	417	450	411	443	422	580	599	636	5,829	6,346
560SL	757	826	1,132	1,147	1,085	1,127	993	1,004	926	1,168	851	828	11,844	11,825
560SEC	165	130	154	129	120	127	118	118	95	158	172	166	1,652	1,785
Tourist	24	20	24	33	63	93	181	163	230	264	127	158	1,380	915
MERKUR	**729**	**774**	**764**	**947**	**1,365**	**1,825**	**1,978**	**1,756**	**1,634**	**1,928**	**779**	**782**	**15,261**	**14,301**
XR4Ti	415	471	400	456	403	422	470	477	542	858	498	333	5,745	9,123
Scorpio	314	303	364	491	962	1,403	1,508	1,279	1,092	1,070	281	449	9,516	5,178
MITSUBISHI	**5,280**	**5,203**	**5,790**	**6,054**	**6,415**	**6,298**	**5,940**	**7,606**	**6,687**	**4,827**	**4,492**	**5,483**	**70,075**	**67,954**
Starion	195	251	321	462	329	237	171	319	357	124	96	154	3,016	5,084
Cordia	451	433	490	765	716	486	293	740	746	229	160	410	5,919	4,499
Tredia	92	111	80	93	24	15	19	21	11	4	5	2	477	4,972
Mirage	994	899	962	1,143	778	1,001	1,298	1,606	1,070	790	734	722	11,997	15,185
Galant	910	837	850	1,505	2,424	2,375	2,132	2,368	2,012	1,865	1,599	1,748	20,625	10,856
Precis	2,257	2,092	2,518	1,481	1,570	1,621	1,504	1,736	1,754	1,405	1,578	2,197	21,713	20,658
Van/Wagon	381	580	569	605	574	563	523	816	737	410	320	250	6,328	6,700
NISSAN	**27,801**	**24,826**	**39,536**	**31,197**	**29,752**	**35,324**	**27,246**	**29,986**	**29,347**	**20,803**	**33,744**	**31,183**	**360,745**	**405,996**
Sentra	10,520	10,882	17,813	13,408	10,500	10,545	10,686	12,015	13,059	5,832	11,318	8,406	134,984	121,139
Pulsar	3,052	3,252	4,322	3,788	5,892	6,566	4,220	4,119	3,120	1,752	3,023	1,211	44,317	62,175
Stanza	4,860	3,140	8,410	6,774	1,924	2,017	2,417	3,033	4,586	3,377	3,820	2,310	46,668	64,745
Maxima	5,687	4,490	4,837	4,136	7,993	9,596	5,413	6,565	4,003	3,929	9,030	8,772	74,451	94,092
200SX/240SX	1,383	1,062	1,195	1,028	1,623	3,821	2,726	2,843	2,847	3,224	5,531	4,617	31,900	30,196
300ZX	2,124	1,727	2,175	1,876	1,670	2,123	1,561	1,220	1,564	1,300	1,022	995	19,357	33,649
Hawaii	175	273	784	187	150	656	223	191	168	1,389	0	4,872	9,068	0
PEUGEOT	**353**	**331**	**563**	**712**	**755**	**768**	**534**	**573**	**505**	**582**	**544**	**492**	**6,712**	**9,422**
Retail	348	326	558	702	752	764	522	568	502	574	540	486	6,642	9,320
Tourist	5	5	5	10	3	4	12	5	3	8	4	6	70	102
PONTIAC LeMans	**3,579**	**3,574**	**6,843**	**6,717**	**6,237**	**5,484**	**3,727**	**4,642**	**5,252**	**6,039**	**5,442**	**6,501**	**64,037**	**35,564**
PORSCHE	**1,137**	**1,417**	**1,872**	**1,523**	**1,304**	**1,554**	**1,336**	**1,247**	**1,071**	**1,033**	**1,016**	**1,227**	**15,737**	**23,632**
924S	115	166	263	122	139	497	303	371	78	54	85	128	2,321	2,975
944	293	361	468	366	301	267	274	216	318	293	228	337	3,722	6,336
944S	40	60	87	33	23	26	23	28	52	50	35	87	544	1,875
944 Turbo	120	206	251	185	138	125	120	112	147	136	127	213	1,880	2,588
911 Coupe	237	268	349	372	291	233	253	217	190	216	184	152	2,962	4,157
911 Turbo	91	90	86	114	113	119	84	78	70	73	109	77	1,104	1,541
911 Cabriolet	121	132	239	198	187	162	156	130	130	101	134	87	1,777	2,192
928S	120	134	129	133	112	125	123	95	86	110	114	146	1,427	1,968
ROLLS-ROYCE	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**1,214**	**1,208**
SAAB	**2,719**	**3,076**	**3,996**	**2,807**	**3,107**	**3,636**	**3,012**	**4,019**	**2,983**	**2,843**	**3,088**	**2,700**	**37,986**	**45,106**
900	525	535	536	553	566	565	56	717	590	485	508	453	6,089	9,838
900S	715	797	950	811	883	959	985	1,122	803	686	667	604	9,982	14,350
900 Turbo	573	688	851	779	745	906	899	1,087	726	684	740	653	9,331	9,120
9000S	280	293	446	185	244	258	308	376	312	328	314	251	3,596	4,198
9000 Turbo	589	752	1,195	459	534	585	635	677	513	643	856	724	8,262	6,858

SALES/REGISTRATIONS

	January	February	March	April	May	June	July	August	September	October	November	December	Total 1988	Total 1987
Tourist	37	11	18	20	35	362	129	40	39	17	3	15	726	742
STERLING	**951**	**1,166**	**937**	**546**	**632**	**715**	**705**	**930**	**910**	**600**	**425**	**382**	**8,899**	**14,171**
SUBARU	**9,957**	**12,590**	**13,951**	**11,535**	**12,691**	**15,000**	**11,471**	**14,515**	**14,710**	**15,194**	**11,583**	**12,747**	**155,944**	**175,864**
Hatchback	633	518	603	590	436	442	349	422	349	329	330	326	5,327	8,377
3-Door	476	570	691	719	784	1,034	558	939	1,075	1,034	589	636	9,105	14,541
4-Door Sedan	1,380	2,337	2,564	2,254	2,327	4,304	2,684	2,776	3,325	4,031	2,658	3,757	34,397	39,397
XT/XT6	828	1,020	1,396	1,274	1,507	1,195	1,132	1,595	1,243	1,218	860	809	14,077	17,901
Station Wagon	4,133	5,385	5,324	4,798	5,656	6,224	5,249	6,420	6,643	6,672	4,519	4,702	65,725	82,408
Justy	2,507	2,760	3,373	1,900	1,981	1,801	1,499	2,363	2,075	1,910	2,627	2,517	27,313	13,240
SUZUKI	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**16**	**228**	**280**	**524**	**0**
TOYOTA	**42,129**	**42,187**	**42,734**	**43,605**	**57,917**	**54,906**	**59,602**	**58,466**	**46,282**	**57,797**	**53,897**	**57,007**	**616,529**	**583,809**
Corolla	11,106	11,142	9,963	10,220	15,327	13,945	15,700	14,238	10,245	16,169	14,618	15,425	158,098	119,447
Tercel	6,230	6,422	6,003	6,987	8,997	7,947	9,986	9,746	8,485	11,318	10,667	11,867	104,655	100,590
Celica	4,425	4,499	5,662	5,041	6,544	6,350	6,462	6,568	5,387	5,096	5,362	4,935	66,331	79,333
Supra	1,525	1,751	1,962	1,437	2,449	1,597	1,490	1,615	1,256	1,486	1,597	1,431	19,596	29,907
Camry	14,612	13,935	13,417	15,746	19,933	20,503	21,166	21,641	17,099	19,580	17,318	18,415	213,365	186,633
Cressida	919	1,058	1,140	919	853	972	950	1,067	986	1,298	1,833	2,200	14,195	21,968
Land Cruiser	551	597	925	642	685	479	564	302	225	314	293	447	6,024	5,008
Van	501	577	684	387	448	469	400	392	268	399	400	416	5,341	12,892
4 Runner SR 5	1,499	1,353	1,933	1,549	1,972	1,947	2,223	2,240	1,755	1,489	1,427	1,493	20,880	3,635
MR2	761	853	1,045	677	709	697	661	657	576	648	382	378	8,044	15,847
VOLKSWAGEN*	**11,086**	**12,764**	**12,567**	**11,922**	**12,906**	**11,945**	**11,831**	**14,272**	**12,703**	**12,637**	**9,109**	**10,115**	**143,857**	**130,641**
Cabriolet	704	1,127	1,393	1,368	1,212	1,372	1,230	1,376	1,554	463	423	569	12,791	13,563
Jetta	4,399	5,726	5,520	5,381	4,448	4,963	3,471	4,186	2,902	3,436	3,092	3,508	51,032	0
Golf/GTI	0	0	0	0	0	0	1999	2267	1824	1627	1600	1584	10,901	52,553
Vanagon	509	570	569	482	471	494	494	407	307	299	390	424	5,416	10,656
Quantum	255	259	242	225	219	215	289	376	328	230	191	202	3,031	6,722
Scirocco	256	314	291	244	237	248	357	476	504	314	249	264	3,754	6,971
Fox	4,963	4,768	4,552	4,222	6,319	4,653	3,991	5,184	5,284	6,268	3,164	3,564	56,932	40,176
VOLVO	**8,669**	**7,161**	**8,293**	**7,976**	**8,369**	**9,153**	**8,769**	**9,625**	**8,664**	**8,080**	**8,134**	**5,604**	**98,497**	**106,539**
240 Series	3,715	2,873	3,055	2,996	3,144	3,471	3,376	4,001	3,286	3,722	3,532	2,426	39,597	49,107
740 Series	3,914	3,388	4,214	4,010	4,106	4,307	3,973	3,944	2,853	3,631	3,913	2,629	44,882	41,360
760 Series	919	747	879	780	885	1,058	1,199	1,408	2,140	604	584	485	11,688	14,109
780	102	106	101	136	143	201	137	190	343	91	80	51	1,681	511
Tourist	19	47	44	54	91	116	84	82	42	32	25	13	649	1,452
YUGO	**2,615**	**2,744**	**3,563**	**3,100**	**2,510**	**2,013**	**3,448**	**3,504**	**2,510**	**2,006**	**2,002**	**1,531**	**31,546**	**48,812**
Import Total	**229,458**	**235,112**	**269,433**	**247,020**	**268,916**	**284,199**	**257,105**	**281,979**	**248,622**	**241,489**	**236,720**	**258,909**	**3,061,039**	**3,144,042**

*Volkswagen has reported sales of U.S.-built Golf and GTi models as imports after June 30, 1988

Compiled by Automotive News

Domestic sales

Sales of U.S. new cars

1969	8,464,375
1970	7,115,537
1971	8,676,284
1972	9,321,502
1973	9,669,689
1974	7,448,921
1975	7,050,120
1976	8,606,573
1977	9,104,454
1978	9,307,998
1979	8,315,622
1980	6,578,275
1981	6,206,296
1982	5,756,660
1983	6,795,302
1984	7,951,517
1985	8,204,721
1986	8,214,662
1987	7,081,262
1988	7,526,034

Import sales, 20 years

U.S. sales of import cars

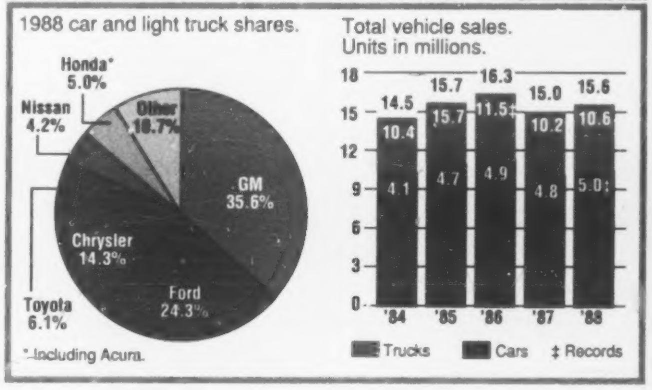
1969	1,117,700
1970	1,287,520
1971	1,565,500
1972	1,621,900
1973	1,776,900
1974	1,403,035
1975	1,577,000
1976	1,493,000
1977	2,071,100
1978	2,000,500
1979	2,327,932
1980	2,396,934
1981	2,326,376
1982	2,221,517
1983	2,385,734
1984	2,441,713
1985	2,841,063
1986	3,239,043
1987	3,144,042
1988	3,061,039

Total U.S. sales

Domestics and Imports

1969	9,655,519
1970	8,403,057
1971	10,241,784
1972	10,943,402
1973	11,446,589
1974	8,851,956
1975	8,627,120
1976	10,099,573
1977	11,175,554
1978	11,308,498
1979	10,643,554
1980	8,975,209
1981	8,532,672
1982	7,978,177
1983	9,181,036
1984	10,393,230
1985	11,045,784
1986	11,453,705
1987	10,225,304
1988	10,587,073

1988 sales at a glance



1988 car and light truck shares.

Total vehicle sales. Units in millions.

*Including Acura.

1988 sales by marketing units

	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988	Aug. 1988	Sept. 1988	Oct. 1988	Nov. 1988	Dec. 1988	1988 Car Sales	Percent Share
Alfa Romeo	241	522	545	577	338	485	339	386	230	222	232	359	4,476	0.04
American Honda	53,869	55,404	65,228	64,162	65,460	63,328	64,167	66,536	65,893	66,786	63,897	74,265	768,995	7.26
BMW	4,596	5,763	6,403	6,129	5,742	6,153	5,913	6,563	6,024	6,262	6,642	7,169	73,359	0.69
Buick	47,192	54,961	52,596	41,916	50,123	51,004	41,440	50,351	51,542	47,446	44,909	47,944	581,424	5.49
Cadillac	17,739	18,881	24,599	25,124	24,107	17,735	22,747	22,302	22,412	21,888	24,287	24,727	266,548	2.52
Chevrolet	99,367	143,298	147,020	133,305	147,161	152,326	127,579	113,813	94,687	102,223	100,533	118,304	1,479,616	13.98
Chrysler	20,693	32,891	34,255	24,196	23,790	25,011	20,701	19,801	19,309	18,551	18,061	21,868	279,127	2.64
Daihatsu	1,023	760	804	753	921	1,012	1,120	1,152	1,021	1,017	1,054	823	11,460	0.11
Dodge	32,177	41,825	52,107	46,474	47,563	48,994	39,818	39,755	37,761	42,597	37,452	41,785	508,308	4.80
Eagle	5,383	5,281	5,591	4,756	5,728	5,405	4,375	4,934	6,478	6,523	6,175	5,368	65,997	0.62
Ford	117,138	127,238	156,454	131,209	149,667	154,498	132,026	130,013	118,169	131,751	114,471	134,037	1,596,671	15.08
Hyundai	22,324	22,536	26,166	25,157	24,269	28,041	18,160	25,119	17,194	16,232	17,732	21,352	264,282	2.50
Isuzu	1,561	1,448	1,675	1,744	2,379	2,788	2,590	3,197	2,478	1,539	1,599	1,522	24,520	0.23
Jaguar	1,168	1,400	1,854	1,758	1,809	1,908	1,539	1,645	1,832	1,849	1,925	2,040	20,727	0.20
Lincoln	11,934	15,219	18,910	16,358	16,939	17,865	12,431	13,883	16,472	17,118	15,864	18,631	191,624	1.81
Maserati	50	95	104	98	83	80	50	30	59	42	25	17	733	0.01
Mazda	19,337	20,239	25,244	19,113	23,082	23,136	22,101	24,095	21,102	18,561	16,682	17,641	250,333	2.36
Mercedes	5,809	5,790	7,603	8,341	8,269	8,154	6,880	6,799	6,160	6,671	6,504	6,647	83,627	0.70
Mercury	36,777	41,275	48,929	45,016	47,033	50,788	44,707	42,458	37,732	37,761	31,757	37,236	501,469	4.74
Mitsubishi	5,280	5,203	5,790	6,054	6,415	6,298	5,940	7,606	6,687	4,827	4,492	5,483	70,075	0.66
Nissan	32,915	29,549	47,320	41,846	39,524	47,239	37,407	43,780	47,393	26,421	40,411	39,065	472,870	4.47
Oldsmobile	57,545	63,841	66,388	58,228	62,100	69,323	58,186	60,055	60,142	55,031	52,425	52,006	715,270	6.76
Peugeot	353	331	563	712	755	768	534	573	505	582	544	492	6,712	0.06
Plymouth	22,780	32,222	34,195	30,057	30,644	31,782	28,060	29,037	25,095	26,893	24,401	22,496	337,862	3.19
Pontiac	55,083	65,810	73,624	71,670	75,738	81,379	52,585	53,255	61,037	64,400	57,061	67,514	779,156	7.36
Porsche	1,137	1,417	1,872	1,523	1,304	1,554	1,336	1,247	1,071	1,033	1,016	1,227	15,737	0.15
Saab	2,719	3,076	3,996	2,807	3,107	3,636	3,012	4,019	2,983	2,843	3,088	2,700	37,986	0.36
Sterling	951	1,166	937	546	632	715	705	930	910	600	425	382	8,899	0.08
Subaru	9,957	12,590	13,951	11,535	12,691	15,000	11,471	14,515	14,710	15,194	11,583	12,747	155,944	1.47
Suzuki	0	0	0	0	0	0	0	0	0	16	228	280	524	0.00
Toyota	46,590	45,502	47,896	47,720	63,017	60,324	66,036	63,535	52,458	63,755	62,684	69,356	688,883	6.51
Volvo	8,669	7,161	8,293	7,976	8,369	9,153	8,769	9,625	8,664	8,080	8,134	5,604	98,497	0.93
VWoA	15,711	18,733	18,696	18,620	19,434	18,668	13,479	17,492	14,437	14,584	10,464	11,421	191,739	1.81
Yugo	2,615	2,744	3,563	3,100	2,510	2,013	3,448	3,504	2,510	2,006	2,002	1,531	31,546	0.32
TOTAL	**768,883**	**884,171**	**1,083,171**	**898,580**	**978,983**	**1,064,563**	**888,651**	**882,886**	**826,157**	**831,384**	**788,788**	**874,838**	**10,584,986**	**100.00**
TOTAL GM	**276,926**	**346,791**	**364,227**	**338,243**	**369,229**	**371,767**	**362,537**	**298,776**	**289,820**	**298,989**	**279,215**	**318,496**	**3,822,814**	**36.11**
TOTAL FORD	**165,849**	**183,732**	**224,293**	**192,583**	**213,639**	**223,151**	**189,164**	**186,354**	**172,373**	**186,630**	**162,082**	**189,904**	**2,288,764**	**21.63**
TOTAL CHRYSLER	**81,033**	**112,219**	**126,148**	**105,483**	**107,925**	**111,192**	**92,964**	**93,527**	**88,643**	**94,584**	**86,000**	**91,517**	**1,191,294**	**11.26**
TOTAL JAPANESE	**176,532**	**176,895**	**207,986**	**192,927**	**213,480**	**219,125**	**210,832**	**224,416**	**211,742**	**198,116**	**202,840**	**221,182**	**2,443,084**	**23.08**
TOTAL EUROPEAN	**44,019**	**48,193**	**54,429**	**52,187**	**52,382**	**53,297**	**46,884**	**32,813**	**45,388**	**44,774**	**41,081**	**38,580**	**574,838**	**5.42**
TOTAL KOREAN	**22,324**	**22,536**	**26,166**	**25,157**	**24,269**	**28,041**	**18,160**	**25,119**	**17,194**	**16,232**	**17,732**	**21,352**	**264,282**	**2.50**

SALES/REGISTRATIONS

Top 10 passenger cars in selected countries in 1988

AUSTRALIA

1.	Ford Falcon/Fairmont	69,382
2.	Holden Commodore/Calais	57,648
3.	Mitsubishi Magna	40,518
4.	Toyota Camry	31,103
5.	Ford Laser	28,031
6.	Toyota Corolla	23,586
7.	Nissan Pulsar	16,039
8.	Holden Camira	14,702
9.	Nissan Pintara	11,615
10.	Nissan Skyline	10,778

BRAZIL

1.	VW Golf	100,177
2.	GM Monza	70,575
3.	Ford Escort	69,291
4.	GM Chevette	49,270
5.	VW Voyage	38,597
6.	Fiat Uno	37,606
7.	VW Santana	32,985
8.	VW Parati	27,678
9.	Ford Del Ray	23,000
10.	GM Opala	22,638

CANADA

1.	Ford Tempo	50,808
2.	Chevrolet Cavalier	48,736
3.	Mercury Topaz	35,828
4.	Honda Civic	31,014
5.	Chevrolet Corsia/Beretta	29,920
6.	Pontiac 6000	29,319
7.	Honda Accord	29,186
8.	Pontiac Sunbird	27,114
9.	Chevrolet Celebrity	26,514
10.	Hyundai Excel	26,203

FRANCE

1.	Renault RS	241,849
2.	Peugeot 205	230,617
3.	Renault R21	155,171
4.	Peugeot 405	138,700
5.	Citroen AX	129,315
6.	Citroen BX	109,353
7.	Peugeot 309	98,228
8.	VW Golf/Jetta	87,105
9.	Renault R9/R11	75,166
10.	Fiat Uno	66,863

ITALY

1.	Fiat Uno	374,850
2.	Fiat Tipo	217,410
3.	Fiat Panda	212,640
4.	Lancia Y10	110,990
5.	VW Golf/Jetta	104,760
6.	Renault R5	84,050
7.	Peugeot 205	65,000
8.	Opel Kadett	44,500
9.	Audi 80/90	43,570
10.	Seat Ibiza	42,670

JAPAN

1.	Toyota Corolla	281,768
2.	Toyota Mark II	183,199
3.	Toyota Crown	174,554
4.	Toyota Carina	168,763
5.	Nissan Sunny	158,152
6.	Toyota Corona	149,676
7.	Nissan Bluebird	134,574
8.	Honda Civic	134,019
9.	Toyota Sprinter	120,485
10.	Toyota Starlet	86,636

MEXICO

1.	Nissan Tsuru	60,247
2.	VW Beetle	19,348
3.	Ford Topaz	19,116
4.	VW Golf	16,988
5.	Chrysler Shadow	15,005
6.	Chrysler Dart	14,406
7.	Chrysler Volare	13,159
8.	VW Jetta	12,293
9.	Chevrolet Cutlass	9,152
10.	Ford Taurus	6,855

NETHERLANDS

1.	Opel Kadett	38,530
2.	VW Golf/Jetta	26,728
3.	Ford Escort	19,920
4.	Peugeot 205	15,846
5.	Ford Sierra	15,117
6.	Citroen BX	14,950
7.	Nissan Sunny	13,760
8.	Toyota Corolla	13,698
9.	Audi 80/90	11,261
10.	Opel Corsa	10,907

SPAIN

1.	Opel Kadett	79,240
2.	Renault R9/R11	68,865
3.	Seat Ibiza	66,933
4.	Renault R5	65,341
5.	Opel Corsa	59,744
6.	Renault R21	54,504
7.	Peugeot 205	53,588
8.	Citroen AX	53,114
9.	Ford Orion	44,251
10.	Peugeot 309	43,870

SWITZERLAND

1.	VW Golf/Jetta	22,894
2.	Opel Kadett	15,032
3.	Toyota Corolla	14,503
4.	Peugeot 205	8,365
5.	Fiat Uno	7,998
6.	BMW 3-Series	7,912
7.	Ford Sierra	7,841
8.	Audi 80/90	7,323
9.	Ford Escort	7,030
10.	Opel Ascona	6,419

UNITED KINGDOM

1.	Ford Escort	172,706
2.	Ford Sierra	162,684
3.	Ford Fiesta	144,991
4.	Rover Metro	116,811
5.	Opel Ascona	113,263
6.	Opel Kadett	98,086
7.	Ford Orion	67,713
8.	VW Golf/Jetta	58,996
9.	Opel Corsa	56,937
10.	Peugeot	54,147

UNITED STATES

1.	Ford Escort	387,815
2.	Chevrolet Corsica/Beretta	380,301
3.	Ford Taurus	374,627
4.	Honda Accord	362,663
5.	Chevrolet Cavalier	306,267
6.	Ford Tempo	285,141
7.	Hyundai	264,282
8.	Chevrolet Celebrity	252,861
9.	Nissan Sentra	249,523
10.	Oldsmobile Cutlass Ciera	237,386

WEST GERMANY

1.	Opel Kadett	226,487
2.	Mercedes W124	171,276
3.	Audi 80/90	136,500
4.	VW Passat	121,485
5.	Mercedes 190	96,667
6.	Ford Escort	84,862
7.	Ford Sierra	80,427
8.	VW Polo	77,347
9.	Ford Fiesta	71,396
10.	Opel Ascona	51,508

Compiled by Automotive News from various sources, including AID Ltd.
European numbers are registrations; all others are sales.

U.S. new car registrations over 25 years

Year	Rambler	*American Motors	Plymouth	Dodge	**Eagle	Chrysler	Imperial	Chrysler Motors	Ford Div.	Mercury	Lincoln
1963—	428,346	428,346	426,332	379,026	......	114,062	15,266	934,686	1,559,108	288,884	31,517
1964—	379,412	379,412	492,775	462,551	......	137,029	21,157	1,113,512	1,749,014	311,574	36,897
1965—	324,669	324,669	624,779	521,783	......	202,559	17,214	1,366,335	1,998,385	331,367	42,363
1966—	......	265,712	598,160	543,560	......	230,182	14,609	1,386,511	1,991,520	308,049	49,324
1967—	......	237,785	627,173	491,919	......	206,399	15,901	1,341,392	1,520,711	295,511	35,218
1968—	......	259,346	709,823	581,476	......	220,786	15,778	1,527,863	1,803,271	367,515	57,486
1969—	......	239,937	658,987	538,381	......	211,727	18,860	1,427,955	1,880,384	352,137	58,835
1970—	......	254,327	681,760	504,097	......	153,168	10,753	1,349,778	1,848,669	310,375	56,654
1971—	......	245,805	687,115	545,785	......	156,195	12,089	1,401,184	1,913,033	384,152	66,092
1972—	......	301,973	709,884	562,985	......	178,951	14,321	1,466,141	2,058,676	396,186	94,434
1973—	......	392,102	748,699	587,937	......	163,075	12,809	1,512,520	2,137,123	413,677	116,115
1974—	......	329,431	597,276	462,872	......	107,802	12,252	1,180,202	1,756,811	330,513	84,693
1975—	......	307,618	404,408	344,697	......	212,809	4,764	966,678	1,481,169	332,173	91,496
1976—	......	247,032	526,957	460,647	......	271,061	411	1,259,076	1,665,619	408,121	115,801
1977—	......	182,539	436,027	448,128	......	303,480	......	1,187,635	1,791,414	489,160	172,853
1978—	......	157,797	394,534	427,946	......	189,631	......	1,112,111	1,769,077	560,299	178,873
1979—	......	156,926	323,225	367,387	......	243,842	......	934,454	1,475,178	498,326	128,262
1980—	......	150,878	236,522	250,556	......	138,385	......	625,463	1,046,887	326,361	72,740
1981—	......	133,455	335,691	311,824	......	87,165	4,940	739,620	975,312	340,868	61,775
1982—	......	108,706	243,519	252,183	......	169,275	2,603	667,580	889,470	316,293	87,820
1983—	......	190,797	258,684	307,633	......	254,175	1,264	820,492	1,034,732	395,041	97,206
1984—	......	188,752	281,897	359,722	......	321,303	......	962,922	1,286,004	520,868	144,548
1985—	......	128,318	324,257	425,755	......	371,292	......	1,121,304	1,364,829	515,895	164,295
1986—	......	72,008	351,543	441,694	......	351,741	......	1,143,103	1,364,434	477,874	169,805
1987—	......	44,526*	344,656	408,333	44,740	297,401	......	1,095,130	1,421,299	464,382	167,290
1988—	......	......	333,224	496,416	62,030	283,848	......	1,175,518	1,577,815	481,396	190,506

Year	Ford Motor Co.	Buick	Cadillac	Chevrolet	Oldsmobile	Pontiac	General Motors	Studebaker-Packard	Imports	Misc. Domestics	Total
1963—	1,879,509	454,237	159,233	2,161,653	474,786	606,791	3,866,700	64,570	385,624	7,282	7,556,717
1964—	2,097,485	481,043	151,638	2,124,905	513,134	687,902	3,958,622	27,073	484,131	5,915	8,065,150
1965—	2,372,388	608,620	189,661	2,424,358	608,930	831,448	4,663,017	12,042	569,415	6,046	9,313,912
1966—	2,348,893	569,131	196,498	2,158,811	580,550	830,856	4,335,846	......	658,123	7,636	9,008,488
1967—	1,851,440	565,313	209,546	1,978,758	551,274	834,146	4,139,037	......	779,220	8,440	8,357,421
1968—	2,228,272	627,159	205,593	2,060,249	624,262	877,382	4,394,645	......	985,767	7,969	9,403,862
1969—	2,291,356	677,319	243,905	2,060,202	642,889	759,605	4,419,920	......	1,061,617	5,739	9,446,524
1970—	2,215,698	493,207	165,042	1,668,288	461,732	544,715	3,332,984	......	1,230,961	4,456	8,388,204
1971—	2,363,277	726,542	253,002	2,195,345	666,958	680,097	4,521,944	......	1,293,743	4,673	9,830,626
1972—	2,549,296	646,526	257,795	2,289,407	729,153	712,775	4,635,656	......	1,529,402	5,326	10,487,794
1973—	2,666,915	696,333	285,709	2,455,063	808,889	807,546	5,053,540	......	1,719,913	6,002	11,350,995
1974—	2,172,017	428,194	219,993	1,973,706	519,082	504,081	3,645,056	......	1,369,148	5,240	8,701,094
1975—	1,904,838	489,290	256,135	1,749,877	604,882	478,142	3,578,326	......	1,500,928	3,452	8,261,840
1976—	2,189,541	700,778	293,716	2,035,858	867,485	706,460	4,604,297	......	1,446,637	4,902	9,751,485
1977—	2,453,427	735,396	325,724	2,205,566	953,875	800,230	5,020,791	......	1,976,512	5,330	10,926,234
1978—	2,508,249	762,532	335,053	2,294,990	967,896	857,083	5,217,554	——	1,946,094	4,299	10,946,104
1979—	2,101,766	687,182	307,897	2,106,404	931,836	774,525	4,807,844	——	2,351,053	4,652	10,356,695
1980—	1,445,988	707,544	212,557	1,725,874	807,000	612,794	4,065,769	——	2,469,180	3,659	8,760,937
1981—	1,377,955	718,304	224,458	1,437,091	830,892	546,936	3,757,681	——	2,431,680	3,528	8,443,919
1982—	1,293,583	713,671	240,197	1,222,624	775,702	461,149	3,413,343	——	2,268,631	2,499	7,754,342
1983—	1,526,979	818,256	291,552	1,310,503	971,229	536,404	3,927,944	——	2,457,357	617	8,924,186
1984—	1,951,420	919,904	310,257	1,546,098	1,038,774	685,361	4,501,394	——	2,523,974	267	10,128,729
1985—	2,045,019	851,031	301,228	1,577,349	1,067,881	785,098	4,582,587	——	3,011,132	248	10,888,608
1986—	2,012,113	757,328	300,090	1,367,002	1,044,444	829,650	4,624,746	——	3,444,190	77	11,139,842
1987—	2,066,470	557,095	258,991	1,496,074	717,262	698,143	3,727,565	——	3,276,415	80	10,165,660
1988—	2,262,002	578,652	259,772	1,469,632	708,449	759,594	3,776,101	——	3,266,154	156	10,479,931

NOTES: 1986 data has been changed because of revisions in Massachusetts' registrations. Manufacturers' sales records were used to compile Oklahoma's numbers in 1986.

*—American Motors was acquired by Chrysler Corp. in 1987. **—Eagle is part of Chrysler Motors.

SOURCE: R.L. Polk & Co.

SALES/REGISTRATIONS

U.S. new-car inventories over 10 years

(Compiled by Automotive News)

	Unit Count	Days' Supply
1979		
January 1	1,729,221	67
February 1	1,872,697	76
March 1	1,957,340	69
April 1	1,974,082	62
May 1	1,913,597	62
June 1	2,033,997	66
July 1	2,152,834	80
August 1	2,026,315	73
September 1	1,752,661	67
October 1	1,751,694	70
November 1	1,743,012	65
December 1	1,767,097	73
1980		
January 1	1,661,718	75
February 1	1,598,548	71
March 1	1,610,544	68
April 1	1,567,187	61
May 1	1,584,804	76
June 1	1,597,866	83
July 1	1,627,857	80
August 1	1,506,681	72
September 1	1,336,595	69
October 1	1,373,383	71
November 1	1,389,549	56
December 1	1,439,998	65
1981		
January 1	1,448,450	80
February 1	1,421,023	78
March 1	1,334,919	59
April 1	1,216,068	44
May 1	1,348,836	66
June 1	1,471,656	70
July 1	1,664,871	83
August 1	1,675,193	87
September 1	1,485,692	64
October 1	1,426,922	69
November 1	1,480,768	81
December 1	1,491,078	83
1982		
January 1	1,471,053	107
February 1	1,431,983	97
March 1	1,325,073	70
April 1	1,246,648	58
May 1	1,260,633	66
June 1	1,212,727	52
July 1	1,364,214	78
August 1	1,377,130	83
September 1	1,379,434	88
October 1	1,350,366	69
November 1	1,295,704	69
December 1	1,164,338	52
1983		
January 1	1,125,989	65
February 1	1,180,291	71
March 1	1,248,384	68
April 1	1,235,313	55
May 1	1,193,296	53
June 1	1,194,510	47
July 1	1,209,000	47
August 1	1,102,103	48
September 1	1,108,570	55
October 1	1,195,755	55
November 1	1,224,092	48
December 1	1,307,756	55
1984		
January 1	1,357,995	63
February 1	1,477,399	63
March 1	1,537,290	59
April 1	1,579,155	56
May 1	1,541,985	53
June 1	1,467,214	47
July 1	1,445,799	52
August 1	1,297,864	47
September 1	1,277,484	57
October 1	1,266,201	54
November 1	1,296,182	51
December 1	1,405,417	58
1985		
January 1	1,417,164	63
February 1	1,565,456	65
March 1	1,603,527	59
April 1	1,572,998	53
May 1	1,615,026	52
June 1	1,546,188	50
July 1	1,576,762	58
August 1	1,579,595	65
September 1	1,413,483	51
October 1	1,242,071	36
November 1	1,433,567	65
December 1	1,605,832	78
1986		
January 1	1,629,649	73
February 1	1,767,086	72
March 1	1,867,265	73
April 1	1,906,998	76
May 1	1,945,048	70
June 1	1,866,853	62
July 1	1,859,576	63
August 1	1,725,524	69
September 1	1,557,291	63
October 1	1,291,280	35
November 1	1,412,637	68
December 1	1,531,295	71
1987		
January 1	1,506,557	58
February 1	1,734,299	105
March 1	1,869,591	81
April 1	1,945,438	74
May 1	1,912,132	72
June 1	1,910,805	77
July 1	1,900,096	75
August 1	1,657,974	71
September 1	1,436,835	57
October 1	1,396,454	57
November 1	1,558,931	80
December 1	1,686,501	83
1988		
January 1	1,682,600	79
February 1	1,676,858	79
March 1	1,608,461	62
April 1	1,574,529	58
May 1	1,571,272	63
June 1	1,597,668	57
July 1	1,663,109	60
August 1	1,406,740	58
September 1	1,315,919	59
October 1	1,385,938	60
November 1	1,487,638	66
December 1	1,611,631	73
1989		
January 1	1,585,[illegible]	67
February 1	1,724,[illegible]	85
March 1	1,796,[illegible]	78
April 1	1,822,224	77

Imported new-car inventories—7 years

(Compiled by Automotive News)

	Unit Count	Days' Supply
1983		
January 1	380,316	54
February 1	355,603	49
March 1	316,745	41
April	287,408	35
May 1	294,703	40
June 1	275,411	33
July 1	251,787	28
August 1	227,819	27
September 1	195,418	25
October 1	200,939	30
November 1	217,965	29
December 1	224,290	29
1984		
January 1	223,527	30
February 1	205,337	26
March 1	207,683	28
April 1	212,315	27
May 1	221,547	32
June 1	213,780	23
July 1	216,815	25
August 1	197,688	24
September 1	184,513	24
October 1	179,171	24
November 1	186,567	24
December 1	232,152	27
1985		
January 1	259,033	33
February 1	262,990	33
March 1	250,216	31
April 1	221,179	29
May 1	262,444	34
June 1	297,000	29
July 1	310,221	31
August 1	291,871	29
September 1	293,268	31
October 1	280,248	29
November 1	276,006	28
December 1	304,079	31
1986		
January 1	338,315	28
February 1	329,798	36
March 1	333,893	37
April 1	338,084	37
May 1	346,487	38
June 1	387,911	37
July 1	400,106	40
August 1	443,244	40
September 1	437,297	41
October 1	391,724	36
November 1	425,608	42
December 1	455,303	41
1987		
January 1	473,165	38
February 1	471,547	62
March 1	531,520	58
April 1	539,759	57
May 1	567,879	61
June 1	606,583	58
July 1	650,508	60
August 1	628,337	54
September 1	606,500	51
October 1	547,966	48
November 1	565,743	56
December 1	583,128	57
1988		
January 1	677,306	61
February 1	661,940	72
March 1	702,748	75
April 1	670,608	67
May 1	689,099	73
June 1	676,481	63
July 1	634,143	58
August 1	631,517	61
September 1	606,740	58
October 1	582,350	59
November 1	603,043	65
December 1	627,074	66
1989		
January 1	664,909	65
February 1	682,152	82
March 1	720,056	87
April 1	713,783	79

Canadian new vehicle registrations edge up; trucks climb 10.60%

	Cars	Trucks	Total
1953	362,409	101,252	463,661
1954	307,651	69,955	377,606
1955	381,782	73,689	455,471
1956	404,604	85,692	490,296
1957	391,661	76,782	468,443
1958	381,591	66,034	447,625
1959	427,274	74,824	502,098
1960	450,840	73,682	524,522
1961	440,377	74,738	515,115
1962	501,030	81,495	582,525
1963	541,942	90,608	632,550
1964	607,503	104,175	711,678
1965	686,828	115,660	802,488
1966	683,639	128,506	812,145
1967	667,814	130,964	798,778
1968	737,605	142,201	879,806
1969	756,015	153,277	909,292
1970	636,206	129,359	765,565
1971	745,026	138,876	883,902
1972	812,753	180,748	993,501
1973	935,533	234,683	1,170,216
1974	901,097	287,619	1,188,716
1975	839,942	265,015	1,104,957
1976	898,253	305,606	1,203,859
1977	953,078	333,551	1,286,629
1978	958,414	349,294	1,307,708
1979	998,004	382,074	1,380,078
1980	948,967	335,827	1,284,794
1981	891,558	281,536	1,173,094
1982	727,097	204,794	931,891
1983	830,457	223,917	1,054,374
1984	914,679	292,273	1,206,952
1985	1,146,251	393,396	1,539,647
1986*	1,065,143	406,905	1,472,048
1987	1,028,501	450,014	1,478,515
1988	1,043,127	500,502	1,543,629

NOTE: *—Quebec figures are incomplete.

SOURCE: R.L. Polk & Co.

World passenger car population climbs to over 403 million

Numbers are based on sales and attrition rates and do not necessarily reflect official governments' figures. Figures for countries such as Cuba and North Korea, were unavailable.

Country	1989
Afghanistan	30,100
Algeria	777,300
Angola	115,600
Argentina	4,153,800
Australia	7,044,100
Austria	2,723,800
Bahamas	75,400
Bahrain	108,200
Bangladesh	50,500
Barbados	36,200
Belgium & Luxembourg	3,586,900
Belize	1,500
Benin	21,600
Bermuda	26,300
Bolivia	32,900
Botswana	16,200
Brazil	11,376,500
Brunei	74,900
Bulgaria	1,209,400
Burkina Faso (Upper Volta)	9,900
Burma	26,100
Burundi	8,100
Cameroon	95,600
Canada	11,774,200
Central African Republic	11,100
Chile	507,300
China	482,100
Colombia	598,600
Congo Republic	28,100
Costa Rica	77,100
Cyprus	141,800
Czechoslovakia	2,808,500
Denmark	1,605,400
Dominican Republic	112,900
Ecuador	80,600
Egypt	412,900
El Salvador	50,800
Ethiopia	43,700
Fiji Islands	31,800
Finland	1,750,400
France	22,209,300
French Guiana	25,100
French Polynesia	38,800
Germany, East	3,465,900
Germany, West	28,519,600
Ghana	55,700
Gibraltar	12,200
Greece	1,405,700
Guadeloupe	77,500
Guam	154,600
Guatemala	95,000
Guyana	27,800
Haiti	34,100
Honduras	26,400
Hong Kong	163,900
Hungary	1,540,800
Iceland	119,200
India	1,556,300
Indonesia	1,062,300
Iran	1,760,300
Iraq	276,300
Ireland	697,000
Israel	741,900
Italy	23,452,700
Ivory Coast	176,800
Jamaica	91,000
Japan	30,300,200
Jordan	153,200
Kenya	125,500
Korea, Republic of	805,900
Kuwait	619,700
Lebanon	491,100
Liberia	4,900
Libya	413,100
Madagascar	45,100
Malawi	15,500
Malaysia	1,316,500
Mali	20,800
Malta	87,000
Martinique	82,000
Mauritania	8,500
Mauritius	32,800
Mexico	5,508,800
Morocco	453,800
Mozambique	79,200
Netherlands	5,135,700
Netherlands Antilles	72,600
New Caledonia	49,100
New Zealand	1,636,500
Nicaragua	29,200
Niger	16,500
Nigeria	852,000
Norway	1,709,200
Oman	137,900
Pakistan	442,500
Panama	169,200
Papua New Guinea	30,900
Paraguary	70,000
Peru	407,000
Philippines	307,100
Poland	4,024,400
Portugal	1,280,000
Puerto Rico	1,237,300
Qatar	93,000
Reunion	144,600
Romania	241,000
Samoa (American)	5,600
Saudi Arabia	1,492,100
Senegambia	97,600
Sierra Leone	22,200
Singapore	268,900
South Africa	3,220,300
Spain	10,317,900
Sri Lanka	154,600
Sudan	34,100
Surinam	29,100
Swaziland	15,200
Sweden	3,380,200
Switzerland	2,809,000
Syria	104,700
Taiwan	1,262,600
Tanzania	42,000
Thailand	516,800
Togo	26,000
Trinidad & Tobago	283,800
Tunisia	190,100
Turkey	1,203,600
U.S.S.R.	12,761,800
Uganda	30,600
United Arab Emirates	289,600
United Kingdom	21,628,800
United States	139,478,900
Uruguay	159,300
Vanuata	3,900
Venezuela	1,688,900
Virgin Islands (U.S.)	58,100
Yeman, North	21,100
Yeman, South	11,200
Yugoslavia	3,099,800
Zaire	94,600
Zambia	94,200
Zimbabwe	173,400
WORLD TOTAL	403,627,100

Source: Strategy Support Associates

Top 5 countries

Car census totals shown in millions.

United States	139.4
Japan	30.3
West Germany	28.5
Italy	23.5
France	22.2

SALES/REGISTRATIONS

New-car registrations in the United States in 1988 (10,479,931) topped 1987 (10,165,66) by 3.09 percent, or more than 314,000 units.

Registrations of U.S.-built cars climbed 332,008 units, or 5.16 percent, to 6,770,103 units in 1988 compared to 6,438,095 in 1987.

Import-car registrations slipped a fraction of a percentage point (0.31 percent), or 17,737 units, in taking 35.40 percent of the 1988 total market.

The U.S. Big 3 captive imports' share of registrations grew by 66,001 units, or 17.47 percent, in 1988. Captive imports accounted for 11.96 percent of the import-car registration total last year. Other import car registrations declined 10,261 units to 3,266,154 in 1988 compared to 3,276,415 in 1987.

Record years for car registrations

1973	11,350,995
1986	11,139,842
1978	10,946,104
1985	10,888,608
1977	10,826,234
1972	10,487,794
1988	10,479,931
1979	10,356,695
1984	10,128,729
1987	10,122,154
1971	9,830,626
1976	9,751,485
1969	9,446,524
1968	9,403,862
1965	9,313,912
1966	9,008,488
1983	8,924,186
1980	8,760,937
1974	8,701,094
1981	8,443,919
1970	8,388,204
1967	8,357,421
1975	8,261,840
1964	8,065,150
1982	7,754,342
1963	7,556,717
1955	7,169,908
1962	6,938,863
1960	6,576,650
1950	6,326,438
1959	6,041,275
1957	5,982,342

U.S. new-car registrations rise by over 314,000 in 1988

(Based on R.L. Polk & Co. Statistical Report)

	1988	1987
Chrysler Conquest*	9,647	11,233
Laser		4,792
Imperial		
LeBaron/LeBaron GTS	35,418	81,564
LeBaron SW	2,626	4,825
LeBaron Coupe/Conv.	102,566	78,683
New Yorker Turbo	14,736	39,271
New Yorker/Landau	80,005	18,450
Fifth Avenue/Newport	38,850	58,583
Total	283,848	297,401
Plymouth Colt*	32,960	38,132
Colt DL SW*	4,772	185
Colt Vista SW*	9,327	14,553
Horizon	59,777	48,864
Sundance	87,320	75,313
Turismo	1,401	17,818
Reliant	94,747	83,471
Reliant SW	15,777	22,685
Laser		
Caravelle	14,542	35,928
Gran Fury	10,328	7,707
Acclaim	2,273	
Total	333,224	344,656
Chrysler/Plymouth Total	617,072	642,057
Dodge Colt*	37,108	42,179
Colt DL SW*	5,493	203
Colt Vista SW*	10,273	15,820
Omni	58,344	39,979
Shadow	89,259	76,927
Charger	1,630	19,951
Daytona	70,472	37,125
Aries	86,597	81,347
Aries SW	14,771	19,919
Lancer	10,782	22,847
600	13,835	36,718
Dynasty	76,834	2,276
Diplomat	18,580	13,042
Spirit	2,438	–
Total	496,416	408,333
Eagle Summit*	3,631	
Alliance	4,714	26,207
Eagle	1,497	4,678
Premier	37,534	111
Medallion*	14,654	13,744
Total	62,030	44,740
Total Chrysler	**1,175,518**	**1,095,130**
Ford Festiva*	67,577	24,385
Escort	338,088	332,753
Escort SW	46,904	61,033
Mustang	169,567	171,026
Probe	68,129	
Tempo	278,714	223,350

SOURCE: R.L. Polk & Co.

	1988	1987
Taurus	206,094	268,151
Taurus SW	90,877	90,057
Crown Victoria	99,231	102,374
Crown Victoria SW	14,118	16,090
Thunderbird	118,516	132,080
Total	1,577,815	1,421,299
Lincoln Town Car	123,808	126,446
Mark VII	22,953	27,408
Continental	533	12,355
Continental (fwd)	43,212	1,081
Total	190,506	167,290
XR4Ti Total*	5,869	8,849
Scorpio Total*	6,416	4,650
Mercury Lynx	2,241	31,179
Lynx SW	760	6,109
Tracer*	48,248	30,085
Tracer SW*	8,478	2,266
Capri*		
Topaz	85,945	63,217
Sable	92,695	76,746
Sable SW	25,445	26,653
Cougar	102,424	110,112
Grand Marquis	106,172	108,649
Grand Marquis SW	8,988	9,366
Total	481,396	464,382
Lincoln-Mercury Total	684,187	645,171
Total Ford	**2,262,002**	**2,066,470**
Buick Reatta	3,893	10
Skyhawk	23,986	36,712
Skyhawk SW	2,094	2,797
Somerset/Skylark	58,037	68,029
Century	120,054	137,914
Century SW	10,329	14,275
Regal	9,646	47,608
Regal (fwd)	113,565	11,163
LeSabre	129,827	132,406
Electra/Park Avenue	86,718	79,761
Buick SW	9,214	9,927
Riviera	11,289	16,493
Total	578,652	557,095
Cadillac DeVille/Fleetwood	151,882	145,309
Fleetwood 60 Special	1,324	1,224
Cimarron	5,907	12,639
Brougham/Chassis	44,518	56,669
Eldorado	30,766	20,357
Seville	22,184	20,725
Allante	3,191	2,068
Total	259,772	258,991
Chevrolet Nova/Geo Prizm	96,794	135,120
Sprint*/Geo Metro*	49,577	59,269
Spectrum*	68,288	79,108

	1988	1987
Chevette	279	21,287
Corsica	194,709	100,231
Beretta	180,181	108,614
Camaro	99,072	117,060
Cavalier	278,258	260,923
Cavalier SW	28,711	38,072
Celebrity	201,834	253,237
Celebrity SW	50,613	60,648
Lumina		
Monte Carlo	30,196	63,854
Caprice	138,383	143,112
Chevrolet SW	29,809	30,661
Corvette	22,928	24,878
Total	1,469,632	1,496,074
Oldsmobile Firenza	8,468	15,413
Firenza SW	1,110	1,868
Calais	104,843	100,882
Cutlass Ciera	219,193	224,206
Cutlass Ciera SW	16,329	22,452
Cutlass Supreme	24,451	95,403
Cutlass Supreme (fwd)	87,676	
Delta 88	146,916	155,328
98	73,738	71,466
Custom Cruiser SW	10,671	14,045
Toronado	15,054	16,199
Total	708,449	717,262
Pontiac 1000	220	5,703
LeMans*	61,404	33,062
Sunbird	80,404	77,370
Sunbird SW	1,686	2,796
Fiero	24,111	42,663
Firebird	57,421	73,822
Grand Am	226,053	214,141
6000	87,970	112,257
6000 SW	8,780	11,942
Grand Prix	1,643	13,707
Grand Prix (fwd)	96,090	637
Safari SW	6,757	9,434
Bonneville	107,055	100,609
Total	759,594	698,143
GM Lotus*	2	
Total GM	**3,776,101**	**3,727,565**
Domestic station wagons	397,835	479,741
Import station wagons	236,494	255,671
Misc. Domestic	**156**	**80**
Domestic Sponsored Imports	**443,724**	**377,723**
Other Imports	**3,266,154**	**3,276,415**
Total	**3,709,828**	**3,654,138**
Grand Total All Registrations	**10,479,931**	**10,165,660**

*Domestic-sponsored imports

Market shares for 36 years — U.S. car registrations by company

Year	GM	Ford	Chrysler	AMC*	Studebaker-Packard	Kaiser-Frazer, Willys	Miscellaneous Domestic	Imports
1953	45.07	25.15	20.31	3.55	4.05	1.34	0.02	0.51
1954	50.70	30.83	12.90	2.01	2.43	0.47	0.07	0.59
1955	50.76	27.63	16.82	1.81	2.06	0.10	0.01	0.81
1956	50.78	28.45	15.48	1.81	1.76	—	0.07	1.65
1957	44.85	30.39	18.33	1.77	1.13	—	0.07	3.46
1958	46.36	26.44	13.92	4.01	1.08	—	0.07	8.12
1959	42.10	28.12	11.30	6.01	2.21	—	0.09	10.17
1960	43.64	26.60	14.01	6.42	1.62	—	0.13	7.58
1961	46.53	28.53	10.79	6.33	1.23	—	0.12	6.47
1962	51.87	26.30	9.61	6.10	1.12	—	0.11	4.89
1963	51.04	24.87	12.37	5.67	0.85	—	0.10	5.10
1964	49.08	26.01	13.81	4.71	0.32	—	0.07	6.00
1965	50.07	25.47	14.67	3.49	0.13	—	0.06	6.11
1966	48.13	26.08	15.39	2.95	0.06	—	0.08	7.31
1967	49.53	22.15	16.05	2.85	—	—	0.10	9.32
1968	46.73	23.70	16.25	2.76	—	—	0.08	10.48
1969	46.79	24.25	15.12	2.54	—	—	0.06	11.24
1970	39.73	26.42	16.09	3.03	—	—	0.05	14.68
1971	45.16	23.52	13.71	2.50	—	—	0.05	15.06
1972	44.40	24.39	13.80	2.83	—	—	0.05	14.53
1973	44.32	23.50	13.33	3.45	—	—	0.05	15.15
1974	41.89	24.96	13.56	3.79	—	—	0.06	15.74
1975	43.31	23.06	11.70	3.72	—	—	0.04	18.17
1976	47.22	22.45	12.91	2.53	—	—	0.05	14.84
1977	46.37	22.66	10.97	1.69	—	—	0.04	18.26
1978	47.67	22.91	10.16	1.44	—	—	0.05	17.78
1979	46.42	20.29	9.02	1.52	—	—	0.05	22.70
1980	46.41	16.51	7.14	1.72	—	—	0.04	28.18
1981	44.50	16.32	8.76	1.58	—	—	0.04	28.80
1982	44.02	16.68	8.61	1.09	—	—	0.03	29.57
1983	44.01	17.11	9.19	2.14	—	—	0.01	27.54
1984	44.44	19.26	9.51	1.86	—	—	0.00	24.93
1985	42.63	18.86	11.23	1.18	—	—	0.00	25.90
1986	41.51	18.19	11.47	0.65	—	—	0.00	28.18
1987	36.70	20.33	10.77	—	—	—	0.00	32.23
1988	36.03	21.58	11.22	—	—	—	0.00	31.17

SOURCE: R.L. Polk & Co. *—And predecessors. (American Motors was acquired by Chrysler Corp. in 1987.) Chart includes domestic-sponsored imports for 1985, 1986 and 1987.

SALES/REGISTRATIONS

1988 new truck registrations in U.S. by state, top 5.2 million mark

(compiled by R.L. Polk & Co.)

State	Year	Chrysler Corp.	Ford	Daimler-Benz Corp.	Chevrolet	GMC	Navistar	Mack Truck Corp.	Paccar Corp.	Volvo White Corp. & Western Star	White GMC	Toyota	Nissan	Other domestic & imports	TOTAL	Year	State
Alabama	'88	11,877	22,300	766	27,862	7,418	1,093	569	919	136	384	4,323	24	8,972	86,643	'88	**Alabama**
	'87	12,490	21,794	697	26,121	5,748	866	494	688	539	—	6,916	51	10,531	86,935	'87	
Alaska	'88	2,102	3,495	27	2,923	928	125	6	37	26	—	470	1	1,379	11,519	'88	**Alaska**
	'87	1,859	3,104	5	2,209	619	50	4	11	29	—	609	—	1,445	9,944	'87	
Arizona	'88	12,370	20,230	94	18,172	7,041	3,742	61	222	45	104	4,772	15	11,869	78,737	'88	**Arizona**
	'87	10,712	19,492	175	18,527	5,019	486	154	152	170	—	7,136	6	14,830	76,859	'87	
Arkansas	'88	8,640	18,615	288	17,867	5,237	798	235	191	15	43	2,329	7	5,092	59,357	'88	**Arkansas**
	'87	7,996	15,272	289	14,689	3,839	907	267	115	47	—	2,558	10	4,839	50,828	'87	
California	'88	108,042	154,286	2,653	104,382	27,931	4,712	640	3,137	410	778	79,081	349	96,777	583,178	'88	**California**
	'87	90,075	144,082	2,347	90,179	23,337	3,996	600	2,260	920	—	89,837	254	123,205	571,092	'87	
Colorado	'88	14,981	18,406	117	14,580	4,364	895	91	322	48	116	5,862	16	7,440	67,238	'88	**Colorado**
	'87	12,997	17,744	133	11,554	4,036	623	86	275	102	—	7,185	25	9,828	64,588	'87	
Connecticut	'88	18,602	17,777	161	16,271	4,507	1,427	466	229	93	88	3,904	25	9,429	72,979	'88	**Connecticut**
	'87	15,225	16,747	222	14,460	4,188	1,213	502	169	212	—	4,970	21	12,129	70,058	'87	
Delaware	'88	4,396	7,252	521	5,820	1,244	786	141	210	129	219	657	20	1,862	23,257	'88	**Delaware**
	'87	3,815	6,323	190	4,630	847	705	196	118	248	—	838	6	1,956	19,872	'87	
District of Columbia	'88	1,160	996	8	768	161	18	2	7	—	—	204	1	693	4,018	'88	**District of Columbia**
	'87	1,006	846	1	694	126	13	1	2	—	—	244	1	719	3,653	'87	
Florida	'88	56,912	87,694	833	59,003	18,681	3,696	1,349	1,159	219	399	15,423	51	32,123	277,542	'88	**Florida**
	'87	50,831	78,625	1,163	58,255	19,198	3,456	1,431	914	432	—	23,126	96	41,631	279,158	'87	
Georgia	'88	27,023	49,015	1,203	43,570	9,571	2,998	666	1,008	260	488	7,828	92	13,731	157,453	'88	**Georgia**
	'87	25,322	45,267	834	39,439	8,296	2,273	706	859	738	—	11,137	75	17,133	152,079	'87	
Hawaii	'88	4,918	5,752	—	2,847	1,256	164	7	85	11	31	2,315	—	4,790	22,176	'88	**Hawaii**
	'87	4,655	4,683	1	2,453	777	111	2	56	18	—	2,500	—	6,436	21,692	'87	
Idaho	'88	3,963	5,590	49	4,563	2,224	171	15	288	13	26	1,304	—	2,029	20,235	'88	**Idaho**
	'87	3,377	4,983	42	3,641	1,809	124	22	214	18	—	1,467	—	2,148	17,845	'87	
Illinois	'88	45,924	68,793	1,989	63,829	16,293	6,681	2,093	2,019	385	1,277	7,087	40	11,501	227,911	'88	**Illinois**
	'87	38,589	64,115	2,361	54,433	13,647	6,240	1,444	1,504	1,216	—	9,635	74	14,079	207,337	'87	
Indiana	'88	18,113	31,522	1,136	35,001	13,235	2,195	476	910	120	356	3,970	14	4,769	111,864	'88	**Indiana**
	'87	17,612	31,850	1,023	31,772	10,845	2,048	448	1,382	280	—	5,046	32	5,794	108,187	'87	
Iowa	'88	10,563	19,292	697	17,375	3,272	1,632	265	569	59	211	1,187	11	2,665	57,798	'88	**Iowa**
	'87	8,847	17,037	504	15,162	2,832	1,705	184	573	366	—	1,737	3	2,972	51,922	'87	
Kansas	'88	9,195	16,776	150	13,884	4,674	665	105	551	34	125	2,420	14	3,631	52,224	'88	**Kansas**
	'87	7,474	13,527	210	10,820	3,591	396	79	366	50	—	2,557	5	3,496	42,571	'87	
Kentucky	'88	11,917	21,785	207	20,958	4,531	980	372	198	41	80	3,177	16	5,030	69,292	'88	**Kentucky**
	'87	12,251	20,619	169	18,967	3,932	907	282	215	66	—	3,498	10	5,495	66,411	'87	
Louisiana	'88	12,720	27,201	476	24,560	6,689	1,235	370	334	31	64	5,056	9	11,628	90,373	'88	**Louisiana**
	'87	10,797	23,352	415	18,119	4,967	532	314	232	74	—	5,391	15	9,797	74,005	'87	
Maine	'88	6,553	10,650	98	7,806	4,534	492	142	162	25	137	1,502	8	2,495	34,604	'88	**Maine**
	'87	5,848	10,345	135	7,613	3,860	426	173	138	61	—	1,920	2	3,073	33,594	'87	
Maryland	'88	28,357	37,113	405	29,536	6,800	2,314	928	323	118	282	6,276	34	10,250	122,736	'88	**Maryland**
	'87	24,611	36,276	408	28,559	5,689	2,033	803	252	273	—	8,437	51	13,318	120,710	'87	
Massachusetts*	'88	34,596	34,193	591	29,398	12,480	2,459	1,065	326	246	216	8,071	24	13,526	137,191	'88	**Massachusetts**
	'87	28,714	32,285	705	26,677	10,560	1,918	1,104	267	498	—	9,120	32	16,016	127,896	'87	
Michigan	'88	48,782	76,992	418	66,406	28,426	2,126	517	489	122	445	2,707	17	5,181	232,628	'88	**Michigan**
	'87	46,512	74,275	416	57,467	23,459	1,999	430	425	316	—	3,560	33	6,170	215,062	'87	
Minnesota	'88	20,996	33,747	785	25,398	6,423	2,014	370	732	121	481	1,810	14	5,459	98,350	'88	**Minnesota**
	'87	17,355	34,366	533	22,943	5,093	1,704	310	557	166	—	2,016	19	7,113	92,175	'87	
Mississippi	'88	5,916	15,564	364	14,214	3,538	636	344	211	16	44	3,334	4	6,309	50,494	'88	**Mississippi**
	'87	5,360	13,361	596	11,778	3,552	563	230	229	70	—	3,819	8	6,163	45,729	'87	
Missouri	'88	19,771	35,673	668	28,896	11,235	1,625	222	1,034	127	276	3,585	15	7,850	110,977	'88	**Missouri**
	'87	18,008	33,025	680	26,255	9,998	1,527	254	954	239	—	4,680	19	8,856	104,495	'87	
Montana*	'88	2,320	5,440	140	4,406	1,350	113	19	503	15	11	767	2	1,461	16,547	'88	**Montana**
	'87	2,433	5,434	123	3,834	1,231	84	29	281	42	—	1,019	1	2,023	16,534	'87	
Nebraska	'88	5,515	10,710	970	8,916	2,873	1,056	130	1,934	39	308	536	1	1,908	34,896	'88	**Nebraska**
	'87	4,317	9,147	855	7,464	2,449	1,441	139	1,637	184	—	756	3	1,958	30,350	'87	
Nevada	'88	5,672	8,594	29	4,825	2,761	245	6	133	7	48	2,524	—	3,754	28,598	'88	**Nevada**
	'87	4,827	7,537	20	3,766	2,158	191	10	10,834	—	7,814	3,072	1	4,741	26,465	'87	
New Hampshire*	'88	9,642	9,576	93	9,464	4,316	976	265	130	33	63	3,367	5	3,659	41,589	'88	**New Hampshire**
	'87	9,151	10,494	179	9,742	4,366	671	232	102	79	—	4,122	10	4,999	44,147	'87	
New Jersey	'88	34,036	42,334	969	27,871	9,806	2,481	1,654	1,109	277	502	8,087	115	15,466	144,727	'88	**New Jersey**
	'87	32,831	44,153	1,067	29,793	9,743	2,586	1,739	849	655	—	9,640	118	19,394	152,568	'87	
New Mexico	'88	6,372	12,859	32	9,508	3,528	343	50	196	2	12	2,399	7	3,913	39,221	'88	**New Mexico**
	'87	5,692	12,185	30	7,463	3,035	258	39	224	29	—	3,110	10	5,495	37,570	'87	
New York	'88	64,733	62,221	989	56,944	19,969	4,994	2,149	678	337	423	7,443	89	25,379	246,348	'88	**New York**
	'87	60,283	62,852	1,269	54,037	16,763	5,460	2,044	489	676	—	10,149	137	29,010	243,169	'87	
North Carolina	'88	24,820	46,610	972	38,824	7,990	1,947	623	1,307	191	486	7,472	29	19,278	150,549	'88	**North Carolina**
	'87	23,010	43,668	950	35,202	7,982	1,815	647	1,047	524	—	10,865	77	22,646	148,433	'87	
North Dakota	'88	1,980	4,200	195	4,155	1,081	133	28	276	15	66	332	—	714	13,175	'88	**North Dakota**
	'87	1,904	4,259	160	3,805	935	89	43	166	35	—	418	1	890	12,705	'87	
Ohio	'88	40,321	63,821	907	65,281	14,920	3,410	1,115	1,290	177	633	5,838	35	11,371	209,071	'88	**Ohio**
	'87	37,441	61,328	855	61,397	13,860	3,281	985	987	590	—	7,893	51	12,990	201,603	'87	
Oklahoma	'88	10,957	20,706	753	22,920	7,383	1,991	255	609	22	225	1,573	7	6,008	73,409	'88	**Oklahoma**
	'87	10,023	19,089	915	18,703	6,619	749	209	570	54	—	1,751	6	6,839	65,527	'87	
Oregon	'88	11,844	18,959	437	14,309	3,551	493	148	598	77	130	6,811	17	7,624	64,998	'88	**Oregon**
	'87	9,267	17,047	383	11,509	3,673	414	122	495	142	—	6,621	22	9,618	59,313	'87	
Pennsylvania	'88	49,166	69,738	1,304	54,870	15,997	3,800	2,523	1,484	270	514	6,355	124	13,733	219,878	'88	**Pennsylvania**
	'87	45,874	70,100	1,389	50,782	14,588	3,304	2,073	1,027	711	—	7,953	140	17,069	215,010	'87	
Rhode Island	'88	4,287	4,325	29	3,152	1,594	284	237	54	10	49	1,723	13	2,588	18,345	'88	**Rhode Island**
	'87	3,814	4,267	61	2,876	1,242	254	144	33	68	—	1,651	5	3,409	17,824	'87	
South Carolina	'88	10,429	20,020	369	18,156	5,148	1,825	392	346	47	88	3,384	10	9,557	69,771	'88	**South Carolina**
	'87	10,121	17,453	593	15,252	5,479	1,130	333	287	120	—	4,530	19	11,298	66,615	'87	
South Dakota	'88	2,234	5,421	119	4,468	1,002	226	36	386	9	39	272	1	665	14,878	'88	**South Dakota**
	'87	2,088	4,551	114	4,236	859	211	25	213	22	—	420	—	828	13,567	'87	
Tennessee	'88	18,264	31,967	1,161	27,846	10,384	1,955	797	1,478	160	807	9,197	29	12,520	116,565	'88	**Tennessee**
	'87	16,621	28,652	1,154	23,553	8,442	1,323	587	1,071	724	—	10,427	38	13,850	106,442	'87	
Texas	'88	58,059	110,204	1,395	114,075	29,950	4,589	1,107	2,344	197	465	11,286	91	37,316	371,078	'88	**Texas**
	'87	54,837	106,033	1,344	96,533	25,874	3,101	938	1,529	397	—	14,882	145	44,155	349,768	'87	
Utah	'88	5,106	8,114	286	6,679	2,551	263	66	551	147	99	1,711	15	2,859	28,447	'88	**Utah**
	'87	5,370	8,031	294	5,807	2,664	374	72	561	438	—	1,950	17	4,790	30,368	'87	
Vermont	'88	3,511	4,991	72	4,213	1,658	272	77	39	31	23	1,186	2	1,373	17,448	'88	**Vermont**
	'87	3,443	4,971	93	4,296	1,901	278	126	29	31	—	1,682	6	1,701	18,557	'87	
Virginia	'88	31,345	43,326	284	29,647	8,049	1,751	813	558	169	299	8,271	28	15,495	140,035	'88	**Virginia**
	'87	28,541	42,564	393	29,549	8,078	1,783	750	368	302	—	11,623	57	20,878	144,886	'87	
Washington	'88	16,209	22,900	355	19,000	4,261	968	201	1,308	142	148	6,156	26	10,386	82,060	'88	**Washington**
	'87	12,558	20,140	404	15,096	3,287	920	147	956	173	—	7,464	27	13,268	74,440	'87	
West Virginia	'88	6,340	12,551	49	13,800	2,236	533	166	102	29	43	1,010	12	2,066	38,937	'88	**West Virginia**
	'87	6,687	12,663	58	12,845	2,076	726	193	85	59	—	1,242	4	2,787	39,425	'87	
Wisconsin	'88	21,900	31,557	410	25,857	9,082	1,968	527	1,135	142	444	3,189	12	4,872	101,095	'88	**Wisconsin**
	'87	19,364	29,353	467	22,588	7,760	1,611	468	1,027	262	—	3,558	24	5,443	91,925	'87	
Wyoming	'88	2,046	4,277	49	3,510	1,562	146	11	59	2	11	609	—	522	12,804	'88	**Wyoming**
	'87	2,035	3,841	40	2,746	1,499	84	12	54	1	—	790	—	708	11,810	'87	
Federal Government	'88	7,594	706	12	42,211	989	2,434	4	2	19	12	16	—	25	54,024	'88	**Federal Government**
	'87	11,235	703	5	15,865	607	1,522	40	1	151	—	21	—	20	30,170	'87	
U.S. TOTAL	**'88**	**1,003,389**	**1,517,356**	**27,884**	**1,330,796**	**386,864**	**84,915**	**24,928**	**34,383**	**5,418**	**12,626**	**280,168**	**1,491**	**580,992**	**5,211,160**	**'88**	**U.S. TOTAL**
	'87	**906,105**	**1,433,910**	**27,489**	**1,166,155**	**337,834**	**78,481**	**22,666**	**27,123**	**13,801**	**—**	**347,548**	**1,787**	**609,979**	**4,983,888**	**'87**	

Notes: Compiled from official state records. Data is property of R.L. Polk & Co. May not be copied, sold or reprinted without Polk permission.

*—Total state registrations by make were not available for Massachusetts, Montana and New Hampshire at the time of publication. Totals may not add because of incomplete registration numbers from these states.

1987 data for Oklahoma compiled from manufacturers' sales records.

SALES/REGISTRATIONS

New car registrations in U.S. by state top 10.47 million in 1988

(compiled by R.L. Polk & Co.)

State	Year	Eagle	Chrysler	Dodge	Plymouth	CHRYSLER TOTAL	Ford	Lincoln	Mercury	FORD TOTAL	Buick	Cadillac	Chevrolet	Oldsmobile	Pontiac	GM TOTAL	Acura	Honda	Toyota	Nissan	Misc.	TOTAL INDUSTRY
Alabama	'88	554	3,348	4,035	2,419	10,356	16,854	2,011	4,584	23,449	9,020	3,512	20,431	9,917	11,474	54,354	1,367	9,053	6,977	7,829	20,229	133,614
	'87	196	4,034	3,417	2,481	10,128	17,545	1,873	4,987	24,405	9,062	3,503	22,266	11,077	11,481	57,389	1,059	9,274	7,696	8,946	21,173	140,070
Alaska	'88	88	320	504	395	1,307	2,202	86	474	2,762	402	124	1,544	503	600	3,173	255	1,110	554	411	3,651	13,223
	'87	96	322	320	280	1,018	2,026	60	356	2,442	279	97	1,142	399	397	2,314	216	888	432	399	3,281	10,990
Arizona	'88	469	3,321	3,286	3,279	10,355	15,466	2,098	3,405	20,969	5,968	2,863	12,219	5,197	6,420	32,667	1,318	8,420	6,703	7,653	17,307	105,392
	'87	281	2,627	2,575	2,402	7,885	14,876	1,904	3,711	20,491	5,302	3,285	14,048	5,303	6,386	34,324	1,267	8,382	7,689	8,651	20,248	108,937
Arkansas	'88	341	1,987	3,024	1,425	6,777	10,111	1,173	2,983	14,267	3,960	2,236	9,307	6,592	5,041	27,136	272	3,964	3,128	2,625	9,362	67,531
	'87	252	2,078	2,247	1,375	5,952	8,702	1,139	2,910	12,751	3,455	1,814	9,143	6,254	4,309	24,975	322	3,311	2,704	2,871	7,047	59,933
California	'88	3,151	27,529	31,258	18,353	80,291	157,130	17,849	29,817	204,796	37,158	31,338	92,610	47,897	40,904	249,907	32,472	116,850	133,941	85,308	302,987	1,206,552
	'87	2,355	27,523	22,827	16,039	68,744	143,482	15,126	31,153	189,761	33,350	31,892	89,560	44,038	36,688	235,528	27,050	110,969	122,887	89,557	304,358	1,148,854
Colorado	'88	616	2,450	3,676	2,806	9,548	16,715	1,738	3,950	22,403	5,317	2,279	11,452	5,665	6,147	30,860	1,624	9,676	8,388	4,182	25,954	112,635
	'87	548	2,212	2,984	1,882	7,626	14,695	1,413	3,581	19,689	4,668	2,303	11,097	4,873	5,399	28,540	1,631	10,001	8,852	4,844	27,748	108,931
Connecticut	'88	948	4,721	6,677	5,810	18,156	23,217	2,913	6,612	32,742	11,193	3,395	20,838	11,530	8,733	55,689	3,409	15,346	11,956	6,803	44,844	188,945
	'87	474	5,037	5,796	6,022	17,329	22,599	2,311	6,733	31,643	9,960	3,499	21,632	12,352	8,742	56,185	2,267	11,540	12,136	8,988	44,476	184,564
Delaware	'88	226	1,152	1,857	1,278	4,513	7,571	770	2,040	10,381	3,171	891	8,532	4,397	3,703	20,694	505	2,826	1,638	2,101	11,996	54,654
	'87	118	1,173	1,324	1,348	3,963	5,744	554	2,022	8,320	2,540	894	6,926	3,670	3,000	17,030	586	2,846	1,673	1,990	11,099	47,507
D. of Columbia	'88	94	616	617	831	2,158	3,054	367	786	4,207	789	505	2,633	1,486	870	6,283	368	1,817	2,269	2,211	5,974	25,287
	'87	91	771	714	635	2,211	2,248	296	657	3,201	759	617	2,739	1,409	827	6,351	287	1,448	1,514	1,778	6,106	22,896
Florida	'88	2,400	26,192	43,816	18,879	91,287	102,890	22,489	32,301	157,680	49,294	32,068	112,120	41,644	55,292	290,418	9,603	36,722	56,765	37,598	120,761	800,834
	'87	1,419	23,893	37,728	20,443	83,483	90,316	21,325	33,733	145,374	48,416	33,504	97,516	40,544	48,888	268,868	7,729	34,987	53,971	37,372	139,134	770,918
Georgia	'88	1,120	6,841	8,083	5,608	21,652	41,892	4,416	11,043	57,351	12,718	6,476	31,265	17,653	18,838	86,950	2,855	19,960	18,958	13,668	50,843	272,237
	'87	581	7,528	6,412	5,425	19,946	37,126	4,068	11,392	52,586	12,459	7,067	31,171	17,943	18,869	87,509	2,529	17,971	17,589	16,689	48,227	263,046
Hawaii	'88	88	1,100	1,909	1,184	4,281	6,778	1,012	1,522	9,312	1,725	1,081	3,397	1,703	1,591	9,497	857	6,733	7,939	8,802	8,857	56,278
	'87	59	625	1,266	670	2,620	4,775	1,029	548	6,352	1,530	863	4,503	1,887	1,379	10,162	803	6,255	8,175	7,002	10,077	51,446
Idaho	'88	109	635	841	438	2,023	2,654	240	1,336	4,230	1,080	345	1,971	1,391	1,267	6,054	58	1,621	1,297	676	6,060	22,019
	'87	76	683	714	503	1,976	2,336	174	1,381	3,891	1,032	418	1,817	1,349	1,240	5,856	47	1,714	1,327	884	4,740	20,435
Illinois	'88	2,069	14,275	23,636	14,737	54,717	100,657	10,915	30,344	141,916	39,712	16,439	89,879	48,755	49,006	243,791	6,944	32,264	26,678	14,974	81,372	602,656
	'87	1,423	14,245	18,296	15,651	49,615	91,684	10,322	28,527	130,533	39,772	15,065	89,574	52,035	47,798	244,244	5,545	29,726	27,747	18,396	71,286	577,092
Indiana	'88	1,027	5,699	8,317	6,074	21,117	28,252	2,432	8,284	38,968	16,027	4,743	32,224	20,659	18,246	91,899	828	8,012	7,738	3,883	20,128	192,573
	'87	879	6,687	6,933	6,633	21,132	28,357	2,170	9,768	40,295	14,792	4,302	32,138	20,985	18,020	90,237	751	7,879	7,189	4,526	16,702	188,711
Iowa	'88	416	2,028	4,633	2,091	9,168	13,592	854	4,565	19,011	8,650	1,672	15,354	9,459	7,835	42,970	271	3,635	2,686	1,952	7,478	87,171
	'87	339	2,427	3,691	2,215	8,672	12,520	757	4,200	17,477	7,893	1,424	14,562	9,150	7,120	40,149	271	3,365	2,457	2,220	6,748	81,359
Kansas	'88	347	2,318	2,723	1,999	7,387	13,030	989	3,421	17,440	5,112	1,538	9,558	6,981	6,118	29,307	805	5,464	3,854	2,363	9,596	76,216
	'87	158	2,410	2,038	1,895	6,501	10,023	676	3,272	13,971	4,400	1,365	9,185	6,587	5,071	26,608	766	5,195	3,290	2,453	7,760	66,544
Kentucky	'88	432	3,029	5,558	3,105	12,124	16,697	1,797	3,968	22,732	6,380	2,831	15,284	8,214	8,716	41,425	565	4,629	5,988	5,190	13,666	106,319
	'87	280	3,833	4,135	3,613	11,861	15,937	1,602	4,489	22,028	6,120	2,586	15,430	8,799	8,524	41,459	594	4,472	5,718	5,063	10,808	102,003
Louisiana	'88	444	3,295	4,553	2,826	11,118	19,624	2,683	5,412	27,719	6,309	3,478	16,816	10,508	8,881	45,992	1,055	8,738	11,896	7,925	22,060	136,503
	'87	204	3,422	3,416	2,497	9,539	17,928	2,414	5,160	25,502	5,987	3,200	14,479	9,377	7,370	40,413	936	7,749	9,969	8,193	19,052	121,353
Maine	'88	239	899	2,806	1,665	5,609	7,675	485	2,468	10,628	2,873	508	7,821	3,685	2,833	17,720	76	1,825	2,293	1,360	11,040	50,551
	'87	225	1,212	2,121	1,712	5,270	8,037	382	2,643	11,062	2,917	492	7,406	3,876	2,820	17,511	44	1,589	2,101	1,749	10,786	50,112
Maryland	'88	1,271	6,511	15,830	8,846	32,458	53,191	3,754	10,294	67,239	13,620	4,353	42,391	21,672	18,381	100,417	3,923	18,046	19,491	13,950	51,953	307,477
	'87	686	6,862	11,456	9,694	28,698	49,766	3,376	10,174	63,316	13,094	4,448	45,102	22,229	19,435	104,308	3,307	15,547	17,392	16,222	54,430	303,220
Massachusetts*	'88	1,319	8,683	14,738	11,128	35,868	44,014	7,953	18,801	70,768	16,940	6,009	47,798	20,692	20,042	111,481	3,640	23,009	25,724	15,725	76,565	362,780
	'87	1,113	7,221	12,469	10,512	31,315	37,448	4,677	17,237	59,362	15,454	5,857	46,112	19,686	17,343	104,452	1,977	18,140	23,891	16,499	75,601	331,237
Michigan	'88	3,058	18,313	28,493	15,803	65,667	89,675	11,254	28,980	129,909	36,459	13,627	66,756	39,484	51,471	207,797	2,002	12,623	8,892	3,965	42,602	473,457
	'87	1,890	17,768	24,147	16,923	60,728	83,792	9,179	29,932	122,903	32,256	12,161	69,471	38,057	50,604	202,549	1,533	13,419	8,515	5,088	39,008	453,743
Minnesota	'88	660	4,553	10,278	7,776	23,267	27,587	1,938	8,028	37,553	11,900	2,777	23,576	17,167	13,910	69,330	1,593	7,230	6,401	2,244	18,629	166,247
	'87	373	4,357	6,045	7,601	18,376	25,103	1,498	7,418	34,019	12,331	3,249	29,036	18,971	13,897	77,484	1,486	7,437	5,680	3,152	16,982	164,616
Mississippi	'88	232	1,590	1,803	1,280	4,905	9,223	1,255	2,609	13,087	4,552	1,738	8,492	5,274	5,177	25,233	264	3,022	4,726	6,869	9,353	67,459
	'87	84	1,764	1,327	1,257	4,432	8,356	1,230	2,517	12,103	4,490	1,778	8,296	5,707	4,884	25,155	102	3,123	4,124	5,891	7,749	62,679
Missouri	'88	726	5,296	9,589	5,392	21,003	36,089	3,022	9,285	48,396	10,503	4,661	28,449	17,415	15,214	76,242	1,494	8,601	11,145	5,675	25,330	197,886
	'87	566	5,684	7,027	5,683	18,960	32,293	2,552	8,636	43,481	9,734	4,613	27,172	16,319	13,095	70,933	1,319	8,151	10,598	6,536	20,651	180,629
Montana*	'88	120	472	552	546	1,690	2,530	126	691	3,347	1,347	224	2,568	1,770	969	6,878	45	1,525	871	746	3,350	18,452
	'87	149	636	467	470	1,722	2,687	115	824	3,626	1,233	232	2,394	1,671	910	6,440	39	1,875	844	783	3,051	18,380
Nebraska	'88	167	1,644	1,885	1,325	5,021	6,528	600	2,184	9,312	4,076	1,059	6,818	4,412	3,986	20,351	307	2,588	1,543	1,535	4,269	44,926
	'87	110	1,421	1,327	1,200	4,058	6,713	412	2,058	9,183	3,838	939	6,295	3,823	3,051	17,946	331	2,406	1,399	1,572	3,672	40,567
Nevada	'88	162	1,352	2,763	1,275	5,552	7,144	1,256	2,180	10,580	2,287	1,716	5,118	2,499	2,413	14,033	509	3,482	3,696	1,699	9,729	49,280
	'87	122	1,320	1,636	927	4,005	6,953	1,060	1,792	9,805	1,780	1,489	5,020	1,910	2,307	12,506	430	3,211	2,639	1,918	9,566	44,080
New Hampshire*	'88	370	1,302	3,250	1,853	6,775	8,815	1,056	2,980	12,851	2,949	938	9,749	3,747	4,018	21,401	827	4,180	5,297	3,075	18,521	72,927
	'87	306	1,431	2,954	1,996	6,687	9,349	927	3,297	13,573	3,073	1,083	10,210	4,067	4,021	22,454	382	3,615	4,734	3,846	18,643	73,934
New Jersey	'88	1,788	10,966	17,858	10,985	41,597	63,508	12,185	25,307	101,000	25,648	10,372	54,856	27,382	25,853	144,111	5,184	28,636	27,213	22,939	91,965	462,645
	'87	1,586	12,793	15,414	13,787	43,580	60,463	11,827	23,769	96,059	26,353	11,203	64,640	31,433	29,243	162,872	3,665	26,397	29,886	28,246	105,091	495,796
New Mexico	'88	221	1,346	2,439	1,204	5,210	8,598	911	2,004	11,513	1,983	757	6,002	2,526	2,971	14,239	431	2,196	2,840	1,917	9,312	47,658
	'87	183	1,371	1,656	1,404	4,614	7,389	765	1,998	10,152	1,887	781	4,920	2,445	2,438	12,471	425	2,022	3,150	2,230	9,179	44,243
New York	'88	3,763	18,115	36,545	26,802	85,225	79,541	16,229	27,701	123,471	37,827	16,020	93,743	47,927	46,089	241,606	12,884	46,007	39,643	40,085	140,680	729,601
	'87	2,556	20,491	31,033	31,175	85,255	79,128	15,145	28,476	122,749	39,966	18,045	99,858	52,739	46,349	256,957	8,751	38,641	40,946	44,316	146,598	744,213
North Carolina	'88	1,064	5,402	6,820	4,415	17,701	41,408	3,293	7,181	51,882	16,146	5,685	31,936	17,911	17,682	89,360	1,994	19,827	13,721	20,258	44,437	259,180
	'87	445	6,344	5,927	5,303	18,019	39,619	2,785	8,207	50,611	16,204	5,783	33,626	18,694	17,167	91,474	1,759	17,309	14,507	19,336	43,066	256,081
North Dakota	'88	82	353	668	452	1,555	2,135	159	820	3,114	1,543	363	2,876	1,784	1,461	8,027	20	848	552	229	1,685	16,030
	'87	61	453	586	385	1,485	2,066	113	924	3,103	1,494	337	2,670	1,922	1,292	7,715	44	981	571	307	1,473	15,679
Ohio	'88	2,349	12,951	25,916	15,733	56,949	74,075	8,211	23,579	105,865	32,962	11,872	85,589	40,967	39,908	211,298	3,531	27,177	22,284	12,654	55,493	495,251
	'87	1,909	13,828	20,299	16,692	52,728	72,092	7,008	25,619	104,719	33,075	10,125	81,788	42,306	41,835	209,129	3,707	25,638	20,395	15,729	48,144	480,189
Oklahoma	'88	454	2,608	3,392	1,897	8,351	13,312	2,024	4,661	19,997	5,377	2,440	9,290	7,001	7,333	31,441	797	5,967	2,782	3,231	11,632	84,198
	'87	467	3,005	1,973	1,547	6,992	12,604	1,780	4,711	19,095	4,743	2,202	9,904	6,752	6,981	30,482	774	5,600	2,880	3,388	11,675	80,886
Oregon	'88	415	2,194	2,762	2,163	7,534	12,186	1,009	2,344	15,539	4,161	1,832	8,673	4,150	4,274	23,090	1,508	10,278	8,151	4,657	19,253	90,010
	'87	241	2,359	1,777	1,787	6,164	11,127	570	2,502	14,199	3,561	1,599	7,692	3,603	3,231	19,686	1,133	9,989	7,327	4,578	20,755	83,831
Pennsylvania	'88	3,425	15,089	27,248	20,371	66,133	70,621	8,556	23,353	102,530	33,354	11,925	82,918	39,565	41,967	209,729	5,659	28,297	18,634	15,210	81,050	527,242
	'87	3,020	16,720	22,987	22,443	65,170	68,244	7,807	23,708	99,759	35,258	11,610	81,759	40,939	38,451	208,017	4,549	27,056	19,691	19,272	85,270	528,784
Rhode Island	'88	257	1,157	2,351	1,580	5,345	5,757	628	1,979	8,364	2,433	946	5,314	3,361	2,799	14,853	464	2,184	4,027	1,778	10,961	47,976
	'87	168	1,319	1,945	1,525	4,957	5,202	584	1,895	7,681	2,350	916	4,778	3,702	2,398	14,144	200	1,866	3,507	2,267	12,034	46,656
South Carolina	'88	366	2,414	3,144	1,981	7,905	18,314	1,655	3,911	23,880	7,357	2,887	16,450	10,282	8,852	45,828	678	9,222	6,617	9,223	20,491	123,844
	'87	230	2,637	2,917	2,568	8,352	16,908	1,543	4,785	23,236	7,104	3,101	15,690	10,990	8,517	45,402	443	9,063	6,521	8,782	18,659	120,458
South Dakota	'88	143	426	767	579	1,915	2,727	199	703	3,629	1,887	363	3,013	1,848	1,582	8,693	17	739	325	293	2,156	17,767
	'87	129	516	677	628	1,950	2,722	111	783	3,616	1,840	336	3,195	1,896	1,599	8,866	19	838	410	386	1,716	17,801
Tennessee	'88	729	5,150	7,863	5,299	19,041	26,917	3,205	6,583	36,705	10,845	5,896	23,253	13,349	15,617	68,960	1,529	11,858	15,985	12,580	27,938	194,596
	'87	395	5,306	5,350	4,332	15,383	24,893	2,775	7,116	34,784	10,031	5,972	22,777	13,202	14,953	66,935	1,437	9,871	14,333	13,631	25,890	182,264
Texas	'88	1,953	16,329	19,662	12,178	50,122	90,234	13,876	22,938	127,048	25,672	20,192	62,642	42,918	33,176	184,600	6,737	35,153	27,632	25,902	96,764	553,958
	'87	865	16,705	13,415	12,545	43,530	79,887	12,998	24,827	117,712	24,592	19,702	60,913	42,547	30,307	178,061	5,897	33,280	25,678	27,626	99,757	531,541
Utah	'88	186	971	1,973	842	3,972	5,538	526	1,791	7,855	2,025	708	4,539	2,258	2,297	11,827	476	3,421	2,964	1,410	9,750	41,675
	'87	168	1,234	1,487	1,043	3,932	4,932	647	1,615	7,194	2,253	886	4,604	2,297	2,221	12,261	660	3,832	2,718	1,804	10,692	43,093
Vermont	'88	191	463	1,173	1,125	2,952	3,521	181	694	4,396	1,534	281	4,210	1,392	1,295	8,712	89	1,642	1,997	565	7,033	27,386
	'87	220	556	1,074	971	2,821	3,392	148	992	4,532	1,460	363	4,288	1,487	1,328	8,926	66	1,585	1,988	734	7,529	28,181
Virginia	'88	1,304	7,762	13,692	8,456	31,214	43,633	4,066	8,910	56,609	10,647	5,107	33,311	17,753	16,959	83,777	3,073	20,510	17,116	14,387	55,269	281,955
	'87	1,045	8,865	10,271	9,148	29,329	42,357	3,122	10,314	55,793	10,440	5,466	35,438	18,269	17,343	86,956	2,443	19,438	17,910	17,324	55,232	284,425
Washington	'88	516	3,224	4,274	3,395	11,409	20,399	1,303	3,824	25,526	4,951	2,103	14,992	5,582	5,063	32,691	3,091	15,037	11,467	5,928	30,640	135,789
	'87	334	3,373	3,041	2,877	9,625	17,064	824	3,565	21,453	3,985	2,008	13,304	4,813	3,818	27,928	2,104	13,429	10,886	6,610	31,033	123,068
West Virginia	'88	338	1,451	3,400	1,861	7,050	8,504	526	2,067	11,097	3,878	1,027	10,642	4,869	4,382	24,798	87	2,403	1,321	1,846	9,149	57,751
	'87	370	1,775	2,506	1,985	6,636	7,770	539	2,266	10,575	3,604	1,010	10,460	5,062	4,210	24,346	80	2,523	1,398	1,956	9,044	56,558
Wisconsin	'88	861	3,767	9,598	6,554	20,780	24,228	2,087	8,215	34,530	15,863	3,359	28,503	16,517	19,388	83,630	1,198	6,868	9,429	3,602	18,376	178,413
	'87	1,035	4,538	7,283	7,175	20,031	21,774	1,474	8,142	31,390	13,772	3,304	25,810	16,736	16,461	76,083	925	6,399	8,438	3,674	15,982	162,922
Wyoming	'88	59	384	471	212	1,126	1,585	115	671	2,371	879	184	1,340	923	913	4,239	23	887	623	282	2,150	11,701
	'87	91	438	392	285	1,206	1,526	100	668	2,294	856	196	1,448	950	945	4,395	20	966	566	364	1,930	11,741
Federal Government	'88	0	154	474	7,615	8,243	2,116	2	25	2,143	68	2	10,459	80	96	10,705	8	10	8	8	31	21,156
	'87	25	336	312	2,197	2,870	2,339	4	41	2,384	91	7	22,793	131	119	23,141	8	13	3	11	34	28,464
U.S. Total	**'88**	**62,830**	**283,848**	**496,416**	**333,224**	**1,175,518**	**1,577,815**	**190,506**	**481,396**	**2,262,002**	**578,652**	**259,772**	**1,469,632**	**708,449**	**759,594**	**3,776,101**	**129,589**	**682,138**	**644,763**	**471,981**	**1,800,631**	**10,479,931**
	'87	**44,740**	**297,481**	**488,333**	**344,656**	**1,095,130**	**1,421,290**	**187,290**	**464,382**	**2,006,478**	**557,095**	**258,981**	**1,496,074**	**717,282**	**698,143**	**3,727,565**	**104,715**	**613,221**	**618,641**	**516,649**	**1,660,992**	**10,165,668**

Notes: Manufacturers' sales records were used to compile Oklahoma figures in 1987. All data is property of R.L. Polk & Co.; may not be copied sold or reprinted without permission from Polk.

*—Total state registrations by make were not available for Massachusetts, Montana and New Hampshire at the time of publication. Totals may not add because of incomplete registration numbers from these states.

Includes imports and domestic-sponsored cars.

SALES/REGISTRATIONS

Domestic and import truck sales edge up 4.15 percent in 1988

	January	February	March	April	May	June	July	August	September	October	November	December	1988	1987
Ford														
Vans	12,199	15,548	21,257	15,196	17,307	17,387	14,695	15,427	14,771	16,380	14,716	12,827	187,710	184,413
Aerostar	12,307	15,241	19,219	16,358	17,047	15,144	17,978	14,327	14,879	13,120	14,199	14,759	184,578	159,149
Club Wagon	1,825	2,385	3,060	2,171	2,913	2,781	1,557	1,149	2,328	2,959	2,473	2,217	27,818	27,300
Ranger	21,347	24,091	29,447	25,121	26,121	29,155	28,707	27,925	27,253	20,930	20,841	17,641	298,579	305,295
Bronco	4,222	4,231	5,402	4,551	4,619	4,763	3,996	3,751	3,938	4,913	5,295	5,443	55,124	51,782
Bronco II	9,552	9,803	10,818	9,226	10,781	11,484	11,112	11,699	11,884	9,287	9,038	9,425	124,109	120,905
Mediums	3,020	3,480	4,757	3,598	4,562	4,161	5,145	3,996	3,656	3,247	3,422	3,226	46,270	41,440
Heavies	855	975	1,154	1,156	1,573	1,362	1,424	1,442	1,111	1,152	1,408	1,246	14,858	12,796
Pickups	41,171	48,211	61,319	52,226	55,180	54,740	43,244	43,209	42,747	47,858	47,550	44,737	582,192	550,125
Total Ford	**106,498**	**123,965**	**156,433**	**129,603**	**140,103**	**140,977**	**127,856**	**122,925**	**122,567**	**119,346**	**118,942**	**111,521**	**1,521,238**	**1,453,205**
Chevrolet														
Vans	9,144	11,480	12,733	11,721	12,891	11,179	11,436	10,082	6,688	8,929	7,321	8,087	121,691	114,835
Sportsvan	1,004	1,206	2,030	1,044	1,495	1,233	799	590	529	885	758	763	12,336	11,979
Geo Tracker	0	0	0	0	0	0	0	0	14	486	759	886	2,145	0
Astro	10,358	14,593	16,696	13,173	16,182	16,744	13,847	13,559	9,274	11,401	9,922	11,084	156,833	148,205
S-10	18,726	22,482	20,460	17,659	20,320	23,247	22,245	23,992	19,959	22,397	18,764	18,517	248,768	224,807
S-10 Blazer	11,381	12,515	12,139	13,895	17,666	15,326	15,803	16,962	14,494	18,870	17,824	17,625	184,500	153,064
El Camino	175	115	62	38	15	7	8	0	0	0	0	0	420	13,743
Blazer	2,372	3,029	2,576	1,958	2,707	2,001	1,883	1,738	1,420	2,574	2,476	2,446	27,180	30,859
Suburban	4,038	5,544	6,058	5,201	6,562	6,788	5,770	5,113	3,682	6,072	5,847	6,222	66,897	57,962
Pickups	34,292	45,956	48,676	42,056	44,888	47,906	40,708	43,422	37,662	43,252	43,433	43,386	515,637	418,221
Mediums	1,352	1,648	1,450	1,763	1,321	1,398	1,487	1,463	1,409	1,629	1,371	1,793	18,084	17,770
Total Chevrolet	**92,842**	**118,568**	**122,880**	**108,508**	**124,047**	**125,829**	**113,986**	**116,921**	**95,131**	**116,495**	**108,475**	**110,809**	**1,354,491**	**1,191,445**
Chrysler														
Vans	3,505	5,220	6,365	5,925	5,358	5,563	4,840	4,163	3,877	5,194	4,885	4,446	59,341	64,265
Ram Wagon	1,847	2,235	2,517	2,556	2,481	2,601	1,840	1,441	2,214	2,152	1,907	1,902	25,693	30,505
Voyager	11,758	14,835	17,474	17,606	21,710	21,736	18,279	12,465	13,283	13,849	13,998	15,280	192,273	140,799
Caravan	12,690	17,334	19,942	18,077	22,295	22,768	20,036	13,269	14,564	16,575	14,952	18,416	210,918	153,191
Mini Ram Van	1,108	1,380	1,833	1,704	2,176	2,531	1,885	1,607	1,205	1,265	1,212	1,316	19,222	13,851
Ram 50	3,748	5,833	6,292	5,588	5,577	5,127	3,936	4,192	3,985	3,124	3,041	2,840	53,283	65,593
Raider	918	677	462	404	483	564	460	483	652	1,084	919	755	7,861	19,539
Ramcharger	1,642	2,274	2,064	1,453	1,373	1,373	1,418	1,684	1,200	1,474	1,440	1,914	19,309	23,667
Dakota	7,358	7,269	9,367	9,142	8,512	8,266	7,886	8,207	7,151	6,624	6,482	7,132	93,396	99,045
Pickups	6,976	6,376	8,396	8,415	8,345	7,834	6,292	5,613	5,814	5,568	5,526	6,858	82,013	97,670
Total Chrysler	**51,550**	**63,433**	**74,712**	**70,870**	**78,310**	**78,363**	**66,872**	**53,124**	**53,945**	**56,909**	**54,362**	**60,859**	**763,309**	**708,125**
GMC														
Vans	2,318	3,696	5,322	3,931	5,889	3,862	4,011	4,217	2,988	3,305	3,045	2,665	45,249	38,565
Safari	1,922	2,573	3,399	2,718	4,096	3,292	3,213	2,952	2,251	2,472	2,128	2,152	33,168	32,232
S-15	3,060	4,684	5,406	3,314	4,736	4,689	5,156	4,910	3,972	4,577	4,144	3,927	52,575	49,191
S-15 Jimmy	2,471	3,015	3,296	2,797	4,802	3,728	3,762	3,992	3,850	4,443	4,393	3,984	44,533	38,841
Jimmy	564	641	936	503	854	523	530	582	414	664	765	644	7,620	8,598
Caballero	33	15	6	1	1	4	0	0	0	0	0	0	60	1,705
Suburban	1,286	1,838	2,359	1,624	2,692	2,149	1,983	1,733	1,315	1,799	1,960	2,006	22,744	19,110
Pickups	8,015	12,748	15,387	10,504	13,272	13,280	13,059	11,188	9,855	11,100	12,407	10,514	141,329	115,839
P Model	347	321	327	471	315	380	315	438	456	248	228	299	4,145	5,602
Mediums	2,128	3,493	3,749	4,622	2,788	2,603	2,194	2,323	1,949	1,947	1,993	2,296	32,085	34,491
Heavies	272	133	193	181	111	115	85	0	0	0	0	0	1,090	7,308
W-4	89	97	143	146	109	146	130	186	111	119	148	152	1,576	1,534
Total GMC	**22,505**	**33,254**	**40,523**	**30,812**	**39,665**	**34,771**	**34,438**	**32,521**	**27,161**	**30,674**	**31,211**	**28,639**	**386,174**	**353,016**
Jeep														
Wrangler	2,302	2,861	3,558	3,670	4,469	4,848	3,463	2,465	3,451	3,713	3,791	3,485	42,076	30,713
Wagoneer	743	752	915	684	695	700	578	677	773	876	850	895	9,138	12,239
Cherokee	9,480	11,928	13,383	10,924	12,044	12,527	12,016	13,196	12,522	13,581	13,975	13,985	149,566	111,945
Grand Wagoneer	1,354	1,001	1,098	819	1,061	1,213	1,232	1,316	1,337	1,350	1,317	1,384	14,482	14,102
Comanche	2,635	2,971	3,943	3,903	3,846	3,551	3,174	3,244	3,131	2,915	2,495	2,163	37,971	38,094
J-10/J-20	41	35	25	19	101	0	0	0	0	0	0	0	221	1,347
Total Jeep	**16,555**	**19,548**	**22,927**	**20,019**	**22,216**	**22,839**	**20,463**	**20,898**	**21,214**	**22,435**	**22,428**	**21,912**	**253,454**	**208,440**
Imports														
Toyota	18,584	15,616	23,528	19,406	23,714	20,461	25,702	23,208	21,664	18,160	17,604	19,430	247,077	303,783
Nissan	15,073	11,688	14,928	13,898	14,309	14,746	13,312	16,875	16,819	11,332	12,302	14,309	169,591	216,514
Mazda	8,319	8,105	10,567	8,522	8,936	7,676	6,870	7,675	8,344	6,122	5,770	6,381	93,287	123,699
Isuzu	7,010	5,808	6,309	5,734	6,781	7,554	7,566	9,689	8,718	8,311	8,169	8,756	90,405	86,990
Mitsubishi	3,945	4,120	4,887	4,146	3,705	3,316	3,134	2,874	3,323	3,411	3,353	3,302	43,516	51,862
Suzuki	5,292	5,085	6,406	6,165	6,074	2,199	6,327	12,208	761	1,493	1,444	3,610	57,064	83,334
Subaru	2	2	3	2	0	0	0	1	0	0	0	0	10	1,274
Range Rover	247	278	372	248	222	209	276	346	329	287	169	444	3,427	2,586
Total Imports	**58,472**	**50,702**	**67,000**	**58,121**	**63,741**	**56,161**	**63,187**	**72,876**	**59,958**	**49,116**	**48,811**	**56,232**	**704,377**	**870,042**
Industry Total	**348,422**	**409,470**	**484,475**	**417,933**	**468,082**	**458,940**	**426,804**	**419,265**	**379,976**	**395,475**	**384,229**	**389,972**	**4,983,043**	**4,784,273**

Compiled by Automotive News.

Recreational vehicle shipments climb 6.77 percent; best since 1978

1988

(Total Shipments—427,300)

Travel trailers	96,900
Folding camping trailers	42,300
Truck campers	11,000
Motor homes	72,900
Van conversions	204,200

1987

(Total Shipments—400,200)

Travel trailers	92,800
Folding camping trailers	41,600
Truck campers	10,100
Motor homes	73,800
Van conversions	181,900

1986**

(Total Shipments—379,500)

Travel trailers	86,000
Truck campers	7,400
Camping trailers	36,500
Motor homes	67,700
Van conversions	181,900

1985**

(Total Shipments—359,200)

Travel trailers	82,900
Truck campers	6,900
Camping trailers	35,900
Motor homes	68,700
Van conversions	164,800

1984**

(Total Shipments—398,200)

Travel trailers	92,400
Truck campers	7,600
Folding camper trailers	40,900
Motor homes	82,000
Van conversions	175,300

1983**

(Total Shipments—358,000)

Travel trailers	90,000
Truck campers	6,800
Folding campers	37,500
Motor homes	69,500
Van conversions	154,200

1982**

(Total Shipments—258,000)

Travel trailers	65,500
Truck campers	5,700
Folding camping trailers	34,300
Motor homes	41,200
Van conversions	111,300

1981**

(Total Shipments—239,100)

Travel trailers	63,800
Truck campers	5,100
Fold-down camping trailers	35,000
Motor homes	35,400
Van conversions	99,800

1980**

(Total Shipments—181,400)

Travel trailers	51,900
Truck campers	5,000
Fold-down camping trailers	24,500
Motor homes	28,600
Van conversions	71,400

1979**

(Total Shipments—303,300)

Travel trailers	90,200
Truck campers	13,800
Fold-down camping trailers	31,100
Motor homes	64,100
Van conversions	104,100

1978**

(Total Shipments—526,300)

Travel trailers	159,800
Truck campers	48,200
Fold-down camping trailers	48,200
Motor homes	157,200
Van conversions	136,400

1977

(Total Shipments—745,600)

Travel trailers	167,900
Truck campers	31,900
Fold-down camping trailers	53,900
Motor homes	280,200
Pickup covers	211,700

1976

(Total Shipments—656,300)

Travel trailers	189,700
Truck campers	42,000
Camping trailers	53,300
Motor homes	156,100
Pickup covers	215,200

1975

(Total Shipments—552,100)

Travel trailers	150,600
Truck campers	44,300
Camping trailers	48,100
Motor homes	96,600
Pickup covers	212,500

1974

(Total Shipments—529,200)

Travel trailers	126,300
Truck campers	45,400
Camping trailers	55,200
Motor homes*	68,900
Pickup covers	233,400

NOTES: **—Pickup covers no longer included in RVIA shipments

*—Imports of Volkswagen Campmobile motor home included only in 1972–74 totals

SOURCE: Recreation Vehicle Industry Assn.

SALES/REGISTRATIONS

1988 truck and bus registrations by state

State	Trucks & Buses
Alabama	894,000
Alaska	129,000
Arizona	715,000
Arkansas	520,000
California	4,808,000
Colorado	853,000
Connecticut	166,000
Delaware	112,000
D.C.	16,000
Florida	2,224,000
Georgia	1,522,000
Hawaii	84,000
Idaho	393,000
Illinois	1,448,000
Indiana	962,000
Iowa	779,000
Kansas	694,000
Kentucky	930,000
Louisiana	943,000
Maine	226,000
Maryland	600,000
Massachusetts	498,000
Michigan	1,524,000
Minnesota	717,000
Mississippi	413,000
Missouri	1,088,000
Montana	231,000
Nebraska	445,000
Nevada	233,000
New Hampshire	190,000
New Jersey	593,000
New Mexico	477,000
New York	1,270,000
North Carolina	1,474,000
North Dakota	267,000
Ohio	1,601,000
Oklahoma	946,000
Oregon	571,000
Pennsylvania	1,538,000
Rhode Island	*118,000*
South Carolina	610,000
South Dakota	271,000
Tennessee	831,000
Texas	3,879,000
Utah	359,000
Vermont	121,000
Virginia	1,106,000
Washington	1,122,000
West Virginia	385,000
Wisconsin	714,000
Wyoming	203,000
Total U.S.	**42,813,000**

*SOURCE: U.S. Department of Transportation, Federal Highway Administration

1988 U.S. new truck registrations rise by 4.98% to set a record

Based on R.L. Polk & Co. Statistical Report

	6,000 & less GVW Group 1	6,001-10,000 GVW Group 2	10,001-14,000 GVW Group 3	14,001-16,000 GVW Group 4	16,001-19,500 GVW Group 5	19,501-26,000 GVW Group 6	26,001-33,000 GVW Group 7	33,001-& over GVW Group 8	Total 1988	Total 1987
Dodge	452,635	114,219							566,854	562,930
Plymouth	190,932								190,932	138,069
Jeep	231,185	14,418							245,603	205,106
Total Chrysler Corp.	**874,752**	**128,637**							**1,003,389**	**906,105**
Ford	**777,684**	**665,881**		**17,402**		**9,734**	**32,995**	**13,660**	**1,517,356**	**1,433,910**
Freightliner								24,009	24,009	23,462
Mercedes-Benz						1,136	1,944		3,080	3,987
Total Daimler-Benz Corp.						**1,136**	**1,944**	**24,009**	**27,089**	**27,469**
Chevrolet	789,423	496,316	26,946	2,016	284	7,804	8,135	367	1,331,291	1,166,155
GMC	186,878	163,967	2,761	850	5,194	10,612	14,918	1,684	386,864	337,034
Total GM Corp.	**976,301**	**660,283**	**29,707**	**2,866**	**5,478**	**18,416**	**23,053**	**2,051**	**1,718,155**	**1,503,189**
Navistar				198	321	26,331	23,975	34,090	84,915	70,481
Mack						1,625	2,554	20,749	24,928	22,666
Kenworth							436	16,848	17,284	14,572
Peterbilt							381	16,638	17,019	12,551
Total Paccar Corp.							**817**	**33,486**	**34,303**	**27,123**
Autocar								293	293	1,460
Volvo							1,518	278	1,796	2,365
White								1,883	1,883	8,383
Total Volvo GM Corp.								**12,626**	**12,626**	
Western Star								1,446	1,446	1,423
Miscellaneous Domestic		1,461		5,452	1,143		59	1,849	9,964	6,872
Other Imports	755,000	2,308	7,681	1,143	2,604	1,837	2,150	144	772,957	952,422
Grand Total	**3,383,827**	**1,458,570**	**37,388**	**27,061**	**9,546**	**59,079**	**89,065**	**146,864**	**5,211,100**	**4,963,888**

Compiled from R.L. Polk & Co. data.

Annual new U.S. truck registrations for 20 years, by make

	Chevrolet	Chrysler Corp.	Daimler-Benz	Dodge①	Ford	Freightliner②	GMC	Navistar	Jeep	Kenworth③	Mack	Paccar Corp.	Peterbilt③	Plymouth	Volvo GM*	Western Star	Total
1969	670,890	—	—	130,446	679,237	—	139,449	137,888	36,017	5,592	15,655	—	3,630	—	21,321	—	1,888,812
1970	557,997	—	—	137,509	666,613	5,867	125,657	143,195	33,984	5,320	17,740	—	3,457	—	12,139	—	1,790,177
1971	647,258	—	—	159,778	700,635	6,495	144,112	158,194	36,354	6,739	15,582	—	4,296	—	10,622	—	1.993,186
1972	802,755	—	—	269,333	858,630	9,244	174,794	189,210	50,926	9,232	20,005	—	5,698	—	11,312	—	2,513,952
1973	991,099	—	—	325,051	995,156	12,483	213,797	199,875	68,227	11,601	24,075	—	6,869	—	13,906	—	3,029,074
1974	860,358	—	—	292,213	865,000	11,713	183,755	161,375	96,835	10,489	22,710	—	8,428	—	13,582	—	2,656,918
1975	815,595	—	—	282,271	747,807	6,237	170,186	111,352	85,111	5,633	13,718	—	4,801	—	7,137	—	2,397,417
1976	1,052,438	—	—	399,644	950,933	7,075	255,360	100,657	107,487	8,024	14,696	—	5,839	—	7,348	—	3,058,009
1977	1,133,201	—	—	460,623	1,139,224	9,928	280,776	108,753	124,843	12,330	22,994	—	9,453	—	10,844	—	3,509,328
1978	1,275,787	—	—	464,470	1,314,251	11,725	329,185	116,574	163,548	14,345	27,390	—	9,454	—	13,292	—	3,963,340
1979	1,085,855	—	—	371,970	1,123,605	14,308	283,329	116,739	145,583	14,893	29,265	—	8,693	—	12,512	—	3,472,209
1980	737,788	—	—	256,829	784,132	11,473	181,252	74,484	81,923	11,163	21,743	—	7,008	—	7,664	—	2,476,777
1981	650,460	—	—	166,363	697,213	9,095	160,703	61,792	58,257	10,379	19,698	—	6,654	—	2,857	—	2,185,489
1982	758,107	—	—	218,078	733,120	7,292	212,908	45,902	62,097	7,344	[illegible]	—	5,781	—	2,669	—	2,430,471
1983	904,672	263,687	13,999	253,500	942,568	11,111	247,970	50,526	76,453	7,972	15,038	15,998	8,026	—	9,439	—	2,976,556
1984	1,090,178	504,061	18,889	—	1,162,834	—	305,206	66,713	148,292	—	25,617	26,732	—	—	10,084	—	4,048,998
1985	1,256,964	600,951	23,310	—	1,245,805	—	347,577	73,463	182,210	—	29,514	24,286	—	—	13,580	—	4,675,192
1986	1,245,768	575,571	21,073	—	1,348,988	—	340,877	68,522	195,973	—	21,829	21,110	—	—	11,919	—	4,801,021
1987	1,166,155	906,105	27,469	562,930	1,433,910	23,482	337,034	70,481	205,106	14,572	22,666	27,123	12,551	138,069	12,089	131	4,963,888
1988	1,331,291	1,003,389	27,089	566,854	1,517,356	24,009	386,864	84,915	245,603	17,284	24,928	34,303	17,019	190,932	12,626	136	5,211,100

NOTE: Totals from 1969-1980 include Brockway and Diamond Reo registrations — not shown here.

* Numbers up to 1983 reflect White Motor as an independent operator; From 1984 through 1987, they reflect combined Volvo White operations. From 1988 on, they reflect Volvo GM heavy trucks as a new joint venture operation in Class 8.

① Dodge included in Chrysler Corp. totals in 1983. 1986 Dodge and Plymouth totals are broken out in 1987 and 1988.

② Freightliner included in White totals until 1970, included in Daimler-Benz beginning in 1983.

③ Kenworth, Peterbilt included in Paccar totals beginning in 1983.

SOURCE: R.L. Polk & Co.

PRODUCTS/SPECIFICATIONS

1989-model U.S. passenger car specifications

New-car specifications are compiled by Automotive News from information supplied by automakers, car divisions, vehicle importers, the Motor Vehicle Manufacturers Association and other sources. Base models are listed. Upgraded-trim versions with no changes in engines or dimensions are not listed.

Engine classifications are: I — inline; V — V-shaped block; H — horizontally opposed; R — rotary.

Carburetion classifications are: 2V — two-barrel carburetor; 4V — four-barrel carburetor; FI — electronic fuel injection; MFI — multipoint fuel injection; TBI — throttle-body fuel injection; SFI — sequential fuel injection.

Drive system classifications are: F — front-wheel drive; R — rear-wheel drive; 4wd — four-wheel drive.

New-car dimensions and capacities are explained at the top of the chart. Every reasonable precaution has been taken to insure accuracy, but Automotive News cannot assume any liablity by reason of inaccuracies or omissions. Specifications are subject to change without notice.

Make and Model	Dimensions									Engines							Capacities			Miscellaneous			
	Wheelbase (in.)	Overall Length (in.)	Overall Width (in.)	Overall Height (in.)	Curb Weight (lbs.)	Front-seat Headroom (in.)	Front-seat Legroom (in.)	Front Tread (in.)	Rear Tread (in.)	Type	Bore and Stroke (in.)	Displacement (liters/cu. in.)	Carburetion	Compression Ratio	Net HP at RPM	Net Torque (ft. lbs.) at RPM	Fuel Tank (U.S. gals.)	Cooling System with heater (qts.)	Crankcase w/filter (qts.)	Axle Ratio (standard)	Drive System	Wheel Diameter (in.)	Curb-to-Curb Turning Circle (dia. in ft.)
ACURA Integra 3-dr.	96.5	168.7	65.6	52.9	2,313	38.0	41.3	55.9	56.5	I-4	2.95 x 3.54	1.6/97	FI	9.5	118@6,500	103@5,500	13.2	5.9	4.5	4.21	F	14	33.5
Integra 5-dr.	99.2	171.5	65.6	52.9	2,390	38.0	41.3	55.9	56.5	I-4	2.95 x 3.54	1.6/97	FI	9.5	118@6,500	103@5,500	13.2	5.9	4.5	4.21	F	14	34.1
Legend Coupe	106.5	188.0	68.7	53.9	3,139	37.2	42.9	59.1	59.1	V-6	3.43 x 2.95	2.7/163.2	SFI	9.0	160@5,900	162@4,500	18.0	9.3	6.0	4.20	F	15	36.4
Legend Sedan	108.7	190.6	68.9	54.7	3,170	38.4	43.4	59.1	57.5	V-6	3.43 x 2.95	2.7/163.2	SFI	9.0	160@5,900	162@4,500	18.0	9.3	6.0	4.20	F	15	37.1
ALFA ROMEO Milano	98.8	170.5	64.2	53.1	2,907	37.2	38.2	54.3	54.1	V-6	3.46 x 2.69	2.5/152.0	FI	9.0	154@5,500	152@3,200	17.6	10.6	7.6	4.10	R	14	33.1
Milano 3.0	98.8	170.5	64.2	53.1	2,907	37.2	38.2	54.3	54.1	V-6	3.66 x 2.86	3.0/180.6	FI	9.5	183@5,800	181@3,000	17.6	10[illegible]	7.6	3.55	R	15	33.1
Spider	88.6	168.8	64.1	48.8	2,548	33.9	29.5	52.1	50.1	I-4	3.31 x 3.48	2.0/119.6	FI	9.0	115@5,500	119@2,750	12.2	10.3	4.5	4.10	R	14	34.5
ASTON MARTIN Volante Convertible	102.8	188.2	72.0	53.9	4,101	N.A.	N.A.	60.2	61.5	V-8	3.94 x 3.35	5.3/326	SFI	8.1	N.A.	N.A.	27.5	19.2	12.0	3.54	R	15	38.0
Lagonda 4-dr. Sedan	114.6	208.0	71.5	52.0	4,622	N.A.	N.A.	52.0	59.1	V-8	3.94 x 3.35	5.3/326	SFI	8.1	N.A.	N.A.	27.5	19.2	12.0	3.54	R	16	38.0
Vantage Volante Convertible	102.8	188.2	72.0	53.9	4,101	N.A.	N.A.	61.2	62.4	V-8	3.94 x 3.35	5.3/326	SFI	8.1	N.A.	N.A.	27.5	19.2	12.0	3.54	R	16	38.0
AUDI 80	100.2	176.3	66.7	55.0	2,612	37.8	42.2	55.6	56.3	I-4	3.25 x 3.65	2.0/121	MFI	10.5	108@5,300	121@3,200	15.9	7.4	3.2	4.11	F	14	33.8
80 Quattro	99.9	176.3	66.7	54.8	2,954	37.8	42.2	55.6	56.3	I-5	3.25 x 3.40	2.3/141	MFI	10.0	130@5,700	140@4,500	18.5	8.6	3.7	4.11	4	14	33.8
90	100.2	176.3	66.7	54.8	2,789	37.8	42.2	55.6	56.3	I-5	3.25 x 3.40	2.3/141	MFI	10.0	130@5,700	140@4,500	18.0	8.6	3.7	3.70	F	14	33.8
90 Quattro	99.9	176.3	66.7	54.8	2,976	37.8	42.2	55.6	56.3	I-5	3.25 x 3.40	2.3/141	MFI	10.0	130@5,700	140@4,500	18.5	8.6	3.7	4.11	4	14	33.8
100	105.6	192.7	71.4	55.9	3,042	37.9	41.1	58.1	58.5	I-5	3.25 x 3.40	2.3/141	MFI	10.0	130@5,600	140@4,000	21.1	8.5	5.0	3.89	F	15	34.2
100 E	105.6	192.7	71.4	55.9	3,020	37.9	41.1	58.1	58.5	I-5	3.25 x 3.40	2.3/141	MFI	10.0	130@5,600	140@4,000	21.1	8.5	5.0	3.25	F	14	34.2
100 Wagon	105.6	192.7	71.4	55.9	3,153	37.9	41.1	58.1	58.5	I-5	3.25 x 3.40	2.3/141	MFI	10.0	130@5,600	140@4,000	21.1	8.5	5.0	3.89	F	15	34.2
100 Quattro	105.9	192.7	71.4	55.9	3,263	37.9	41.1	58.1	58.8	I-5	3.25 x 3.40	2.3/141	MFI	10.0	130@5,600	140@4,000	20.6	8.5	5.0	4.11	4	15	34.2
200	105.6	192.7	71.4	55.9	3,263	37.9	41.1	58.1	58.0	I-5	3.19 x 3.40	2.2/136	MFI	7.8	162@5,500	177@3,000	21.1	8.5	5.0	3.89	F	15	34.2
200 Quattro	105.9	192.7	71.4	55.9	3,483	37.9	41.1	58.1	58.8	I-5	3.19 x 3.40	2.2/136	MFI	7.8	162@5,500	177@3,000	20.6	8.5	5.0	3.89	4	15	34.2
200 Quattro Wagon	105.9	192.7	71.4	55.9	3,572	37.9	41.1	58.1	58.8	I-5	3.19 x 3.40	2.2/136	MFI	7.8	162@5,500	177@3,000	20.6	8.5	5.0	3.89	4	15	34.2
BMW 325i 2-dr.	101.2	170.3	64.8	54.3	2,810	37.7	39.6	55.4	55.7	I-6	3.31 x 2.95	2.5/152	MFI	8.8	168@5,800	164@4,300	16.4	11.0	4.5	3.73	R	14	34.4
325i 4-dr.	101.2	170.3	64.8	54.3	2,854	37.7	39.6	55.4	55.7	I-6	3.31 x 2.95	2.5/152	MFI	8.8	168@5,800	164@4,300	16.4	11.0	4.5	3.73	R	14	34.4
325i Convertible	101.2	175.2	64.8	53.9	2,990	37.7	39.6	55.4	55.7	I-6	3.31 x 2.95	2.5/152	MFI	8.8	168@5,800	164@4,300	16.4	11.0	4.5	3.73	R	14	34.4
325is	101.2	170.3	64.8	54.3	2,845	37.7	39.6	55.4	55.7	I-6	3.31 x 2.95	2.5/152	MFI	8.8	168@5,800	164@4,300	16.4	11.0	4.5	3.73	R	14	34.4
325ix 2-dr.	101.2	170.3	65.4	55.1	3,000	38.5	39.6	55.9	55.7	I-6	3.31 x 2.95	2.5/152	MFI	8.8	168@5,800	164@4,300	16.4	11.0	4.5	3.91	4	15	36.4
325ix 4-dr.	101.2	170.3	65.4	55.1	3,044	38.5	39.6	55.9	55.7	I-6	3.31 x 2.95	2.5/152	MFI	8.8	168@5,800	164@4,300	16.4	11.0	4.5	3.91	4	15	36.4
M3	101.0	171.1	66.1	53.9	2,865	37.7	39.6	55.6	56.1	I-4	3.68 x 3.31	2.3/140	MFI	10.5	192@6,750	170@4,750	14.5	10.0	5.2	4.10	R	15	36.4
525i	108.7	185.8	68.9	55.6	3,395	38.5	42.0	57.7	58.5	I-6	3.31 x 2.95	2.5/152	MFI	8.8	168@5,800	164@4,300	21.1	11.0	5.0	3.73	R	15	36.1
535i	108.7	185.8	68.9	55.6	3,530	38.5	42.0	57.7	58.5	I-6	3.62 x 3.39	3.5/209	MFI	9.0	208@5,700	225@4,000	21.1	12.7	6.1	3.45	R	15	36.1
635CSi	103.3	189.6	67.9	53.7	3,530	37.7	41.7	56.5	57.6	I-6	3.62 x 3.39	3.5/209	MFI	9.0	208@5,700	225@4,000	16.6	12.7	6.1	3.64	R	15	37.4
M6	103.3	189.6	67.9	53.3	3,570	37.7	41.7	56.3	57.7	I-6	3.68 x 3.31	3.5/211	MFI	9.8	256@6,500	242@4,500	16.6	12.7	6.9	3.91	R	16	38.7
735iL	116.0	197.8	72.6	55.1	4,015	38.3	42.0	60.2	61.3	I-6	3.62 x 3.39	3.5/209	MFI	9.0	208@5,700	225@4,000	24.0	12.7	6.1	3.91	R	15	39.4
735i	111.5	193.3	72.6	55.6	3,835	38.3	42.0	60.1	61.0	I-6	3.62 x 3.39	3.5/209	MFI	9.0	208@5,700	225@4,000	21.5	6.1	12.7	3.91	R	15	38.1
750iL	116.0	197.8	72.6	55.1	4,235	38.3	42.0	60.2	61.3	V-12	3.31 x 2.95	5.0/304	MFI	8.8	296@5,200	332@4,100	24.0	7.9	15.8	3.15	R	15	39.4
BUICK Skyhawk 2-dr. Coupe	101.2	179.3	65.0	54.0	2,420	37.4	42.1	55.6	55.2	I-4	3.39 x 3.39	2.0/121	FI	9.0	90@5,600	108@3,200	13.6	7.9	5.0	3.45	F	13	34.3
Skyhawk 4-dr. Sedan	101.2	181.7	65.0	54.0	2,409	38.2	42.2	55.6	55.2	I-4	3.39 x 3.39	2.0/121	FI	9.0	90@5,600	108@3,200	13.6	7.9	5.0	3.45	F	13	34.3
Skyhawk 4-dr. Wagon	101.2	[illegible]1.7	65.0	54.4	2,551	38.3	42.2	55.4	55.2	I-4	3.39 x 3.39	2.0/121	FI	9.0	90@5,600	108@3,200	13.6	7.9	5.0	3.45	F	13	34.3
Skylark 2-dr. Coupe	103.4	180.0	66.6	52.1	2,583	37.1	34.3	55.6	55.2	I-4	4.00 x 3.00	2.5/151	TBI	9.0	110@5,200	135@3,200	13.6	7.8	5.0	2.84	F	13	37.8
Skylark 4-dr. Sedan	103.4	180.0	66.6	52.1	2,640	37.1	34.3	55.6	55.2	I-4	4.00 x 3.00	2.5/151	TBI	9.0	110@5,200	135@3,200	13.6	7.8	5.0	2.84	F	13	37.8
Century 2-dr. Coupe	104.9	189.1	69.4	53.7	2,725	38.6	42.1	58.7	56.7	I-4	4.00 x 3.00	2.5/151	TBI	9.0	98@4,800	135@3,200	15.7	9.8	4.0	2.84	F	14	38.5
Century 4-dr. Sedan	104.9	189.1	69.4	54.2	2,769	38.6	42.1	58.7	56.7	I-4	4.00 x 3.00	2.5/151	TBI	9.0	98@4,600	135@3,200	15.7	9.8	4.0	2.84	F	14	38.5
Century 4-dr. Wagon	104.9	190.9	69.4	54.2	2,905	38.6	42.1	58.7	5[illegible].7	I-4	4.00 x 3.00	2.5/151	TBI	9.0	98@4,800	135@3,200	15.7	9.8	4.0	2.84	F	14	38.5
Regal 2-dr. Coupe	107.5	192.2	72.5	53.0	3,144	37.8	42.3	59.3	58.0	V-6	3.50 x 2.99	2.8/173	MFI	8.9	130@4,500	170@3,600	16.5	11.3	5.0	3.33	F	14	39.0
Reatta 2-dr. Coupe	98.5	183.5	73.0	51.2	3,394	36.9	43.1	60.3	60.3	V-6	3.80 x 3.40	3.8/231	SFI	8.5	165@4,800	210@2,000	18.2	11.0	5.0	2.97	F	15	37.9
LeSabre 2-dr. Coupe	110.8	196.5	72.4	54.7	3,227	38.1	42.4	60.3	59.8	V-[illegible]	3.80 x 4.40	3.8/231	SFI	8.5	165@4,800	210@2,000	18.0	11.7	5.0	2.84	F	14	39.7
LeSabre 4-dr. Sedan	110.8	196.5	72.4	55.4	3,267	38.9	42.4	60.3	59.8	V-6	3.80 x 4.40	3.8/231	SFI	8.5	165@4,800	210@2,000	18.0	11.7	5.0	2.84	F	14	39.7
LeSabre T-Type 2-dr. Coupe	110.8	196.5	72.4	54.7	3,300	38.1	42.4	60.3	59.8	V-6	3.80 x 4.40	3.8/231	SFI	8.5	165@4,800	210@2,000	18.0	11.7	5.0	2.97	F	15	39.7

NOTE: This table has been compiled from information supplied by factories, distributors and directed sources. Every reasonable precaution has been taken to insure accuracy but Automotive News cannot assume any liability by reason of inaccuracies or omissions. Specifications are subject to change without notice.

PRODUCTS/SPECIFICATIONS

Make and Model	Dimensions									Engines							Capacities			Miscellaneous			
	Wheelbase (in.)	Overall Length (in.)	Overall Width (in.)	Overall Height (in.)	Curb Weight (lbs.)	Front-seat Headroom (in.)	Front-seat Legroom (in.)	Front Tread (in.)	Rear Tread (in.)	Type	Bore and Stroke (in.)	Displacement (liters/cu. in.)	Carburetion	Compression Ratio	Net HP at RPM	Net Torque (ft. lbs.) at RPM	Fuel Tank (U.S. gals.)	Cooling System with heater (qts.)	Crankcase w/filter (qts.)	Axle Ratio (standard)	Drive System	Wheel Diameter (in.)	Curb-to-Curb Turning Circle (dia. in ft.)
Electra 4-dr. Sedan	110.8	196.9	72.4	54.3	3,289	39.3	42.4	60.3	59.8	V-6	3.80 x 4.40	3.8/231	SFI	8.5	165@4,800	210@2,000	18.0	11.7	5.0	2.84	F	14	39.2
LeSabre Estate 4-dr. Wagon	115.9	220.5	79.3	59.3	4,209	39.6	42.2	62.2	64.0	V-8	3.80 x 3.39	5.0/307	4V	8.0	140@3,200	255@2,000	22.0	15.6	5.0	2.93	R	14	41.4
Electra Estate 4-dr. Wagon	115.9	220.5	79.3	59.3	4,273	39.3	42.2	62.2	64.0	V-8	3.80 x 3.39	5.0/307	4V	8.0	140@3,200	255@2,000	22.0	15.6	5.0	2.93	R	14	41.4
Riviera 2-dr. Coupe	108.0	198.3	71.7	53.6	3,434	37.8	42.7	59.9	59.9	V-6	3.80 x 3.40	3.8/231	SFI	8.5	165@4,800	210@2,000	18.2	11.7	5.0	2.84	F	15	37.5
OPTIONAL ENGINES: Skylark										I-4	3.62 x 3.35	2.3/138	MFI	9.5	150@5,200	160@4,000							
Skylark, Century										V-6	3.70 x 3.16	3.3/204	MFI	9.0	160@5,200	185@2,000							
CADILLAC Allante 2-dr.	99.4	178.6	73.5	52.2	3,492	37.2	43.2	60.4	60.4	V-8	3.62 x 3.31	4.5/273	SFI	9.0	200@4,400	270@3,200	22.0	12.07	7.0	3.21	F	16	36.1
Seville 2-dr. Coupe	108.0	190.8	70.9	53.7	3,469	37.8	42.5	59.9	59.9	V-8	3.62 x 3.31	4.5/273	FI	9.0	155@4,000	240@2,800	18.8	12.07	6.0	2.97	F	15	39.5
Coupe DeVille 2-dr.	110.8	202.7	73.3	54.9	3,402	39.3	42.4	60.3	59.8	V-8	3.62 x 3.31	4.5/273	FI	9.0	155@4,000	240@2,800	18.0	12.07	6.0	2.97	F	15	39.8
Sedan DeVille 4-dr.	113.8	205.6	73.3	55.2	3,475	39.3	42.4	60.3	59.8	V-8	3.62 x 3.31	4.5/273	FI	9.0	155@4,000	240@2,800	18.0	12.07	6.0	2.97	F	15	41.0
Fleetwood 2-dr. Coupe	110.8	202.7	73.3	54.9	3,459	39.3	42.4	60.3	59.8	V-8	3.62 x 3.31	4.5/273	FI	9.0	155@4,000	240@2,800	18.0	12.07	6.0	2.97	F	15	39.8
Fleetwood 4-dr. Sedan	113.8	205.6	73.3	55.2	3,545	39.3	42.4	60.3	59.8	V-8	3.62 x 3.31	4.5/273	FI	9.0	155@4,000	240@2,800	18.0	12.07	6.0	2.97	F	15	41.0
Fleetwood 60 Special 4-dr	113.8	205.6	73.3	55.2	3,598	39.3	42.4	60.3	59.8	V-8	3.62 x 3.31	4.5/273	FI	9.0	155@4,000	240@2,800	18.0	12.07	6.0	2.97	F	15	41.0
Eldorado 4-dr. Sedan	108.0	191.4	71.7	53.7	3,421	37.8	42.5	59.9	59.9	V-8	3.62 x 3.31	4.5/273	FI	9.0	155@4,000	240@2,800	18.8	12.07	6.0	2.97	F	15	39.5
Brougham 4-dr. Sedan	121.5	221.0	76.5	56.7	4,190	39.0	42.0	61.7	60.7	V-8	3.80 x 3.39	5.0/307	4V	8.0	140@3,200	255@2,000	25.0	15.2	5.0	2.93	R	15	40.5
CHEVROLET Corvette Coupe	96.2	176.5	71.0	46.7	3,223	36.4	42.6	59.6	60.4	V-8	4.00 x 3.48	5.7/350	TBI	9.5	240@4,000	335@3,200	20.0	14.7	5.0	3.54	R	17	40.0
Corvette Convertible	96.2	176.5	71.0	46.4	3,263	36.5	42.6	59.6	60.4	V-8	4.00 x 3.48	5.7/350	TBI	9.5	240@4,000	335@3,200	20.0	14.7	5.0	3.54	R	17	40.0
Camaro Coupe	101.0	192.0	72.8	50.3	3,082	37.0	43.0	60.0	60.9	V-6	3.50 x 2.99	2.8/173	MFI	8.9	135@4,900	160@3,900	15.5	12.8	5.0	3.42	R	15	38.5
Camaro IROC-Z	101.0	192.0	72.8	50.3	3,099	37.0	43.0	60.0	60.9	V-8	3.74 x 3.48	5.0/305	FI	9.3	170@4,000	255@2,400	15.5	16.4	6.0	3.08	R	15	40.3
Cavalier Coupe	101.2	178.6	66.0	52.0	2,450	37.8	42.9	55.6	55.2	I-4	3.50 x 3.15	2.0/121	FI	9.0	90@5,600	108@3,200	13.6	8.8	5.0	3.45	F	13	34.3
Cavalier Sedan	101.2	178.6	66.3	53.6	2,450	38.6	42.2	55.6	55.2	I-4	3.50 x 3.15	2.0/121	FI	9.0	90@5,600	108@3,200	13.6	8.8	5.0	3.45	F	13	34.3
Cavalier Wagon	101.2	177.9	66.3	54.3	2,450	38.3	42.2	55.6	55.2	I-4	3.50 x 3.15	2.0/121	FI	9.0	90@5,600	108@3,200	13.6	8.8	5.0	3.45	F	13	34.3
Cavalier Z24 Coupe	101.2	178.6	66.0	52.0	2,590	37.8	42.9	55.6	55.2	V-6	3.50 x 2.99	2.8/173	MFI	8.9	125@4,500	160@3,600	13.6	11.1	5.0	3.61	F	13	34.3
Cavalier Z24 Convertible	101.2	178.7	66.0	52.5	2,700	39.1	42.9	55.6	55.2	V-6	3.50 x 2.99	2.8/173	MFI	8.9	125@4,500	160@3,600	13.6	11.3	5.0	3.61	F	13	34.3
Corsica Sedan	103.4	183.4	68.2	56.2	2,595	38.1	43.4	55.8	55.3	I-4	3.50 x 3.15	2.0/121	FI	9.0	90@5,600	108@3,200	13.6	8.8	5.0	3.83	F	15	35.5
Beretta Coupe	103.4	187.2	68.2	55.3	2,631	38.0	43.4	55.6	56.6	I-4	3.50 x 3.15	2.0/121	FI	9.0	90@5,600	108@3,200	13.6	8.8	4.0	3.83	F	15	37.8
Celebrity Sedan	104.9	188.3	69.3	54.1	2,751	38.6	42.1	58.7	57.0	I-4	4.00 x 3.00	2.5/151	MFI	8.3	98@4,800	135@3,200	15.7	9.8	4.0	2.84	F	15	36.9
Celebrity Wagon	104.9	190.8	69.3	54.3	2,888	38.6	42.1	58.7	57.0	I-4	4.00 x 3.00	2.5/151	MFI	8.3	98@4,800	135@3,200	15.7	9.8	4.0	2.84	F	15	36.9
Caprice Sedan	116.0	212.2	75.4	56.4	3,693	39.5	42.2	61.7	60.7	V-8	3.74 x 3.48	5.0/305	FI	9.3	170@4,000	225@2,400	24.5	15.8	6.0	2.73	R	15	38.7
Caprice Classic Sedan	116.0	212.8	75.4	56.4	3,713	39.3	42.2	61.7	60.7	V-8	3.74 x 3.48	5.0/305	FI	9.3	170@4,000	225@2,400	24.5	15.8	6.0	2.73	R	15	38.7
Caprice Classic Wagon	116.0	215.7	79.3	58.2	4,192	39.6	42.2	62.2	64.1	V-8	3.80 x 3.39	5.0/307	4V	8.0	140@3,200	255@2,000	22.0	15.6	5.0	2.93	R	15	39.7
OPTIONAL ENGINES: Camaro										V-8	4.00 x 3.48	5.7/350	MFI	9.3	230@4,400	330@3,200							
Camaro										V-8	3.74 x 3.48	5.0/305	MFI	9.3	220@4,400	290@3,200							
Corsica, Beretta										V-6	3.50 x 3.15	2.8/173	MFI	8.9	130@4,700	160@3,600							
Cavalier, Celebrity										V-6	3.50 x 2.99	2.8/173	MFI	8.9	125@4,500	160@3,600							
CHRYSLER TC by Maserati 2-dr Convertible*	93.0	175.8	68.5	51.9	3,250	37.4	42.4	57.5	57.6	I-4	3.44 x 3.62	2.2/135	MFI	7.3	200@5,500	220@3,400	14.0	9.0	5.0	2.64	F	15	39.2
Conquest TSi 2-dr. Hatchback*	95.9	173.2	68.3	50.2	3,031	36.6	40.7	57.7	57.3	I-4	3.59 x 3.86	2.6/156	FI	7.0	188@5,000	234@2,500	19.8	9.0	4.8	3.55	R	16	31.5
LeBaron 4-dr. Hatchback	103.1	180.4	68.3	53.0	2,714	38.3	41.1	57.6	57.2	I-4	3.44 x 3.62	2.2/135	FI	9.5	93@4,800	122@3,200	14.0	9.0	5.0	2.51	F	14	37.6
LeBaron GTS 4-dr. Hatchback	103.1	180.4	68.3	53.0	2,926	38.3	41.1	57.6	57.2	I-4	3.44 x 3.62	2.2/135	FI	8.1	174@5,200	200@2,400	14.0	9.0	5.0	2.74	F	15	40.0
LeBaron 2-dr. Coupe	100.3	184.9	68.5	50.9	2,810	37.6	42.4	57.6	57.6	I-4	3.44 x 4.09	2.5/153	FI	9.0	100@4,800	135@2,800	14.0	9.0	5.0	2.51	F	14	36.8
LeBaron 2-dr. Convertible	100.4	184.9	68.5	52.1	2,929	38.3	42.4	57.6	57.6	I-4	3.44 x 4.09	2.5/153	FI	9.0	100@4,800	135@2,800	14.0	9.0	5.0	2.51	F	14	36.8
New Yorker 4-dr. Sedan	104.3	193.6	68.5	53.5	3,228	38.3	41.9	57.6	57.6	V-6	3.59 x 2.99	3.0/181	MFI	8.9	141@5,000	171@2,800	16.0	9.5	5.0	2.36	F	14	40.5
Fifth Avenue 4-dr. Sedan	112.6	206.7	72.4	55.1	3,770	39.3	42.5	60.5	60.0	V-8	3.91 x 3.31	5.2/318	2V	9.1	140@3,600	265@2,000	18.0	15.5	5.0	2.26	R	15	40.7
OPTIONAL ENGINES: LeBaron										I-4	3.44 x 4.09	2.5/153	FI	9.0	100@4,800	135@2,800							
LeBaron Turbo										I-4	3.44 x 4.09	2.5/153	MFI	7.8	150@4,800	180@2,000							
TC by Maserati*										I-4	3.44 x 3.62	2.2/135	MFI	8.0	174@5,200	200@2,400							
*This engine is an intercooled turbo.																							
DAIHATSU Charade 3-dr. Hatchback	92.1	144.9	63.6	54.5	1,855	37.5	41.1	54.5	53.7	I-3	2.99 x 2.87	1.0/61	MFI	9.5	53@5,200	58@3,600	10.6	4.1	3.3	4.64	F	13	31.5
OPTIONAL ENGINES: Charade CLS, Charade CLX										I-4	2.99 x 2.81	1.3/79	MFI	9.5	80@6,000	74@4,400							
DODGE Omni 4-dr. Hatchback	99.1	163.2	66.8	53.0	2,296	38.1	42.1	56.1	55.7	I-4	3.44 x 3.62	2.2/135	FI	9.5	93@4,800	122@3,200	13.0	9.0	5.0	2.55	F	13	36.5
Colt 2-dr. Hatchback	93.9	158.7	65.6	52.0	2,205	38.3	41.9	56.3	56.3	I-4	2.97 x 3.23	1.5/90	MFI	9.4	81@5,500	91@3,000	13.2	4.4	4.0	3.45	F	13	36.2
Colt DL 4-dr. Wagon	93.7	169.3	63.8	53.7	2,271	37.7	40.6	55.5	52.8	I-4	2.97 x 3.23	1.5/90	MFI	9.4	75@5,500	87@2,500	12.4	4.5	4.0	4.02	F	13	39.0
Colt DL 4wd 4-dr. Wagon	93.9	169.3	63.8	56.1	2,568	37.7	40.6	55.5	53.5	I-4	3.17 x 3.39	1.8/107	MFI	9.0	87@5,000	102@3,000	12.4	5.5	4.1	5.08	4	14	39.0
Colt Vista 4-dr. Wagon	103.3	176.6	64.8	57.3	2,634	38.3	38.8	55.5	54.1	I-4	3.35 x 3.46	2.0/122	MFI	8.5	99@5,000	116@4,000	13.2	7.4	4.5	4.02	F	13	34.8
Colt Vista 4wd 4-dr. Wagon	103.5	176.6	64.8	59.4	2,955	38.3	38.8	55.3	54.5	I-4	3.35 x 3.46	2.0/122	MFI	8.5	99@5,000	116@4,000	14.5	7.4	4.5	3.71	4	14	34.8
Shadow 2-dr. Hatchback	97.0	171.7	67.3	52.7	2,602	38.3	41.5	57.6	57.2	I-4	3.44 x 3.62	2.2/135	EFI	9.5	93@4,800	122@3,200	14.0	9.0	5.0	2.51	F	14	34.0
Shadow 4-dr. Hatchback	97.0	171.7	67.3	52.7	2,642	38.3	41.5	57.6	57.2	I-4	3.44 x 3.62	2.2/135	EFI	9.5	93@4,800	122@3,200	14.0	9.0	5.0	2.51	F	14	34.0
Daytona 2-dr. Hatchback	97.0	179.2	69.3	50.1	2,751	37.1	42.4	57.5	57.6	I-4	3.44 x 4.09	2.5/153	FI	9.0	100@4,400	135@2,800	14.0	9.0	5.0	2.51	F	14	34.0

NOTE: This table has been compiled from information supplied by factories, distributors and directed sources. Every reasonable precaution has been taken to insure accuracy, but Automotive News cannot assume any liability by reason of inaccuracies or omissions. Specifications are subject to change without notice.

PRODUCTS/SPECIFICATIONS

Make and Model	Dimensions									Engines							Capacities			Miscellaneous			
	Wheelbase (in.)	Overall Length (in.)	Overall Width (in.)	Overall Height (in.)	Curb Weight (lbs.)	Front-seat Headroom (in.)	Front-seat Legroom (in.)	Front Tread (in.)	Rear Tread (in.)	Type	Bore and Stroke (in.)	Displacement (liters/cu. in.)	Carburetion	Compression Ratio	Net HP at RPM	Net Torque (ft. lbs.) at RPM	Fuel Tank (U.S. gals.)	Cooling System with heater (qts.)	Crankcase w/filter (qts.)	Axle Ratio (standard)	Drive System	Wheel Diameter (in.)	Curb-to-Curb Turning Circle (dia. in ft.)
Daytona Shelby 2-dr. Hatchback*	97.0	178.4	69.8	50.6	2,951	37.1	42.4	57.5	57.6	I-4	3.44 x 3.62	2.2/135	FI	8.1	174@5,200	200@2,400	14.0	9.0	5.0	2.74	F	16	40.5
Aries 2-dr. Sedan	100.3	178.6	68.0	52.5	2,424	38.2	42.2	57.6	57.2	I-4	3.44 x 3.62	2.2/135	FI	9.5	93@4,800	122@3,200	14.0	9.0	5.0	2.51	F	13	35.0
Aries 4-dr. Sedan	100.3	178.6	68.0	52.9	2,450	38.6	42.2	57.6	57.2	I-4	3.44 x 3.62	2.2/135	FI	9.5	93@4,800	122@3,200	14.0	9.0	5.0	2.51	F	13	35.0
Lancer 4-dr. Hatchback	103.1	180.4	68.3	53.0	2,712	38.3	41.1	57.6	57.2	I-4	3.44 x 3.62	2.2/135	FI	9.5	93@4,800	122@3,200	14.0	9.0	5.0	2.51	F	14	37.6
Lancer-Shelby 4-dr. Hatchback	103.1	180.4	68.3	52.4	2,984	38.3	41.1	57.6	57.2	I-4	3.44 x 3.62	2.2/135	FI	8.1	174@5,200	200@2,400	14.0	9.0	5.0	2.74	F	15	40.0
Spirit 4-dr. Sedan	103.3	181.2	67.3	53.4	2,765	38.4	41.9	57.5	57.2	I-4	3.44 x 4.09	2.5/153	FI	8.9	100@4,800	135@2,800	16.0	9.0	5.0	2.51	F	14	37.6
Spirit ES 4-dr. Sedan	103.3	181.2	67.3	53.4	2,901	38.4	41.9	57.5	57.2	I-4	3.44 x 4.09	2.5/153	MFI	7.8	150@4,800	180@2,000	16.0	9.0	5.0	2.51	F	15	40.8
Diplomat 4-dr. Sedan	112.6	204.6	72.4	55.1	3,582	39.3	42.5	60.5	60.0	V-8	3.91 x 3.31	5.2/318	2V	9.1	140@3,600	265@2,000	18.0	15.5	5.0	2.26	R	15	40.7
Dynasty 4-dr. Sedan	104.3	192.0	68.5	53.5	2,992	38.3	41.9	57.6	57.6	I-4	3.44 x 4.09	2.5/153	FI	8.9	100@4,800	135@2,800	16.0	7.6	5.0	3.02	F	14	40.5
*This engine is an intercooled turbo.																							
OPTIONAL ENGINES: Colt GT Turbo										I-4	3.03 x 3.39	1.6/98	FI	8.0	135@6,000	141@3,000							
Daytona Turbo, Lancer Turbo, Shadow Turbo										I-4	3.44 x 4.09	2.5/153	MFI	7.8	150@4,800	180@2,000							
Aries, Lancer, Shadow										I-4	3.44 x 4.09	2.5/153	FI	9.0	100@4,800	135@2,800							
Spirit, Dynasty										V-6	3.59 x 2.99	3.0/181	MFI	8.9	141@5,000	171@2,800							
Diplomat										V-8	3.91 x 3.31	5.2/318	4V	8.0	175@4,000	250@3,200							
EAGLE Medallion 4-dr. Sedan	102.4	183.2	67.5	52.8	2,650	38.0	43.0	57.2	55.4	I-4	3.46 x 3.50	2.2/132	MFI	9.2	103@5,500	124@3,000	17.4	7.8	6.3	3.10	F	14	34.4
Medallion 4-dr. Wagon	108.3	189.7	67.5	53.1	2,809	38.0	43.0	57.2	55.4	I-4	3.46 x 3.50	2.2/132	MFI	9.2	103@5,500	124@3,000	17.4	7.8	6.3	4.11	F	14	35.9
Premier LX 4-dr. Sedan	106.0	192.8	70.0	53.3	2,889	38.5	43.8	58.6	57.1	I-4	3.88 x 3.19	2.5/150	MFI	9.2	111@4,750	142@2,500	17.0	8.7	5.0	2.62	F	14	35.9
Premier ES 4-dr. Sedan	106.0	192.8	70.0	53.3	3,044	38.5	43.8	58.6	57.1	V-6	3.66 x 2.87	3.0/181	MFI	9.3	150@5,000	171@3,600	17.0	8.7	6.0	2.66	F	15	35.9
Summit 4-dr. Sedan	96.7	170.1	65.7	52.8	2,271	39.1	41.9	56.3	56.3	I-4	2.97 x 3.23	1.5/90	MFI	9.4	81@5,500	91@3,000	13.2	4.4	4.0	4.02	F	13	37.0
OPTIONAL ENGINES: Summit DOHC										I-4	3.24 x 2.95	1.6/97	MFI	9.2	113@6,500	99@5,000							
FERRARI 328 GTS	92.5	168.7	68.1	40.1	3,170	N.A.	N.A.	58.0	57.8	V-8	3.27 x 2.90	3.2/194	FI	9.2	260@7,000	214@5,500	18.5	23.2	10.6	4.06	R	16	39.3
328 GTB	92.5	168.7	68.1	40.1	3,140	N.A.	N.A.	58.0	57.8	V-8	3.27 x 2.90	3.2/194	FI	9.2	260@7,000	214@5,500	18.5	23.2	10.6	4.06	R	16	39.3
Testarossa	100.4	176.6	77.8	44.5	3,660	N.A.	N.A.	59.8	65.4	H-12	3.22 x 3.07	4.9/302	FI	8.8	380@5,750	354@4,500	26.5	21.0	16.4	3.21	R	16	39.3
3.2 Mondial Coupe	104.3	178.5	70.6	48.6	3,400	N.A.	N.A.	59.8	59.4	V-8	3.27 x 3.90	3.2/194	FI	9.2	260@7,000	214@5,500	18.5	25.3	10.6	4.06	R	16	38.9
3.2 Mondial Cabriolet	104.3	178.5	70.6	49.8	3,400	N.A.	N.A.	59.8	59.4	V-8	3.27 x 3.90	3.2/194	FI	9.2	260@7,000	214@5,500	18.5	25.3	10.6	4.06	R	16	38.9
FORD Festiva 2-dr. Hatchback	90.2	140.5	63.2	55.3	1,713	38.8	40.6	55.1	54.5	I-4	2.79 x 3.29	1.3/81	2V	9.0	58@5,000	73@3,500	10.0	5.28	4.6	3.78	F	12	28.9
Escort 2-dr.	94.2	169.2	65.9	53.7	2,242	38.1	41.5	54.7	56.0	I-4	3.23 x 3.46	1.9/114	FI	9.0	90@4,600	106@3,400	11.5	7.9	4.0	2.85	F	14	35.7
Escort 4-dr.	94.2	169.4	65.9	53.7	2,310	38.1	41.5	54.7	56.0	I-4	3.23 x 3.46	1.9/114	FI	9.0	90@4,600	106@3,400	13.0	7.9	4.0	3.52	F	14	35.7
Escort 4-dr. Wagon	94.2	169.4	65.9	53.4	2,313	38.1	41.5	54.7	56.0	I-4	3.23 x 3.46	1.9/114	FI	9.0	90@4,600	106@3,400	13.0	7.9	4.0	3.52	F	14	35.7
Escort GT 2-dr.	94.2	169.0	65.9	53.7	2,442	38.1	41.5	54.9	56.1	I-4	3.23 x 3.46	1.9/114	FI	9.0	110@5,400	115@4,200	13.0	7.9	4.0	2.73	F	15	37.3
Probe 2-dr. Hatchback	99.0	177.0	67.9	51.8	2,715	37.3	42.5	57.3	57.7	I-4	3.39 x 3.70	2.2/133	FI	8.6	110@4,700	130@3,000	15.1	7.9	5.4	4.10	F	14	34.8
Probe GT 2-dr. Hatchback	99.0	177.0	68.5	51.8	2,870	37.3	42.5	57.3	57.7	I-4	3.39 x 3.70	2.2/133	FI	7.8	145@4,300	190@3,500	15.1	7.9	5.4	4.10	F	15	34.8
Tempo 2dr. Coupe	99.9	176.7	68.3	52.8	2,529	37.5	41.5	54.9	57.6	I-4	3.70 x 3.30	2.3/141	FI	9.0	98@4,400	124@2,200	15.4	8.1	5.0	2.56	F	14	36.9
Tempo 4-dr. Sedan	99.9	177.0	68.3	52.9	2,587	37.5	41.5	54.9	57.6	I-4	3.70 x 3.30	2.3/141	FI	9.0	98@4,400	124@2,200	15.4	8.1	5.0	2.56	F	14	36.9
Tempo 4wd 4-dr. Sedan	99.9	176.7	68.3	52.8	2,787	37.5	41.5	54.9	57.6	I-4	3.70 x 3.30	2.3/141	FI	9.0	100@4,400	130@2,600	14.2	8.1	5.0	3.07	F	14	40.3
Mustang 2-dr. Sedan	100.5	179.6	68.3	52.1	2,759	37.0	41.7	56.6	57.0	I-4	3.78 x 3.12	2.3/140	FI	9.5	88@4,000	132@2,600	15.4	8.6	5.0	3.45	R	14	37.4
Mustang 2-dr. Hatchback	100.5	179.6	68.3	52.1	2,824	37.0	41.7	56.6	57.0	I-4	3.78 x 3.12	2.3/140	FI	9.5	88@4,000	132@2,600	15.4	8.6	5.0	3.45	R	14	37.4
Mustang 2-dr. Convertible	100.5	179.6	68.3	52.1	2,960	37.6	41.7	56.6	57.0	I-4	3.78 x 3.12	2.3/140	FI	9.5	88@4,000	132@2,600	15.4	8.6	5.0	3.45	R	14	37.4
Taurus 4-dr. Sedan	106.0	188.4	70.8	54.3	2,956	38.3	41.7	61.6	60.5	I-4	3.70 x 3.60	2.5/153	MFI	9.0	90@4,400	130@2,600	16.0	8.5	4.5	3.26	F	14	38.1
Taurus 4-dr. Wagon	106.0	191.9	70.8	55.4	3,244	38.6	41.7	61.6	59.9	V-6	3.50 x 3.10	3.0/182	FI	9.3	140@4,800	160@3,000	16.0	10.0	4.5	3.37	F	14	38.1
Taurus SHO 4-dr. Sedan	106.0	188.4	70.8	54.3	3,078	38.3	41.7	61.6	60.5	V-6	3.50 x 3.15	3.0/182	SFI	9.8	220@6,200	200@4,800	18.6	8.5	5.0	3.74*	F	15	38.1
*This rear axle utilizes dual transfer ratios, with 3.74 for the first through fourth and a lower 2.73 axle ratio for fifth.																							
Thunderbird 2-dr. Coupe	113.0	198.7	72.7	52.7	3,581	38.1	42.5	61.6	60.2	V-6	3.80 x 3.40	3.8/232	SFI	9.0	140@3,800	215@2,400	19.0	10.7	4.5	3.27	R	15	35.6
Thunderbird 2-dr. Super Coupe	113.0	198.7	72.7	52.7	3,701	38.1	42.5	61.6	60.2	V-6	3.80 x 3.40	3.8/232	FI	8.2	210@4,000	315@2,600	19.0	10.7	4.5	2.73	R	16	35.6
Crown Victoria 4-dr. Sedan*	114.3	211.0	77.5	55.6	3,821	37.2	43.5	62.2	62.0	V-8	4.00 x 3.00	5.0/302	MFI	8.9	150@3,200	270@2,000	18.0	14.4	6.0	2.73	R	15	39.1
Crown Victoria 4-dr. Wagon*	114.3	215.7	79.3	56.5	3,978	39.1	43.5	62.2	62.0	V-8	4.00 x 3.00	5.0/302	SFI	8.9	150@3,200	270@2,000	18.0	14.4	6.0	3.08	R	15	39.1
*Crown Victoria is also available as Country Squire Sedan and Country Squire Wagon.																							
OPTIONAL ENGINES: Festiva										I-4	2.79 x 3.29	1.3/81	FI	9.7	63@5,000	73@3,000							
Tempo HSO										I-4	3.70 x 3.30	2.3/141	FI	9.0	100@4,400	130@2,600							
Mustang GT & Mustang LX										V-8	4.00 x 3.00	5.0/302	FI	9.0	225@4,200	300@3,200							
Taurus										V-6	3.80 x 3.40	3.8/232	SFI	9.0	140@3,800	215@2,200							
Crown Victoria										V-8	4.00 x 3.00	5.0/302	SFI	8.9	160@3,400	280@2,200							
GEO Metro 2-dr. Hatchback	89.2	146.1	62.0	52.4	1,585	38.0	41.7	55.4	54.6	I-3	2.91 x 3.03	1.0/61	FI	9.5	49@4,700	58@3,300	10.6	4.1	4.6	3.79	F	12	30.2
Metro LSi 2-dr. Hatchback	89.2	146.1	62.0	52.4	1,591	38.0	41.7	55.4	54.6	I-3	2.91 x 3.03	1.0/61	FI	9.5	55@5,700	58@3,300	10.6	4.1	4.6	4.10	F	12	30.2
Metro LSi 4-dr. Hatchback	93.1	150.0	62.7	53.5	1,640	38.8	42.5	53.7	52.8	I-3	2.91 x 3.03	1.0/61	FI	9.5	55@5,700	58@3,300	10.6	4.1	4.6	4.10	F	12	31.5
Prizm 4-dr. Sedan	95.7	170.7	65.2	52.4	2,321	38.3	40.9	56.3	55.5	I-4	3.19 x 3.03	1.6/98	MFI	9.5	102@5,800	101@4,800	13.2	5.6	3.2	3.72	F	13	31.5
Prizm 4-dr. Hatchback	95.7	170.7	65.2	52.4	2,376	38.3	40.9	56.3	55.3	I-4	3.19 x 3.03	1.6/98	MFI	9.5	102@5,800	101@4,800	13.2	5.6	3.2	3.72	F	13	31.5
Spectrum 3-dr. Hatchback	94.5	157.4	63.6	52.0	1,962	38.0	41.7	54.7	54.3	I-4	3.03 x 3.11	1.5/90	2V	9.6	70@5,400	87@3,400	11.1	6.8	4.0	3.58	F	13	32.8

PRODUCTS/SPECIFICATIONS

Make and Model	Dimensions									Engines								Capacities			Miscellaneous			
	Wheelbase (in.)	Overall Length (in.)	Overall Width (in.)	Overall Height (in.)	Curb Weight (lbs.)	Front-seat Headroom (in.)	Front-seat Legroom (in.)	Front Tread (in.)	Rear Tread (in.)	Type	Bore and Stroke (in.)	Displacement (liters/cu. in.)	Carburetion	Compression Ratio	Net HP at RPM	Net Torque (ft. lbs.) at RPM	Fuel Tank (U.S. gals.)	Cooling System with heater (qts.)	Crankcase w/filter (qts.)	Axle Ratio (Standard)	Drive System	Wheel Diameter (in.)	Curb-to-Curb Turning Circle (dia. in ft.)
Spectrum 4-dr. Sedan	94.5	160.2	63.6	52.0	1,989	37.7	41.7	54.7	54.3	I-4	3.03 x 3.11	1.5/90	2V	9.6	70@5,400	87@3,400	11.1	6.8	4.0	3.58	F	13	32.8
HONDA Civic Hatchback	98.4	156.1	65.6	52.5	2,013	38.2	43.3	57.1	57.3	I-4	2.95 x 3.33	1.5/91	FI	9.2	70@5,500	83@3,000	11.9	5.3	4.2	3.89	F	13	30.4
Civic DX Hatchback	98.4	156.1	65.6	52.5	2,088	38.2	43.3	57.1	57.3	I-4	2.95 x 3.33	1.5/91	FI	9.2	92@6,000	89@4,500	11.9	5.3	4.2	3.89	F	13	30.4
Civic Si Hatchback	98.4	156.1	65.6	52.5	2,161	38.2	43.3	57.1	57.3	I-4	2.95 x 3.54	1.6/97	MFI	9.1	108@6,000	100@5,000	11.9	5.7	4.2	4.25	F	14	30.4
Civic Sedan	98.4	166.6	65.9	53.5	2,147	38.5	43.1	57.1	57.3	I-4	2.95 x 3.33	1.5/91	FI	9.2	92@6,000	89@4,500	11.9	5.8	4.2	4.06	F	13	30.4
Civic 2wd Wagon	98.4	161.7	66.5	57.9	2,262	39.4	41.2	56.9	57.2	I-4	2.95 x 3.33	1.5/91	FI	9.2	92@6,000	89@4,500	11.9	5.8	4.2	4.06	F	13	30.4
Civic 4wd Wagon	98.4	161.6	66.5	58.9	2,515	39.4	41.2	56.8	57.2	I-4	2.95 x 3.54	1.6/97	MFI	9.1	108@6,000	100@5,000	11.9	5.7	4.2	4.43	4	14	30.4
CRX	90.6	147.8	65.7	50.1	2,048	37.0	40.8	57.1	57.3	I-4	2.95 x 3.33	1.5/91	FI	9.2	92@6,000	89@4,500	11.9	5.4	4.2	3.89	F	13	30.4
CRX HF	90.6	147.8	65.7	50.1	1,834	37.0	40.8	57.1	57.3	I-4	2.95 x 3.33	1.5/91	MFI	9.6	62@4,500	90@2,000	10.6	5.5	4.2	2.95	F	13	30.4
CRX Si	90.6	147.8	65.7	50.1	2,138	36.7	40.8	57.1	57.3	I-4	2.95 x 3.54	1.6/97	MFI	9.1	108@6,000	100@5,000	11.9	5.7	4.2	4.25	F	14	30.4
Accord Coupe	102.4	179.7	67.4	52.7	2,493	37.9	42.9	58.3	58.1	I-4	3.26 x 3.58	2.0/119	2V	9.1	98@5,500	109@3,500	15.9	6.6	3.7	3.87	F	13	34.8
Accord Hatchback	102.4	174.8	67.4	52.6	2,513	38.0	42.8	58.3	58.1	I-4	3.26 x 3.58	2.0/119	2V	9.1	98@5,500	109@3,500	15.9	6.6	3.7	3.87	F	13	34.8
Accord Sedan	102.4	179.7	67.4	53.4	2,500	38.7	42.8	58.3	58.1	I-4	3.26 x 3.58	2.0/119	2V	9.1	98@5,500	109@3,500	15.9	6.6	3.7	3.87	F	13	34.8
Prelude	101.0	175.6	67.3	49.2	2,571	36.9	43.1	58.3	57.9	I-4	3.19 x 3.74	2.0/119	2V	9.1	104@5,800	111@4,000	15.9	6.3	5.1	4.19	F	13	34.8
OPTIONAL ENGINES: Accord										I-4	3.26 x 3.58	2.0/119	MFI	9.3	120@5,800	122@4,000							
Prelude										I-4	3.19 x 3.74	2.0/119	MFI	9.0	135@6,200	127@4,500							
HYUNDAI Excel 3-dr. Hatchback	93.7	160.9	63.1	54.1	2,156	37.5	40.9	54.1	52.8	I-4	3.00 x 3.20	1.5/90	2V	9.4	68@5,500	82@3,500	10.6	5.8	3.7	3.47	F	13	33.8
Excel 5-dr. Hatchback	93.7	160.9	63.1	54.1	2,178	37.5	40.9	54.1	52.8	I-4	3.00 x 3.20	1.5/90	2V	9.4	68@5,500	82@3,500	10.6	5.8	3.7	3.47	F	13	33.8
Excel 4-dr. Sedan	93.7	168.0	63.1	54.1	2,178	37.5	40.9	54.1	52.8	I-4	3.00 x 3.20	1.5/90	2V	9.4	68@5,500	82@3,500	10.6	5.8	3.7	3.47	F	13	33.8
Sonata	104.3	184.3	68.9	55.4	2,684	38.5	42.4	57.3	56.7	I-4	3.41 x 3.94	2.4/143	MFI	8.5	110@4,500	138@3,500	15.8	11.6	4.2	4.07	F	14	35.7
INFINITI M30 2-dr. Coupe*	103.0	188.8	66.5	54.0	3,476	N.A.	N.A.	56.5	56.5	V-6	3.43 x 3.27	3.0/181	SFI	9.0	165@5,200	174@3,600	17.2	8.5	N.A.	3.92	R	15	32.2
*M30 Coupe, a 1990 model, will be introduced in fall 1989. A M30 Convertible will be added in 1990.																							
Q45 4-dr. Sedan*	113.4	199.8	71.9	56.3	3,860	N.A.	N.A.	62.0	62.0	V-8	3.66 x 3.26	4.5/274	SFI	10.2	278@6,000	280@4,000	22.5	10.1	7.0	3.54	R	15	37.3
*Q45, a 1990 model, will be introduced in fall, 1989.																							
ISUZU I-Mark 3-dr.	94.5	157.9	63.6	54.1	1,984	38.0	41.7	54.7	54.3	I-4	3.03 x 3.11	1.5/90	2V	9.6	70@5,400	87@3,400	11.1	6.8	3.0	3.58	F	13	32.8
I-Mark 4-dr.	94.5	160.7	63.6	54.1	2,011	37.7	41.7	54.7	54.3	I-4	3.03 x 3.11	1.5/90	2V	9.6	70@5,400	87@3,400	11.1	6.8	3.0	3.58	F	13	32.8
Impulse	96.1	172.6	65.2	51.4	2,890	36.9	41.9	53.3	54.3	I-4	3.52 x 3.54	2.3/138	MFI	8.6	110@5,000	127@3,000	15.1	9.3	3.4	3.91	R	14	31.5
Impulse Turbo	96.1	172.6	65.7	51.4	2,970	36.9	41.9	53.3	54.3	I-4	3.46 x 3.23	2.0/122	MFI	7.9	140@5,400	166@3,000	15.1	9.5	3.4	3.91	R	14	31.5
OPTIONAL ENGINES: I-Mark LS										I-4	3.03 x 3.11	1.5/90	2V	8.0	110@5,400	120@3,500							
I-Mark RS										I-4	3.15 x 3.11	1.6/97	MFI	9.8	125@6,800	102@5,400							
JAGUAR XJ-S Convertible	102.0	191.7	70.6	47.8	4,190	36.1	41.3	58.6	59.2	V-12	3.54 x 2.76	5.3/326	FI	11.5	262@5,000	290@3,000	21.6	21.0	10.5	2.88	R	15	39.4
XJ-S	102.0	191.7	70.6	47.8	4,015	36.1	41.3	58.6	59.2	V-12	3.54 x 2.76	5.3/326	FI	11.5	262@5,000	290@3,000	24.0	21.0	10.5	2.88	R	15	39.4
XJ-6	113.0	196.4	78.9	54.3	3,904	36.6	41.7	59.1	59.0	I-6	3.58 x 3.62	3.6/219	FI	9.6	195@5,000	232@4,000	23.2	13.0	7.9	3.58	R	15	40.8
Vanden Plas	113.0	196.4	78.9	54.3	3,960	36.6	41.7	59.1	59.0	I-6	3.58 x 3.62	3.6/219	FI	9.6	195@5,000	232@4,000	23.2	13.0	7.9	3.58	R	15	40.8
LAMBORGHINI Countach	102.0	163.0	78.7	42.1	3,280	N.A.	N.A.	62.7	65.6	V-12	3.37 x 2.95	5.2/315	FI	9.5	455@7,000	369@5,200	N.A.	N.A.	N.A.	4.09	R	15	N.A.
LEXUS ES 250	102.4	183.1	66.9	53.1	3,153	37.8	42.9	58.1	56.9	V-6	3.44 x 2.74	N.A.	FI	9.0	156@5,600	160@4,400	15.9	9.0	4.1	3.93	F	15	N.A.
LS 400	110.8	196.7	71.7	55.1	3,770	38.6	44.0	61.6	61.6	V-8	3.44 x 3.25	N.A.	FI	10.0	250@5,600	260@4,400	22.5	11.6	5.3	3.62	R	15	N.A.
LINCOLN Town Car 4-dr. Sedan	117.3	219.2	78.1	55.9	4,044	39.0	43.5	62.2	62.0	V-8	4.00 x 3.00	5.0/302	MFI	8.9	150@3,200	270@2,000	18.0	14.4	6.0	3.08	R	15	40.0
Continental 4-dr. Sedan	109.0	205.1	72.7	55.6	3,635	38.7	41.7	62.3	61.1	V-6	3.80 x 3.40	3.8/232	MFI	9.0	140@3,800	215@2,200	18.6	12.1	4.5	3.37	F	15	38.0
Mark VII 2-dr. Coupe	108.5	202.8	70.9	54.2	3,743	37.8	42.0	58.4	59.0	V-8	4.00 x 3.00	5.0/302	MFI	9.0	225@4,200	300@3,200	22.1	14.1	5.0	3.08	R	15	40.1
Mark VII LSC 2-dr. Coupe	108.5	202.8	70.9	54.2	3,783	37.8	42.0	58.4	59.0	V-8	4.00 x 3.00	5.0/302	MFI	9.0	225@4,200	300@3,200	22.1	14.1	5.0	3.27	R	16	40.1
OPTIONAL ENGINES: Town Car										V-8	4.00 x 3.00	5.0/302	MFI	8.9	160@3,400	280@2,200							
LOTUS Esprit Turbo	96.0	170.5	73.2	45.3	2,820	37.0	31.0	60.0	61.2	I-4	3.75 x 3.00	2.2/132	MFI	8.0	228@6,500	218@4,000	18.5	12.5	7.0	3.89	R	15	34.9
MASERATI 228	102.4	175.6	73.4	52.4	3,100	N.A.	N.A.	60.6	61.0	V-6	3.70 x 2.64	2.8/170	N.A.	7.4	225@5,600	246@3,500	17.4	9.0	6.0	3.31	R	15	34.9
430	102.4	173.2	68.1	53.5	3,035	N.A.	N.A.	56.8	57.2	V-6	3.70 x 2.64	2.8/170	N.A.	7.4	225@5,600	246@3,500	20.0	9.0	6.0	3.31	R	15	34.9
Spyder	94.5	159.2	67.5	51.6	2,925	N.A.	N.A.	59.1	58.1	V-6	3.70 x 2.64	2.8/170	N.A.	7.4	225@5,600	246@3,500	18.0	9.0	6.0	3.31	R	15	37.0
MAZDA MX-6	99.0	177.0	66.5	53.5	2,535	38.4	43.6	57.3	57.7	I-4	3.39 x 3.70	2.2/133	FI	3.6	110@4,700	130@3,000	15.9	8.0	4.8	4.11	F	14	35.3
929	106.7	193.1	66.9	54.5	3,373	37.8	43.3	56.9	57.5	V-6	3.53 x 3.00	3.0/180	FI	8.5	158@5,500	170@4,000	18.5	10.0	5.6	3.91	R	15	35.4
626 4-dr. Sedan	101.4	179.3	66.5	55.5	2,590	39.0	43.7	57.3	57.7	I-4	3.39 x 3.70	2.2/133	FI	8.6	110@4,700	130@3,000	15.9	8.0	4.8	4.11	F	14	36.0
626 5-dr. Sedan	101.4	179.3	66.5	54.1	2,680	38.7	43.6	57.3	57.7	I-4	3.39 x 3.70	2.2/133	FI	8.6	110@4,700	130@3,000	15.9	8.0	4.8	4.11	F	14	36.0
323 3-dr. Hatchback	94.5	161.8	64.8	54.7	2,100	38.3	41.5	54.7	55.7	I-4	3.07 x 3.09	1.6/97.0	FI	9.3	82@5,000	92@2,500	12.7	5.2	3.6	4.11	F	13	30.8
323 4-dr. Sedan	94.5	169.7	64.8	54.7	2,175	38.3	41.5	54.7	55.7	I-4	3.07 x 3.09	1.6/97.0	FI	9.3	82@5,000	92@2,500	12.7	5.2	3.6	4.11	F	13	30.8
323 GTX	94.5	161.8	64.8	54.9	2,600	38.3	41.5	55.1	56.1	I-4	3.07 x 3.09	1.6/97.0	FI	7.9	132@6,000	136@3,000	13.2	6.2	3.8	4.11	4	14	31.5
RX-7	95.7	169.9	66.5	49.8	2,800	36.8	43.7	57.1	56.7	R	—	1.3/80	FI	9.7	160@7,000	140@4,000	18.5	9.2	6.1	4.10	R	15	32.2
OPTIONAL ENGINES: MX-6 Turbo, 626 Turbo										I-4	3.39 x 3.70	2.2/133	FI	7.8	145@4,300	190@3,500							
RX-7 Turbo										R	—	1.3/80	FI	9.0	200@6,500	196@3,500							
MERCEDES-BENZ 190 E Sedan	104.9	175.1	66.5	54.7	2,955	36.9	41.9	56.6	55.8	I-6	3.26 x 3.16	2.6/158.6	FI	9.2	158@5,800	162@4,600	14.5	10.6	6.3	3.27	R	15	35.0
190 D Sedan	104.9	175.1	66.5	54.7	2,955	36.9	41.9	56.6	55.8	I-5	3.43 x 3.31	2.5/152.4	FI	22.0	90@4,600	117@2,800	14.5	9.0	7.4	3.07	R	15	35.0
260 E Sedan	110.2	187.2	68.5	56.9	3,210	36.9	41.7	58.9	58.6	I-6	3.26 x 3.16	2.6/158.6	FI	9.2	158@5,800	162@4,600	18.5	10.6	6.3	3.27	R	15	38.7

PRODUCTS/SPECIFICATIONS

Make and Model	Dimensions									Engines							Capacities			Miscellaneous			
	Wheelbase (in.)	Overall Length (in.)	Overall Width (in.)	Overall Height (in.)	Curb Weight (lbs.)	Front-seat Headroom (in.)	Front-seat Legroom (in.)	Front Tread (in.)	Rear Tread (in.)	Type	Bore and Stroke (in.)	Displacement (liters/cu. in.)	Carburetion	Compression Ratio	Net HP at RPM	Net Torque (ft. lbs.) at RPM	Fuel Tank (U.S. gals.)	Cooling System with heater (qts.)	Crankcase w/filter (qts.)	Axle Ratio (standard)	Drive System	Wheel Diameter (in.)	Curb-to-Curb Turning Circle (dia. in ft.)
300 E Sedan	110.2	187.2	68.5	56.9	3,265	36.9	41.7	58.9	58.6	I-6	3.48 x 3.16	3.0/180.8	FI	9.2	177@5,700	188@4,400	18.5	10.6	6.3	3.07	R	15	36.7
300 CE Coupe	106.9	183.9	68.5	55.5	3,310	36.0	41.9	58.9	58.6	I-6	3.48 x 3.16	3.0/180.8	FI	9.2	177@5,700	188@4,400	18.5	10.6	6.3	3.07	R	15	35.8
300 TE Wagon	110.2	188.2	68.5	59.8	3,530	37.4	41.7	58.9	58.6	I-6	3.48 x 3.16	3.0/180.8	FI	9.2	177@5,700	188@4,400	19.0	10.6	6.3	3.27	R	15	36.7
300 SE Sedan	115.6	202.6	71.7	56.6	3,730	37.2	41.9	61.5	60.4	I-6	3.48 x 3.16	3.0/180.8	FI	9.2	177@5,700	188@4,400	23.8	10.6	6.3	3.46	R	15	39.0
300 SEL Sedan	121.1	208.1	71.7	56.7	3,770	37.3	41.9	61.5	60.4	I-6	3.48 x 3.16	3.0/180.8	FI	9.2	177@5,700	188@4,400	23.8	10.6	6.3	3.46	R	15	40.6
420 SEL Sedan	121.1	208.1	71.7	56.7	3,885	37.3	41.9	61.5	60.4	V-8	3.62 x 3.10	4.2/256.1	FI	9.0	201@5,200	228@3,600	23.8	13.7	8.5	2.47	R	15	40.6
560 SEL Sedan	121.1	208.1	71.7	56.3	4,080	37.3	41.9	61.5	60.4	V-8	3.80 x 3.73	5.6/338.5	FI	9.0	238@4,800	287@3,500	23.8	13.7	8.5	2.47	R	15	40.6
560 SL Coupe	96.7	180.3	70.5	51.1	3,705	36.7	42.2	57.7	57.7	V-8	3.80 x 3.73	5.6/338.5	FI	9.0	227@4,750	279@3,250	22.5	13.7	8.5	2.47	R	15	35.2
560 SEC Coupe	112.2	199.2	72.0	55.0	3,915	36.8	41.9	61.5	60.4	V-8	3.80 x 3.73	5.6/338.5	FI	9.0	238@4,800	287@3,500	23.8	13.7	8.5	2.47	R	15	38.1
MERCURY Tracer 2-dr. Hatchback	94.7	162.0	65.2	53.0	2,205	38.3	41.5	54.9	56.0	I-4	3.07 x 3.29	1.6/97.5	MFI	9.3	82@5,000	92@2,500	11.9	5.3	4.1	3.85	F	13	30.8
Tracer 4-dr. Hatchback	94.7	162.0	65.2	53.0	2,240	38.3	41.5	54.9	56.0	I-4	3.07 x 3.29	1.6/97.5	MFI	9.3	82@5,000	92@2,500	11.9	5.3	4.1	3.85	F	13	30.8
Tracer 4-dr. Wagon	94.7	169.7	65.2	53.7	2,335	38.2	41.5	54.9	56.0	I-4	3.07 x 3.29	1.6/97.5	MFI	9.3	82@5,000	92@2,500	11.9	5.3	4.1	4.10	F	13	30.8
Topaz 2-dr. Sedan	99.9	176.7	68.3	52.8	2,567	37.5	41.5	54.9	57.6	I-4	3.70 x 3.30	2.3/141	MFI	9.0	98@4,400	124@2,200	15.4	8.1	5.0	3.33*	F	14	36.9
*This rear axle utilizes dual transfer ratios, with 3.33 for first through fourth and a lower 2.56 axle ratio for fifth																							
Topaz 4-dr. Sedan	99.9	177.0	68.3	52.9	2,606	37.5	41.5	54.9	57.6	I-4	3.70 x 3.30	2.3/141	MFI	9.0	98@4,400	124@2,200	15.4	8.1	5.0	3.33*	F	14	36.9
*This rear axle utilizes dual transfer ratios, with 3.33 for first through fourth and a lower 2.56 axle ratio for fifth																							
Sable 4-dr. Sedan	106.0	192.2	70.8	54.3	3,128	38.3	41.7	61.6	60.5	V-6	3.50 x 3.10	3.0/182	MFI	9.3	140@4,800	160@3,000	16.0	10.0	4.5	3.37	F	14	38.1
Sable 4-dr. Wagon	106.0	193.2	70.8	55.1	3,246	38.6	41.7	61.6	59.9	V-6	3.50 x 3.10	3.0/182	MFI	9.3	140@4,800	160@3,000	16.0	10.0	4.5	3.37	F	14	38.1
Cougar LS 2-dr Coupe	113.0	198.7	72.7	52.7	3,570	38.1	42.5	61.6	60.2	V-6	3.80 x 3.40	3.8/232	SFI	9.0	140@3,800	215@2,400	19.0	12.3	4.5	3.27	R	15	35.6
Cougar XR-7 2-dr. Coupe	113.0	198.7	72.7	52.7	3,776	38.1	42.5	61.6	60.2	V-6	3.80 x 3.40	3.8/232	FI	8.2	210@4,000	315@2,600	19.0	12.3	4.5	2.73	R	16	35.6
Grand Marquis 4-dr. Sedan	114.3	214.3	77.5	55.5	3,763	38.9	43.5	62.2	62.0	V-8	4.00 x 3.00	5.0/302	SFI	8.9	150@3,200	270@2,000	18.0	14.4	6.0	2.73	R	15	39.1
Grand Marquis Colony Park 4-dr. Wagon	114.3	219.0	79.3	56.5	3,995	38.8	43.5	62.2	62.0	V-8	4.00 x 3.00	5.0/302	SFI	8.9	150@3,200	270@2,000	18.0	14.4	6.0	3.08	R	15	39.1
OPTIONAL ENGINES: Topaz XR-5 and Topaz LTS										I-4	3.70 x 3.30	2.3/141	MFI	9.0	100@4,400	130@2,600							
Topaz 4wd										I-4	3.70 x 3.30	2.3/141	MFI	9.0	100@4,400	130@2,600							
Sable										V-6	3.80 x 3.40	3.8/232	SFI	9.0	140@3,800	215@2,200							
Grand Marquis										V-8	4.00 x 3.00	5.0/302	SFI	8.9	160@3,400	280@2,200							
MERKUR Scorpio 4-dr. Hatchback	108.7	186.4	69.5	54.6	3,230	38.5	41.3	58.1	58.1	V-6	3.66 x 2.83	2.9/179	MFI	9.0	144@5,500	162@3,000	16.9	9.0	4.5	3.64	R	15	34.1
XR4Ti 2-dr. Hatchback	102.7	178.4	68.0	53.8	2,920	38.5	41.0	57.2	57.8	I-4	3.78 x 3.12	2.3/140	MFI	8.0	175@5,000	200@3,000	15.0	10.5	5.0	3.64	R	15	35.4
OPTIONAL ENGINES: XR4Ti										I-4	3.78 x 3.12	2.3/140	MFI	8.0	145@4,400	180@3,000							
MITSUBISHI Sigma	102.4	185.8	66.7	51.6	3,075	37.5	40.3	56.9	55.7	V-6	3.59 x 2.99	3.0/181.4	MFI	8.9	142@5,000	168@2,500	15.9	9.2	4.4	3.71	F	15	34.8
Starion	95.9	173.2	68.3	50.2	3,036	36.6	40.8	57.7	57.3	I-4	3.59 x 3.86	2.6/156	FI	7.0	188@5,000	234@2,500	19.8	9.0	4.4	3.55	R	16	31.5
Precis	93.7	160.9	63.1	54.1	2,161	37.5	40.9	54.1	52.8	I-4	2.97 x 3.23	1.5/89.6	2V	9.4	68@5,500	82@3,500	10.6	5.5	3.5	3.47	F	13	33.8
Galant	102.4	183.9	66.7	53.5	2,601	38.6	41.9	57.5	57.5	I-4	3.34 x 3.46	2.0/121.9	MFI	8.5	102@5,000	116@4,500	15.9	7.4	4.1	3.66	F	14	34.8
Mirage Hatchback	93.9	158.7	65.7	52.0	2,238	38.3	41.9	56.3	56.3	I-4	2.97 x 3.23	1.5/89.6	MFI	9.4	81@5,500	91@3,000	13.2	4.4	4.0	4.02	F	13	30.2
Mirage Sedan	96.7	170.1	65.7	52.8	2,271	39.1	41.9	56.3	56.3	I-4	2.97 x 3.23	1.5/89.6	MFI	9.4	81@5,500	91@3,000	13.2	4.4	4.0	4.02	F	13	30.2
Eclipse*	97.2	170.5	66.5	51.4	2,524	37.9	43.8	57.7	57.1	I-4	3.17 x 3.38	1.8/107	MFI	9.0	90@5,000	105@3,500	15.9	7.4	4.6	3.94	F	14	N.A.
*Eclipse is a 1990 model																							
OPTIONAL ENGINES: Galant										I-4	3.34 x 3.46	2.0/121.9	MFI	9.0	135@6,000	125@5,000							
Mirage Turbo										I-4	3.24 x 2.95	1.6/97.3	MFI	8.0	135@6,000	141@3,000							
Eclipse GS										I-4	3.35 x 3.46	2.0/121	MFI	9.0	135@6,000	125@3,000							
Eclipse Turbo										I-4	3.35 x 3.46	2.0/121	MFI	7.8	190@6,000	203@3,000							
NISSAN Sentra 2-dr. Sedan	95.7	168.7	64.6	54.3	2,156	38.2	41.8	56.3	56.3	I-4	3.00 x 3.46	1.6/97.4	FI	9.4	90@6,000	96@3,200	13.2	5.75	3.4	3.69	F	13	30.2
Sentra 4-dr. Sedan	95.7	168.7	64.6	54.3	2,208	38.2	41.8	56.3	56.3	I-4	3.00 x 3.46	1.6/97.4	FI	9.4	90@6,000	96@3,200	13.2	5.75	3.4	3.90	F	13	N.A.
Sentra Wagon	95.7	172.2	64.6	54.3	2,301	38.2	41.8	56.3	56.3	I-4	3.00 x 3.46	1.6/97.4	FI	9.4	90@6,000	96@3,200	13.2	5.75	3.4	3.90	F	13	30.2
Sentra 4wd Wagon	95.7	172.2	64.6	54.9	2,635	38.2	41.8	56.3	55.7	I-4	3.00 x 3.46	1.6/97.4	FI	9.4	90@6,000	96@3,200	12.4	5.75	3.4	4.47	4	13	38.2
Sentra Coupe	95.7	166.5	65.6	52.2	2,304	37.0	41.6	56.5	56.5	I-4	3.00 x 3.46	1.6/97.4	FI	9.4	90@6,000	96@3,200	13.2	5.75	3.4	4.17	F	14	31.5
Pulsar NX XE	95.7	166.5	66.1	51.0	2,388	38.0	42.0	56.9	56.9	I-4	3.00 x 3.46	1.6/97.4	FI	9.4	90@6,000	96@3,200	13.2	[illegible]	3.4	4.47	F	13	31.5
Pulsar NX SE	95.7	166.5	66.1	51.0	2,566	38.0	42.0	56.5	56.5	I-4	3.27 x 3.29	1.8/110.4	MFI	9.5	125@6,400	115@4,800	13.2	6.2	4.0	4.47	F	14	33.5
300ZX Coupe	91.3	173.4	67.9	49.7	3,164	36.6	43.6	57.3	58.1	V-6	3.43 x 3.27	3.0/180.6	MFI	9.0	165@5,200	174@3,800	19.0	N.A.	N.A.	3.90	R	15	32.2
300ZX Turbo	91.3	173.4	67.9	49.7	3,265	36.6	43.6	56.5	57.3	V-6	3.43 x 3.27	3.0/180.6	MFI	8.3	205@5,200	227@3,600	19.0	N.A.	N.A.	3.70	R	16	32.2
300ZX 2 + 2	99.2	181.3	67.9	49.7	3,265	37.2	43.6	57.3	58.1	V-6	3.43 x 3.27	3.0/180.6	MFI	9.0	165@5,200	174@4,000	19.0	N.A.	N.A.	3.90	R	15	34.8
240SX	97.4	178.0	66.5	50.8	2,657	37.8	42.0	57.7	57.5	I-4	3.50 x 3.78	2.4/145.8	MFI	8.6	140@5,600	152@4,400	15.9	3.4	3.8	4.08	R	15	30.8
Maxima	104.3	187.6	69.3	55.1	3,086	39.5	43.7	58.4	58.7	V-6	3.43 x 3.27	3.0/180.6	MFI	9.0	160@5,200	182@2,800	18.5	N.A.	N.A.	3.64	F	15	36.7
Stanza	100.4	177.8	66.5	54.7	2,770	38.9	42.0	57.5	57.5	I-4	3.33 x 3.46	2.0/120.5	MFI	8.5	94@5,400	114@2,800	15.9	7.8	3.8	4.17	F	14	32.8
Axxess Wagon	102.8	171.9	66.5	64.6	2,877	39.7	38.6	57.5	56.3	I-4	3.50 x 3.78	2.4/146	MFI	8.6	138@5,600	148@4,400	17.2	7.3	4.1	3.98	F	14	34.8
Axxess 4wd Wagon	102.4	171.9	66.5	64.6	3,146	39.7	38.6	57.5	56.3	I-4	3.50 x 3.78	2.4/146	MFI	8.6	138@5,600	148@4,400	15.9	7.3	4.1	4.47	4	14	35.4
OLDSMOBILE Cutlass Calais 2-dr. Coupe	103.4	178.8	66.7	52.4	2,512	37.7	42.9	55.6	55.2	I-4	4.00 x 3.00	2.5/151	TBI	8.3	110@5,200	135@3,200	13.6	7.8	5.0	3.35	F	14	35.4
Cutlass Calais 4-dr. Sedan	103.4	178.8	66.7	52.4	2,573	37.7	42.9	55.6	55.2	I-4	4.00 x 3.00	2.5/151	TBI	8.3	110@5,200	135@3,200	13.6	7.8	5.0	3.35	F	14	35.4

NOTE: This table has been compiled from information supplied by factories, distributors and selected sources. Every reasonable precaution has been taken to insure accuracy but Automotive News cannot assume any liability by reason of inaccuracies or omissions. Specifications are subject to change without notice.

PRODUCTS/SPECIFICATIONS

Make and Model	Dimensions									Engines							Capacities			Miscellaneous			
	Wheelbase (in.)	Overall Length (in.)	Overall Width (in.)	Overall Height (in.)	Curb Weight (lbs.)	Front-seat Headroom (in.)	Front-seat Legroom (in.)	Front Tread (in.)	Rear Tread (in.)	Type	Bore and Stroke (in.)	Displacement (liters/cu. in.)	Carburetion	Compression Ratio	Net HP at RPM	Net Torque (ft. lbs.) at RPM	Fuel Tank (U.S. gals.)	Cooling System with heater (qts.)	Crankcase w/filter (qts.)	Axle Ratio (standard)	Drive System	Wheel Diameter (in.)	Curb-to-Curb Turning Circle (dia. in ft.)
Cutlass Ciera 2-dr. Coupe	104.9	190.3	69.5	54.1	2,736	38.6	42.1	58.7	57.0	I-4	4.00 x 3.00	2.5/151	TBI	8.3	110@5,200	135@3,200	15.7	9.9	5.0	2.84	F	14	38.1
Cutlass Ciera 4-dr. Sedan	104.9	190.3	69.5	54.1	2,764	38.5	42.1	58.7	57.0	I-4	4.00 x 3.00	2.5/151	TBI	8.3	110@5,200	135@3,200	15.7	9.9	5.0	2.84	F	14	38.1
Cutlass Cruiser 4-dr. Wagon	104.9	194.4	69.5	54.5	2,913	38.6	42.1	58.7	57.0	I-4	4.00 x 3.00	2.5/151	TBI	8.3	110@5,200	135@3,200	15.7	9.9	5.0	2.84	F	14	38.1
Cutlass Supreme 2-dr. Coupe	107.5	192.1	71.0	52.8	3,119	37.8	42.3	59.5	58.0	V-6	3.50 x 2.99	2.8/173	MFI	8.9	130@4,500	170@3,600	16.6	11.3	5.0	3.61	F	14	39.0
88 Royale 2-dr. Coupe	110.8	196.1	72.4	54.7	3,219	38.1	42.4	60.3	59.8	V-6	3.80 x 3.40	3.8/231	MFI	8.5	165@5,200	210@2,000	18.0	11.7	5.0	2.84	F	14	39.7
88 Royale 4-dr. Sedan	110.8	196.1	72.4	54.7	3,264	38.9	42.4	60.3	59.8	V-6	3.80 x 3.40	3.8/231	MFI	8.5	165@5,200	210@2,000	18.0	11.7	5.0	2.84	F	14	39.7
98 4-dr. Sedan	110.8	196.4	72.4	55.1	3,329	39.3	41.5	[illegible]	[illegible]	V-6	3.80 x 3.40	3.8/231	MFI	8.5	165@5,200	210@2,000	18.0	11.7	5.0	2.84	F	14	39.7
Touring Sedan 4-dr.	110.8	196.4	72.4	55.1	3,330	39.3	41.5	[illegible]	[illegible]	V-6	3.80 x 3.40	3.8/231	MFI	8.5	165@5,200	210@2,000	18.0	11.7	5.0	2.84	F	16	39.7
Toronado 2-dr. Coupe	108.0	187.5	70.8	53.0	3,361	37.8	43.0	[illegible]	[illegible]	V-6	3.80 x 3.40	3.8/231	MFI	8.5	165@4,800	210@2,000	18.0	12.0	5.0	2.84	F	15	39.0
Trofeo 2-dr. Coupe	108.0	187.5	70.8	53.0	3,428	37.8	43.0	59.9	[illegible]	V-6	3.80 x 3.40	3.8/231	MFI	8.5	165@4,800	210@2,000	18.0	12.0	5.0	2.84	F	15	39.0
Custom Cruiser 4-dr. Wagon	115.9	220.3	79.8	58.5	4,221	39.6	42.2	62.1	[illegible]	V-8	3.80 x 3.39	5.0/307	4V	8.0	140@3,200	255@2,000	22.0	15.3	5.0	2.93	R	15	39.2
OPTIONAL ENGINES: Cutlass Calais										I-4	3.62 x 3.35	2.3/138	MFI	9.5	150@5,200	160@4,000							
Cutlass Calais										I-4	3.62 x 3.35	2.3/138	MFI	10.0	180@6,200	160@5,200							
Cutlass Calais, Cutlass Ciera, Cutlass Cruiser Wagon										V-6	3.70 x 3.16	3.3/204	MFI	9.0	160@5,200	185@2,000							
Cutlass Ciera, Cutlass Cruiser Wagon										V-6	3.50 x 2.99	2.8/173	MFI	8.9	125@4,500	160@3,600							
Cutlass Supreme										V-6	3.50 x 3.27	3.1/189	MFI	8.8	140@4,800	183@3,600							
PEUGEOT 405 S Sedan	105.1	177.7	67.6	55.4	2,580	36.5	41.4	57.1	56.8	I-4	3.27 x 3.46	1.9/116	FI	8.4	110@5,200	120@4,250	17.2	7.0	5.3	4.06	F	14	36.1
405 Mi 16 Sedan	105.1	177.7	67.6	55.4	2,715	36.5	41.4	56.7	56.4	I-4	3.27 x 3.46	1.9/116	FI	9.5	150@6,400	128@5,000	17.2	7.6	5.6	4.43	F	14	36.1
505 S Sedan	108.0	181.4	67.7	57.0	2,998	37.5	40.0	58.7	57.3	I-4	3.46 x 3.50	2.2/132	FI	8.8	120@5,000	131@3,500	18.0	7.9	5.8	4.11	R	15	35.1
505 Turbo Sedan	108.0	181.4	67.7	57.0	3,230	37.5	40.0	58.7	57.3	I-4	3.61 x 3.21	2.2/131	FI	7.5	180@5,200	205@2,500	18.0	10.0	5.3	3.89	R	15	35.1
505 S V-6 Sedan	108.0	181.4	67.7	57.0	3,086	37.5	40.0	58.7	57.3	V-6	3.58 x 2.87	2.8/174	FI	9.5	145@5,000	176@2,800	18.0	10.0	6.9	3.70	R	15	35.1
505 DL Wagon	114.2	194.5	67.7	60.1	3,230	38.1	40.0	58.7	57.1	I-4	3.46 x 3.50	2.2/132	FI	8.8	120@5,000	131@3,500	18.0	7.9	5.8	4.11	R	15	36.8
505 Turbo Wagon	114.2	194.5	67.7	60.1	3,440	38.1	40.0	59.1	57.1	I-4	3.61 x 3.21	2.2/131	FI	7.5	160@5,000	205@2,500	18.0	10.0	5.3	3.89	R	15	36.8
505 SW8 Wagon	114.2	194.5	67.7	60.1	3,296	38.1	40.0	58.7	57.1	I-4	3.46 x 3.50	2.2/132	FI	8.8	120@5,000	131@3,500	18.0	7.9	5.8	4.11	R	15	36.8
505 Turbo SW8 Wagon	114.2	194.5	67.7	60.1	3,506	38.1	40.0	59.1	57.1	I-4	3.61 x 3.21	2.2/131	FI	7.5	160@5,000	205@2,500	18.0	10.0	5.3	3.89	R	15	36.8
PLYMOUTH Laser 2-dr. Coupe*	97.2	170.5	66.5	49.8	2,410	33.9	42.5	57.7	57.1	I-4	3.17 x 3.39	1.8/107	MFI	9.0	92@5,000	107@3,500	15.9	5.3	4.4	4.32	F	14	34.0
*Laser is a 1990 model.																							
Horizon 4-dr. Hatchback	99.1	163.2	66.8	53.0	2,296	38.1	42.1	56.1	55.7	I-4	3.44 x 3.62	2.2/135	FI	9.5	93@4,800	122@3,200	13.0	9.0	5.0	2.55	F	13	36.5
Colt 2-dr. Hatchback	93.9	158.7	65.6	52.0	2,205	38.3	41.9	56.3	56.3	I-4	2.97 x 3.23	1.5/90	MFI	9.4	81@5,500	91@3,000	13.2	4.4	4.0	3.45	F	13	36.2
Colt DL 4-dr. Wagon	93.7	169.3	63.8	53.7	2,271	37.7	40.6	55.5	52.8	I-4	2.97 x 3.23	1.5/90	MFI	9.4	75@5,500	87@2,500	12.4	4.5	4.0	4.02	F	13	30.0
Colt DL 4wd 4-dr. Wagon	93.9	169.3	63.8	56.1	2,568	37.7	40.6	55.5	53.5	I-4	3.17 x 3.39	1.8/107	MFI	9.0	87@5,000	102@3,000	12.4	5.5	4.1	5.08	4	14	39.0
Colt Vista 4-dr. Wagon	103.3	176.6	64.8	57.3	2,634	38.3	38.8	55.5	54.1	I-4	3.35 x 3.46	2.0/122	MFI	8.5	99@5,000	116@4,000	13.2	7.4	4.5	4.02	F	13	34.8
Colt Vista 4wd 4-dr. Wagon	103.5	176.6	64.8	59.4	2,955	38.3	38.6	55.3	54.5	I-4	3.35 x 3.46	2.0/122	MFI	8.5	99@5,000	116@4,000	14.5	7.4	4.5	3.71	4	14	34.8
Reliant 2-dr. Sedan	100.3	178.6	68.0	52.5	2,424	38.2	42.2	57.6	57.2	I-4	3.44 x 3.62	2.2/135	FI	9.5	93@4,800	122@3,200	14.0	9.0	5.0	2.51	F	13	35.0
Reliant 4-dr. Sedan	100.3	178.6	68.0	52.9	2,450	38.6	42.2	57.6	57.2	I-4	3.44 x 3.62	2.2/135	FI	9.5	93@4,800	122@3,200	14.0	9.0	5.0	2.51	F	13	35.0
Sundance 2-dr. Hatchback	97.0	171.1	67.3	52.7	2,513	38.3	41.8	57.6	57.2	I-4	3.44 x 3.62	2.2/135	FI	9.5	93@4,800	122@3,200	14.0	9.0	5.0	2.51	F	14	34.0
Sundance 4-dr. Hatchback	97.0	171.1	67.3	52.7	2,544	38.3	41.8	57.6	57.2	I-4	3.44 x 3.62	2.2/135	FI	9.5	93@4,800	122@3,200	14.0	9.0	5.0	2.51	F	14	34.0
Acclaim 4-dr. Sedan	103.3	181.2	68.1	55.5	2,753	38.4	41.8	57.5	57.2	I-4	3.44 x 4.09	2.5/153	FI	8.9	100@4,800	135@2,800	16.0	9.0	5.0	2.51	F	14	37.6
Acclaim LX 4-dr. Sedan	103.3	181.2	68.1	55.5	2,968	38.4	41.8	57.5	57.2	V-6	3.59 x 2.99	3.0/181	MFI	8.9	141@5,000	171@2,800	16.0	9.5	5.0	2.36	F	15	40.8
OPTIONAL ENGINES: Laser										I-4	3.35 x 3.45	2.0/122	MFI	9.0	135@6,000	125@5,000							
Laser Turbo										I-4	3.35 x 3.45	2.0/122	MFI	7.8	190@6,000	203@5,000							
Colt GT Turbo										I-4	3.03 x 3.39	1.6/97	FI	8.0	135@6,000	141@3,000							
Reliant & Sundance										I-4	3.44 x 4.09	2.5/153	FI	9.0	100@4,800	135@2,800							
Acclaim Turbo & Sundance Turbo										I-4	3.44 x 4.09	2.5/153	MFI	7.8	150@4,800	180@2,000							
Gran Fury										V-8	3.91 x 3.31	5.2/318	4V	8.0	175@4,000	250@3,200							
PONTIAC Sunbird 2-dr. Coupe	101.2	181.3	66.3	52.0	2,385	37.8	42.9	55.6	55.2	I-4	3.39 x 3.39	2.0/121	FI	8.8	96@4,800	118@3,600	13.6	7.8	4.2	3.45	F	13	34.3
Sunbird 4-dr. Sedan	101.2	181.3	66.3	53.6	2,405	38.6	42.2	55.6	55.2	I-4	3.39 x 3.39	2.0/121	FI	8.8	96@4,800	118@3,600	13.6	7.8	4.2	3.45	F	13	34.3
Sunbird 2-dr. Convertible	101.2	181.3	66.3	52.1	2,690	38.1	42.9	55.6	55.2	I-4	3.39 x 3.39	2.0/121	MFI	8.0	165@5,600	175@4,000	13.6	7.8	4.2	3.61	F	13	34.3
Firebird 2-dr. Coupe	101.0	190.5	72.4	49.7	3,083	37.0	43.0	60.7	61.6	V-6	3.50 x 2.99	2.8/173	MFI	8.9	135@4,900	180@3,900	15.5	13.0	5.0	3.42	R	15	38.1
Firebird Trans Am 2-dr. Coupe	101.0	191.8	72.4	49.7	3,298	37.0	43.0	60.7	61.6	V-8	3.74 x 3.48	5.0/305	TBI	9.3	170@4,000	255@2,400	15.5	16.4	6.0	3.08	R	15	38.4
LeMans 2-dr. Coupe	99.2	163.7	65.5	53.5	2,136	38.8	42.0	55.1	55.4	I-4	3.11 x 3.21	1.6/97.5	TBI	8.6	74@5,600	90@2,800	13.2	7.4	4.0	3.72	F	13	32.8
LeMans 4-dr. Sedan	99.2	172.4	65.7	53.7	2,235	38.8	42.0	55.1	55.4	I-4	3.31 x 3.21	1.6/97.5	TBI	8.6	74@5,600	90@2,800	13.2	7.4	4.0	3.72	F	13	32.8
Grand Am 2-dr. Coupe	103.4	181.4	66.5	52.6	2,520	37.7	42.9	55.6	55.2	I-4	4.00 x 3.00	2.5/151	FI	9.0	110@5,200	135@3,200	13.6	7.8	5.0	3.35	F	13	37.8
Grand Am 4-dr. Sedan	103.4	181.4	66.5	52.6	2,578	37.7	42.9	55.6	55.2	I-4	4.00 x 3.00	2.5/151	FI	9.0	98@4,800	135@3,200	13.6	7.8	5.0	3.35	F	13	37.8
Grand Prix 2-dr. Coupe	107.5	193.9	71.9	52.8	3,101	37.8	42.3	59.5	58.0	V-6	3.50 x 2.99	2.8/173	MFI	8.9	130@4,500	170@3,600	16.6	11.4	5.0	3.61	F	14	38.9
6000 4-dr. Sedan	104.9	188.8	72.0	53.7	2,804	38.5	42.2	58.7	57.0	I-4	4.00 x 3.00	2.5/151	FI	8.3	98@4,800	135@3,200	15.7	9.8	4.0	2.84	F	14	38.9
6000 4-dr. Wagon	104.9	193.2	72.0	54.1	2,940	38.5	42.2	58.7	57.0	V-6	3.50 x 2.99	2.8/173	MFI	8.9	125@4,500	170@3,600	15.7	12.5	5.0	2.84	F	14	38.9
6000 STE 4wd 4-dr. Sedan	104.9	188.9	72.0	53.7	3,381	38.5	42.2	58.7	57.0	V-6	3.50 x 3.31	3.1/191	MFI	8.9	140@4,800	185@3,200	15.7	9.8	5.0	3.42	4	14	38.9

NOTE: This table has been compiled from information supplied by factories, distributors and directed sources. Every reasonable precaution has been taken to insure accuracy but Automotive News cannot assume any liability by reason of inaccuracies or omissions. Specifications are subject to change without notice.

PRODUCTS/SPECIFICATIONS

Make and Model	Dimensions									Engines							Capacities			Miscellaneous			
	Wheelbase (in.)	Overall Length (in.)	Overall Width (in.)	Overall Height (in.)	Curb Weight (lbs.)	Front-seat Headroom (in.)	Front-seat Legroom (in.)	Front Tread (in.)	Rear Tread (in.)	Type	Bore and Stroke (in.)	Displacement (liters/cu. in.)	Carburetion	Compression Ratio	Net HP at RPM	Net Torque (ft. lbs.) at RPM	Fuel Tank (U.S. gals.)	Cooling System with heater (qts.)	Crankcase w/filter (qts.)	Axle Ratio (standard)	Drive System	Wheel Diameter (in.)	Curb-to-Curb Turning Circle (dia. in ft.)
Bonneville 4-dr. Sedan	110.6	198.7	72.1	55.0	3,295	38.9	42.4	60.3	59.8	V-6	3.80 x 3.40	3.8/231	SFI	8.5	165@5,200	210@2,000	18.0	11.7	5.0	2.84	F	14	40.7
Safari 4-dr. Wagon	116.0	215.1	79.3	57.4	4,208	39.6	42.2	62.0	64.1	V-8	3.80 x 3.39	5.0/307	4V	8.0	140@3,200	255@2,000	22.0	15.6	5.0	2.93	R	15	45.3
OPTIONAL ENGINES: Sunbird GT										I-4	3.39 x 3.39	2.0/121	MFI	8.0	165@5,600	175@4,000							
Firebird										V-8	3.74 x 3.48	5.0/305	TBI	9.3	190@4,000	290@2,800							
Firebird										V-8	3.74 x 3.48	5.0/305	MFI	9.3	215@4,400	285@3,200							
Firebird										V-8	3.74 x 3.48	5.0/305	MFI	9.3	225@4,600	300@3,200							
Firebird Formula										V-8	3.74 x 3.48	5.7/350	MFI	9.3	235@4,400	340@3,200							
Firebird Trans Am GTA										V-8	3.74 x 3.48	5.7/350	MFI	9.3	225@4,200	330@3,200							
Firebird Trans Am Turbo										V-6	3.80 x 3.40	3.8/231	SFI	8.0	250@4,400	340@2,800							
LeMans										I-4	3.39 x 3.39	2.0/121	EFI	8.8	96@4,800	118@3,600							
Grand Am										I-4	3.39 x 3.39	2.0/122	MFI	8.0	165@5,600	175@4,000							
Grand Am										I-4	3.62 x 3.35	2.3/138	MFI	9.5	150@5,200	160@4,000							
Grand Am										I-4	3.62 x 3.35	2.3/138	MFI	10.0	180@6,200	180@5,200							
Grand Prix										V-6	3.50 x 3.31	3.1/191	MFI	8.8	140@4,500	180@3,600							
Grand Prix Turbo										V-6	3.50 x 3.31	3.1/191	MFI	8.8	205@4,800	220@3,200							
PORSCHE 944 S2	94.5	168.9	68.3	50.2	2,932	N.A.	N.A.	58.2	57.1	I-4	4.09 x 3.46	3.0/182.5	FI	10.9	208@5,800	207@4,100	21.1	9.0	6.8	3.88	R	16	35.3
928 S4	98.4	178.1	72.3	50.5	3,505	N.A.	N.A.	61.1	60.9	V-8	3.94 x 3.11	5.0/302.5	FI	10.0	316@6,000	317@3,000	22.7	16.9	8.0	2.64	R	16	37.7
911	89.5	168.9	65.0	52.0	2,756	N.A.	N.A.	54.0	55.3	H-6	3.74 x 2.93	3.2/193.1	FI	9.5	214@5,900	195@4,800	22.5	N.A.	13.7	3.44	R	16	35.9
911 Turbo	89.5	168.9	69.9	51.6	2,976	N.A.	N.A.	56.4	58.7	H-6	3.82 x 2.93	3.3/201.3	FI	7.0	282@5,500	288@4,000	22.5	N.A.	13.7	3.44	R	16	35.9
911 Carrera 4	89.5	167.3	65.0	52.0	3,197	N.A.	N.A.	54.3	54.1	H-6	3.94 x 3.01	3.6/219.7	FI	11.3	247@6,100	228@4,800	20.3	N.A.	13.7	3.44	4	16	39.2
944	94.5	170.0	68.3	50.2	2,866	N.A.	N.A.	58.2	57.1	I-4	4.09 x 3.11	2.7/163.6	FI	10.9	162@5,800	166@4,200	21.1	9.0	6.8	3.89	R	15	35.3
944 Turbo	94.5	168.9	68.3	50.2	2,998	N.A.	N.A.	57.4	56.5	I-4	3.94 x 3.11	2.5/151	FI	8.0	247@6,000	258@4,000	21.1	9.0	7.4	3.38	R	16	35.3
ROLLS-ROYCE Silver Spirit	120.5	207.8	79.1	58.5	5,120	37.5	40.0	60.5	60.5	V-8	4.10 x 3.90	6.8/412	MFI	8.0	N.A.	N.A.	28.5	19.0	10.4	2.69	R	15	39.5
Silver Spur	124.5	211.8	79.1	58.5	5,180	37.5	40.0	60.5	60.5	V-8	4.10 x 3.90	6.8/412	MFI	8.0	N.A.	N.A.	26.5	19.0	10.4	2.69	R	15	41.0
Corniche II	120.5	207.5	77.1	59.8	5,340	36.0	39.0	60.5	60.5	V-8	4.10 x 3.90	6.8/412	MFI	8.0	N.A.	N.A.	28.5	19.0	10.4	2.69	R	15	39.5
Bentley Eight	120.5	207.8	79.1	58.5	5,120	37.5	40.0	61.0	61.0	V-8	4.10 x 3.90	6.8/412	MFI	8.0	N.A.	N.A.	28.5	19.0	10.4	2.69	R	15	39.9
Bentley Mulsanne S	120.5	207.8	79.1	58.5	5,120	37.5	41.0	61.0	61.0	V-8	4.10 x 3.90	6.3/412	MFI	8.0	N.A.	N.A.	28.5	19.0	10.4	2.69	R	15	41.4
Bentley Turbo R	120.5	207.8	79.1	58.5	5,270	37.5	40.0	61.0	61.0	V-8	4.10 x 3.90	6.8/412	MFI	8.0	N.A.	N.A.	28.5	19.0	10.4	2.69	R	15	39.9
Bentley Continental	120.5	207.5	77.1	59.8	5,340	36.0	39.0	61.0	61.0	V-8	4.10 x 3.90	6.8/412	MFI	8.0	N.A.	N.A.	28.5	19.0	10.4	2.69	R	15	39.9
OPTIONAL ENGINES: Rolls-Royce and Bentley										V-8	4.10 x 3.90	6.8/412	MFI	8.0	N.A.	N.A.							
SAAB 9000S 5-dr. Hatchback	105.2	181.9	69.4	55.9	3,004	38.6	41.5	59.9	58.7	I-4	3.54 x 3.07	2.0/121	FI	10.1	130@6,000	128@3,750	17.9	9.5	4.1	4.45	F	15	35.8
9000 Turbo 5-dr. Hatchback	105.2	181.9	69.4	55.9	3,147	38.6	41.5	59.9	58.7	I-4	3.54 x 3.07	2.0/121	FI	9.0	160@5,500	188@3,000	17.9	9.5	4.1	4.05	F	15	35.8
9000 CD Turbo 4-dr. Sedan	105.2	188.2	69.4	55.9	3,151	38.6	41.5	59.9	58.7	I-4	3.54 x 3.07	2.0/121	FI	9.0	160@5,500	188@3,000	17.9	9.5	4.1	4.05	F	15	35.8
900 3-dr. Hatchback	99.1	184.5	66.5	56.1	2,708	37.8	41.7	56.4	56.8	I-4	3.54 x 3.07	2.0/121	FI	10.1	128@6,000	128@3,000	16.6	10.5	4.5	3.89	F	15	33.8
900 4-dr. Sedan	99.1	184.3	66.5	56.1	2,763	37.8	41.7	56.4	56.8	I-4	3.54 x 3.07	2.0/121	FI	10.1	128@6,000	128@3,000	16.6	10.5	4.5	3.89	F	15	33.8
900 Turbo Convertible	99.1	184.3	66.5	55.1	2,967	37.8	41.7	56.3	56.7	I-4	3.54 x 3.07	2.0/121	FI	9.0	160@5,500	188@3,000	16.6	10.5	4.5	3.89	F	15	33.8
900 Turbo SPG 3-dr.	99.1	184.5	66.7	55.3	2,945	37.8	41.7	56.3	56.7	I-4	3.54 x 3.07	2.0/121	FI	9.0	165@5,500	195@3,000	16.6	10.5	4.5	3.89	F	15	33.8
OPTIONAL ENGINES: 900 Turbo, 9000 Turbo										I-4	3.54 x 3.07	2.0/121	FI	9.0	160@5,500	188@3,000							
SUBARU Justy DL	90.0	145.5	60.4	55.9	1,745	38.0	41.5	52.4	50.8	I-3	3.07 x 3.27	1.2/73	2V	9.1	66@5,200	70@3,600	9.2	4.9	3.0	4.44	F	12	32.2
4wd Justy GL	90.0	145.5	60.4	55.9	1,920	38.0	41.5	52.4	50.8	I-3	3.07 x 3.27	1.2/73	2V	9.1	66@5,200	70@3,600	9.2	4.9	3.0	5.2	4	13	32.2
GL Hatchback	93.7	157.9	63.6	53.7	2,100	38.2	39.3	52.8	53.0	H-4	3.62 x 2.64	1.8/109	2V	8.7	73@4,400	94@2,400	13.2	5.8	4.2	3.70	F	13	30.8
4wd GL Hatchback	93.3	157.3	63.8	55.7	2,240	38.2	39.3	53.0	53.9	H-4	3.62 x 2.64	1.8/109	2V	8.7	73@4,400	94@2,400	11.9	5.8	4.2	3.89	4	13	30.8
Coupe DL	97.2	174.6	65.4	51.8	2,280	37.6	42.2	56.1	56.1	H-4	3.62 x 2.64	1.8/109	FI	9.5	90@5,200	101@2,800	15.9	5.8	4.2	3.90	F	13	31.5
4wd Coupe GL	97.0	174.6	65.4	53.4	2,505	37.6	42.2	55.5	56.1	H-4	3.62 x 2.64	1.8/109	FI	9.5	90@5,200	101@2,800	15.9	5.8	4.2	3.90	4	13	31.5
4wd RX Turbo Coupe	97.0	174.6	65.4	53.4	2,670	37.6	42.2	55.5	56.1	H-4	3.62 x 2.64	1.8/109	MFI	7.7	115@5,200	134@2,800	15.9	5.8	4.2	3.70	4	13	31.5
Sedan DL	97.2	174.6	65.4	52.5	2,240	37.6	41.7	56.1	56.1	H-4	3.62 x 2.64	1.8/109	FI	9.5	90@5,200	101@2,800	15.9	5.8	4.2	3.9	F	13	31.5
4wd Sedan GL	97.0	174.6	65.4	54.3	2,455	37.6	41.7	55.5	56.1	H-4	3.62 x 2.64	1.8/109	FI	9.5	90@5,200	101@2,800	15.9	5.8	4.2	3.9	4	13	31.5
GL-10 Turbo Sedan	97.2	174.6	65.4	52.5	2,565	37.6	41.7	56.1	56.1	H-4	3.62 x 2.64	1.8/109	MFI	7.7	115@5,200	134@2,800	15.9	5.8	4.2	3.36	F	13	31.5
4wd GL-10 Turbo Sedan	97.0	174.6	65.4	55.5	2,705	37.6	41.7	55.9	56.1	H-4	3.62 x 2.64	1.8/109	MFI	7.7	115@5,200	134@2,800	15.9	5.8	4.2	3.70	4	13	31.5
Wagon DL	97.0	176.8	65.4	53.0	2,370	37.6	41.7	55.9	56.1	H-4	3.62 x 2.64	1.8/109	FI	9.5	90@5,200	101@2,800	15.9	5.8	4.2	3.90	F	13	31.5
4wd Wagon DL	96.9	176.8	65.4	54.9	2,545	37.6	41.7	55.5	56.1	H-4	3.62 x 2.64	1.8/109	FI	9.5	90@5,200	101@2,800	15.9	5.8	4.2	3.90	4	13	31.5
GL-10 Turbo Wagon	97.0	176.8	65.4	53.0	2,605	37.6	41.7	55.9	56.1	H-4	3.62 x 2.64	1.8/109	MFI	7.7	115@5,200	134@2,800	15.9	5.8	4.2	3.36	F	13	31.5
4wd GL-10 Turbo Wagon	97.0	176.8	65.4	56.1	2,790	37.6	41.7	55.9	56.1	H-4	3.62 x 2.64	1.8/109	MFI	7.7	115@5,200	134@2,800	15.9	5.8	4.2	3.70	4	13	31.5
Touring Wagon GL	97.0	176.8	65.4	54.5	2,445	37.6	41.7	55.9	56.1	H-4	3.62 x 2.64	1.8/109	FI	9.5	90@5,200	101@2,800	15.9	5.8	4.2	3.90	F	13	31.5
4wd Touring Wagon GL	96.9	176.8	65.4	54.9	2,620	37.6	41.7	55.5	56.1	H-4	3.62 x 2.64	1.8/109	FI	9.5	90@5,200	101@2,800	15.9	5.8	4.2	3.90	4	13	31.5
GL-10 Turbo Touring Wagon	97.0	176.8	65.4	54.5	2,620	37.6	41.7	55.9	56.1	H-4	3.62 x 2.64	1.8/109	MFI	7.7	115@5,200	134@2,800	15.9	5.8	4.2	3.36	F	13	31.5
4wd GL-10 Turbo Touring Wagon	97.0	176.8	65.4	56.1	2,750	37.6	41.7	55.9	56.1	H-4	3.62 x 2.64	1.8/109	MFI	7.7	115@5,200	134@2,800	15.9	5.8	4.2	3.70	4	13	31.5
XT	97.0	177.6	66.5	49.4	2,455	37.4	43.3	56.5	56.1	H-4	3.62 x 2.64	1.8/109	MFI	9.5	97@5,200	103@3,200	15.9	5.8	4.2	3.70	F	13	31.8
4wd XT	97.0	177.6	66.5	52.4	2,645	37.4	43.3	55.9	56.1	H-4	3.62 x 2.64	1.8/109	MFI	9.5	97@5,200	103@3,200	15.9	5.8	4.2	3.70	4	13	31.8
XT6	97.0	177.6	66.5	49.4	2,815	37.4	43.3	56.9	56.2	H-6	3.62 x 2.64	2.7/163	MFI	9.5	145@5,200	156@4,000	15.9	7.4	5.3	3.90	F	14	34.1

PRODUCTS/SPECIFICATIONS

Make and Model	Dimensions									Engines							Capacities			Miscellaneous			
	Wheelbase (in.)	Overall Length (in.)	Overall Width (in.)	Overall Height (in.)	Curb Weight (lbs.)	Front-seat Headroom (in.)	Front-seat Legroom (in.)	Front Tread (in.)	Rear Tread (in.)	Type	Bore and Stroke (in.)	Displacement (liters/cu. in.)	Carburetion	Compression Ratio	Net HP at RPM	Net Torque (ft. lbs.) at RPM	Fuel Tank (U.S. gals.)	Cooling System with heater (qts.)	Crankcase w/filter (qts.)	Axle Ratio (standard)	Drive System	Wheel Diameter (in.)	Curb-to-Curb Turning Circle (dia. in ft.)
4wd XT6	97.0	177.6	66.5	52.6	2,885	37.4	43.4	56.5	56.7	H-6	3.62 x 2.64	2.7/163	MFI	9.5	145@5,200	156@4,000	15.9	7.4	5.3	3.90	4	14	34.1
Legacy Sedan*	101.6	177.6	66.5	54.3	2,620	38.2	42.3	57.5	57.0	H-4	3.82 x 2.95	2.2/135	MFI	9.5	130@5,600	137@4,400	15.9	6.3	4.8	3.90	F	14	33.5
4wd Legacy Sedan*	101.6	177.6	66.5	55.1	2,830	38.2	42.3	57.5	57.0	H-4	3.82 x 2.95	2.2/135	MFI	9.5	130@5,600	137@4,400	14.8	6.3	4.8	4.11	4	14	33.5
Legacy Wagon*	101.6	181.1	66.5	55.9	2,750	38.2	42.3	57.5	57.0	H-4	3.82 x 2.95	2.2/135	MFI	9.5	130@5,600	137@4,400	15.9	6.3	4.8	3.90	F	14	33.5
4wd Legacy Wagon*	101.6	181.1	66.5	56.7	2,960	38.2	42.3	57.5	57.0	H-4	3.82 x 2.95	2.2/135	MFI	9.5	130@5,600	137@4,400	14.8	6.3	4.8	4.11	4	14	33.5
*Legacy is a 1990 model.																							
SUZUKI Swift GTi	89.2	146.1	62.4	53.1	1,768	37.8	42.5	53.7	52.8	I-4	2.91 x 2.97	1.3/79.2	MFI	10.1	100@6,500	83.2@5,000	10.6	5.0	3.5	4.11	F	14	30.2
Swift GLX	93.1	150.0	62.6	54.3	1,741	38.8	42.5	53.7	52.8	I-4	2.91 x 2.97	1.3/79.2	FI	9.5	70@6,000	74@3,500	10.6	5.0	3.5	3.68	F	13	31.4
TOYOTA Cressida 4-dr. Sedan	105.5	189.6	67.3	54.1	3,417	38.4	42.8	57.3	57.3	I-6	3.27 x 3.58	3.0/180.3	FI	9.2	190@5,600	185@4,400	18.5	8.3	5.2	3.91	R	15	32.8
Supra 2-dr Hatchback	102.2	181.9	68.7	51.2	3,459	37.5	43.6	58.5	58.5	I-6	3.27 x 3.58	3.0/180.3	FI	9.2	200@6,000	188@3,600	18.5	8.1	4.6	4.30	R	16	35.4
Camry 4-dr. Sedan	102.4	182.1	67.4	54.1	2,690	37.9	42.9	58.3	57.1	I-4	3.39 x 3.39	2.0/121.9	FI	9.3	115@5,200	124@4,400	15.9	6.8	4.4	3.74	F	14	34.8
Camry 5-dr. Wagon	102.4	183.1	67.4	54.5	2,855	38.3	42.9	58.3	57.1	I-4	3.39 x 3.39	2.0/121.9	FI	9.3	115@5,200	124@4,400	15.9	6.8	4.4	3.74	F	14	34.8
Camry 4wd Sedan	102.4	182.1	67.4	54.1	3,086	37.9	42.9	58.3	57.1	I-4	3.39 x 3.39	2.0/121.9	FI	9.3	115@5,200	124@4,400	15.9	6.8	4.4	4.24	4	14	34.8
Celica 2-dr. Coupe	99.4	173.6	67.3	49.8	2,436	37.8	44.4	57.5	56.1	I-4	3.39 x 3.39	2.0/121.9	FI	9.3	115@5,200	124@4,400	15.9	6.7	4.1	3.74	F	13	35.4
Celica 3-dr. Hatchback	99.4	171.9	67.3	49.8	2,524	37.8	44.4	57.9	56.5	I-4	3.39 x 3.39	2.0/121.9	FI	9.3	115@5,200	124@4,400	15.9	6.7	4.1	3.74	F	13	35.4
Celica 2-dr. Convertible	99.4	173.6	67.3	49.8	2,680	38.4	44.4	57.9	56.5	I-4	3.39 x 3.39	2.0/121.9	FI	9.3	115@5,200	124@4,400	15.9	6.7	4.1	3.74	F	13	35.4
Celica 4wd Turbo	99.4	171.9	67.3	49.8	3,197	37.8	44.4	57.9	56.9	I-4	3.39 x 3.39	2.0/121.9	FI	8.5	190@6,000	190@3,200	15.9	6.8	4.3	4.29*	4	14	35.4
*Celica 4wd Turbo final drive ratio for rear axle is 2.93.																							
MR2 2-dr. Coupe	91.3	155.5	65.6	48.6	2,350	37.4	43.0	56.7	56.7	I-4	3.19 x 3.03	1.6/96.8	FI	9.4	115@6,600	100@4,800	10.8	11.5	3.9	4.31	R	14	31.5
Corolla 4-dr. Sedan	95.7	170.3	65.2	52.4	2,207	38.4	40.9	56.3	55.5	I-4	3.19 x 3.03	1.6/96.8	2V	9.5	90@6,000	95@3,600	13.2	5.6	3.5	3.92	F	13	31.5
Corolla 5-dr. Wagon	95.7	171.5	65.2	54.5	2,282	39.6	40.9	56.3	55.3	I-4	3.19 x 3.03	1.6/96.8	2V	9.5	90@6,000	95@3,600	13.2	5.6	3.5	3.92	F	13	31.5
Corolla SR5 2-dr. Coupe	95.7	172.3	65.6	49.6	2,242	37.9	42.9	56.3	56.1	I-4	3.19 x 3.03	1.6/96.8	2V	9.5	90@6,000	95@3,600	13.2	5.6	3.5	3.92	F	13	31.5
Corolla GT-S 2-dr. Coupe	95.7	172.3	65.6	49.6	2,372	37.9	42.9	56.8	56.1	I-4	3.19 x 3.03	1.6/96.8	FI	9.4	115@6,600	100@4,800	13.2	6.0	3.9	4.31	F	14	32.2
Corolla 4wd 4-dr. Sedan	95.7	170.3	65.2	53.0	2,606	36.9	40.9	56.8	54.3	I-4	3.19 x 3.03	1.6/96.8	FI	9.5	100@5,600	101@4,400	13.2	6.2	3.5	4.24	4	13	32.2
Corolla 4wd 5-dr. Wagon	95.7	172.0	65.5	56.7	2,690	40.6	40.9	56.8	54.3	I-4	3.19 x 3.03	1.6/96.8	FI	9.5	100@5,600	101@4,400	13.2	6.2	3.5	4.56	4	13	32.2
Tercel 2-dr. Coupe	93.7	166.7	64.0	51.8	2,000	37.8	40.2	54.5	54.1	I-4	2.88 x 3.43	1.5/88.8	1V	9.3	78@6,000	87@4,000	11.9	5.5	3.4	3.72	F	13	31.2
Tercel 3-dr. Hatchback	93.7	157.3	64.0	52.6	1,990	38.4	40.2	54.5	54.1	I-4	2.88 x 3.43	1.5/88.8	1V	9.3	78@6,000	87@4,000	11.9	5.5	3.4	3.72	F	13	31.2
Tercel 5-dr. Hatchback	93.7	157.3	64.0	52.8	2,025	38.5	40.2	54.5	54.1	I-4	2.88 x 3.43	1.5/88.8	1V	9.3	78@6,000	87@4,000	11.9	5.5	3.4	3.72	F	13	31.2
OPTIONAL ENGINES: Supra Turbo										I-6	3.27 x 3.58	3.0/180.3	FI	8.4	232@5,600	254@3,200							
Camry V-6										V-6	3.44 x 2.74	2.5/153	FI	9.0	153@5,600	155@4,400							
Celica GT-S										I-4	3.39 x 3.39	2.0/121.9	FI	9.2	135@6,000	125@4,800							
MR2										I-4	3.19 x 3.00	1.6/96.8	FI	8.0	145@6,400	140@4,000							
VOLKSWAGEN Cabriolet 2-dr. Convertible	94.5	153.1	64.6	55.6	2,274	37.4	39.4	55.3	54.0	I-4	3.19 x 3.40	1.8/109	MFI	9.0	90@5,500	100@3,000	13.8	5.1	4.3	3.67	F	14	31.2
Jetta 2-dr. Sedan	97.3	171.7	65.5	55.7	2,312	38.1	39.5	56.3	56.0	I-4	3.19 x 3.40	1.8/109	MFI	10.0	100@5,400	107@3,400	14.5	7.3	4.3	3.67	F	13	34.4
Jetta 4-dr. Sedan	97.3	171.7	65.5	55.7	2,367	38.1	39.5	56.3	56.0	I-4	3.19 x 3.40	1.8/109	MFI	10.0	100@5,400	107@3,400	14.5	7.3	4.3	3.67	F	13	34.4
Jetta GL 4-dr. Sedan	97.3	171.7	66.1	55.7	2,331	38.1	39.5	56.3	56.0	I-4	3.19 x 3.40	1.8/109	MFI	10.0	105@5,400	110@3,400	14.5	7.3	4.3	3.67	F	13	34.4
Jetta Carat 4-dr. Sedan	97.3	171.7	66.1	55.7	2,433	38.1	39.5	56.3	56.0	I-4	3.19 x 3.40	1.8/109	MFI	10.1	105@5,400	110@3,400	14.5	7.3	4.3	3.67	F	14	34.4
Jetta GLI 16-V 4-dr. Sedan	97.3	171.7	66.1	55.7	2,416	38.1	39.5	56.3	56.0	I-4	3.19 x 3.40	1.8/109	MFI	10.0	123@5,800	120@4,250	14.5	7.3	4.3	3.67	F	14	34.4
GTI 16-V 2-dr. Hatchback	97.3	158.0	66.1	55.7	2,267	38.1	39.5	56.3	56.0	I-4	3.19 x 3.40	1.8/109	MFI	10.0	123@5,800	120@4,250	14.5	7.3	4.3	3.67	F	14	34.4
Golf 2-dr. Hatchback	97.3	158.0	65.5	55.7	2,194	38.1	39.5	56.3	56.0	I-4	3.19 x 3.40	1.8/109	MFI	10.0	100@5,400	110@3,400	14.5	7.3	4.3	3.67	F	13	34.4
Golf 4-dr. Hatchback	97.3	158.0	65.5	55.7	2,246	38.1	39.5	56.3	56.0	I-4	3.19 x 3.40	1.8/109	MFI	10.0	100@5,400	107@3,400	14.5	7.3	4.3	3.67	F	13	34.4
Fox 2-dr. Sedan	92.8	163.4	63.0	53.7	2,126	36.6	41.1	53.1	53.9	I-4	3.19 x 3.40	1.8/109	MFI	9.0	81@5,500	93@3,250	12.4	6.4	3.7	3.89	F	13	31.5
Fox 4-dr. Sedan	92.8	163.4	63.0	53.7	2,203	36.6	41.1	53.1	53.9	I-4	3.19 x 3.40	1.8/109	MFI	9.0	81@5,500	93@3,250	12.4	6.4	3.7	3.89	F	13	31.5
Fox 4-dr. Wagon	92.8	163.4	63.0	53.7	2,214	36.6	41.1	53.1	53.9	I-4	3.19 x 3.40	1.8/109	MFI	9.0	81@5,500	93@3,250	12.4	6.4	3.7	3.89	F	13	31.5
VOLVO 240 Sedan DL & GL	104.3	189.9	67.3	56.3	2,919	37.9	40.1	56.3	53.5	I-4	3.78 x 3.15	2.3/141	FI	9.8	114@5,400	136@2,750	15.8	8.0	4.7	3.31	R	14	32.2
240 Wagon DL & GL	104.3	190.7	67.7	57.1	3,051	37.9	40.1	56.3	53.5	I-4	3.78 x 3.15	2.3/141	FI	9.8	114@5,400	136@2,750	15.8	8.0	4.7	3.31	R	14	32.2
740 Sedan GL	109.1	188.4	69.3	55.5	2,954	38.6	41.0	57.9	57.5	I-4	3.78 x 3.15	2.3/141	FI	9.8	114@5,400	136@2,750	15.8	8.0	4.7	3.31	R	15	32.5
740 Wagon GL	109.1	188.4	69.3	56.5	3,082	38.6	41.0	57.9	57.5	I-4	3.78 x 3.15	2.3/141	FI	9.8	114@5,400	136@2,750	15.8	8.0	4.7	3.31	R	15	32.5
740 GLE Sedan	109.1	188.4	69.3	55.5	3,009	38.6	41.0	57.9	57.5	I-4	3.78 x 3.15	2.3/141	FI	10.0	153@5,700	150@4,450	15.8	8.0	4.7	3.73	R	15	32.5
740 GLE Wagon	109.1	188.4	69.3	56.5	3,135	38.6	41.0	57.9	57.5	I-4	3.78 x 3.15	2.3/141	FI	10.0	153@5,700	150@4,450	15.8	8.0	4.7	3.73	R	15	32.5
740 Turbo Sedan	109.1	188.4	69.3	55.5	3,067	38.6	41.0	57.9	57.5	I-4	3.78 x 3.15	2.3/141	FI	8.7	160@5,300	187@2,900	15.8	8.0	4.7	3.54	R	15	32.5
740 Turbo Wagon	109.1	188.4	69.3	56.5	3,177	38.6	41.0	57.9	57.5	I-4	3.78 x 3.15	2.3/141	FI	8.7	160@5,300	187@2,900	15.8	8.0	4.7	3.54	R	15	32.5
760 Sedan	109.1	188.4	69.3	55.5	3,303	38.6	41.0	57.9	59.8	V-6	3.58 x 2.87	2.8/173	FI	9.5	145@5,100	173@3,750	21.0	10.0	6.8	3.73	R	15	32.5
760 Wagon	109.1	188.4	69.3	56.5	3,272	38.6	41.0	57.9	57.5	I-4	3.78 x 3.15	2.3/141	FI	8.7	160@5,300	187@2,900	21.0	8.0	4.7	3.73	R	15	32.5
780 Coupe	109.1	188.8	69.3	55.1	3,415	37.2	41.0	57.9	57.5	V-6	3.58 x 2.87	2.8/173	FI	9.5	145@5,100	173@3,750	21.0	10.0	6.8	3.73	R	15	32.5
OPTIONAL ENGINES: 740 Turbo and 760 Turbo										I-4	3.78 x 3.15	2.3/141	FI	8.7	160@5,300	187@2,900							
780 Turbo										I-4	3.78 x 3.15	2.3/141	FI	8.7	175@5,400	187@2,900							
YUGO GV 3-dr. Hatchback	84.6	139.0	60.7	54.7	1,832	37.0	39.0	51.5	51.7	I-4	3.15 x 2.19	1.1/68.1	2V	9.2	52@5,000	52@4,600	8.0	7.0	4.5	3.76	F	13	31.2
GVX 3-dr. Hatchback	84.6	139.3	60.7	54.1	1,876	37.0	39.0	51.8	52.0	I-4	3.40 x 2.18	1.3/79.2	2V	9.1	61@5,000	68@4,000	8.0	7.0	4.5	3.76	F	13	31.2
GVC Cabriolet	84.6	139.0	60.7	54.3	1,956	37.0	39.0	51.5	51.7	I-4	3.40 x 2.18	1.3/79.2	2V	9.1	61@5,000	68@4,000	8.0	7.0	4.5	3.76	F	13	31.2

NOTE: This table has been compiled from information supplied by factories, distributors and directed sources. Every reasonable precaution has been taken to insure accuracy, but Automotive News cannot assume any liability by reason of inaccuracies or omissions. Specifications are subject to change without notice.

1989-model domestic car body family designations

There are major revisions in body family (platform) designations of General Motors, Ford Motor Co. and Chrysler Motors '89 model cars.

Chrysler added a new front-wheel-drive A-body Plymouth Acclaim and Dodge Spirit. Dropped were the: CV-body Chrysler Town & Country Wagon and LeBaron four-door notchback; and E-body Plymouth Caravelle, Dodge 600 and New Yorker Turbo. K (U.S.-built) and H platforms were phased out during '89.

Ford Motor Co. discontinued the EXP, but added the ST16-platform Probe built by Mazda Motor Manufacturing (USA) Inc. Ford Thunderbird and Mercury Cougar were redesignated MN12 in '89.

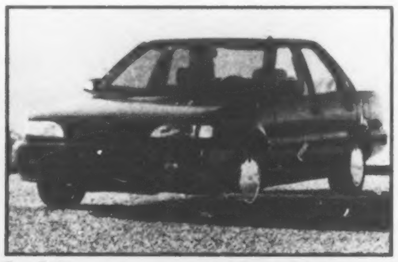
Ford has adopted the practice of giving its passenger-car programs specific code designations. For example, Lincoln Continental is the FN9 and Taurus/Sable the DN5, even though they are derived from the same platform. The first initial refers to car size or type. The second initial indicates whether it is a North American program (N) or a car developed with Mazda (T). Some future products will carry a W designation, indicating a world car strategy. For example, a replacement for the U.S. Tempo/Topaz and European Sierra is being developed under the CDW27 code name. Initials indicate the car will be between Tracer (C) and Taurus (D) in size and is being developed for world markets — Europe and North America.

Other future code names will include the 1990 model Town Car (FN36) and 1991 model replacements for Escort and Tracer (CT20) and Crown Victoria/Grand Marquis (EN53).

General Motors dropped several nameplates in '89: the B-body Pontiac Parisienne Wagon; rear-wheel-drive G-body Chevrolet Monte Carlo and Oldsmobile Cutlass Supreme Classic; P-body Pontiac Fiero; J-body Oldsmobile Firenza and Cadillac Cimarron; and C-body Fleetwood d'Elegance.

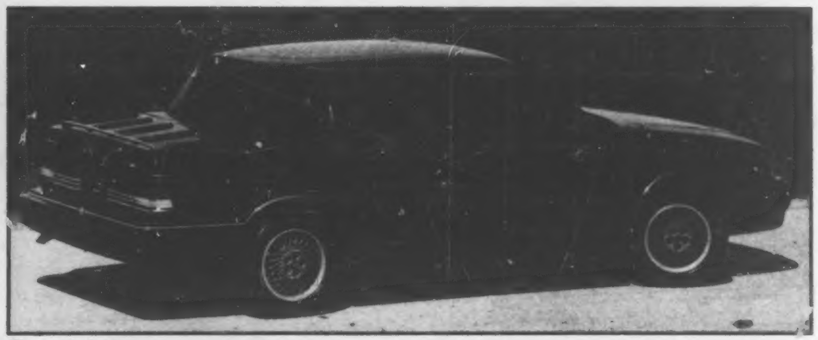
Other GM changes in '89 include: a new C-body Buick Park Avenue; redesignated Z-body Buick Reatta (formerly E-body); renamed H-body 88 Royale (formerly Delta 88 Royale); and grouping of Chevrolet imports under the Geo nameplate. ■

Buick Reatta



Geo Prizm

Ford Thunderbird



Plymouth Acclaim

Buick Park Avenue Ultra

CHRYSLER MOTORS CORP.

	Plymouth	Dodge	Chrysler	Eagle
A	Acclaim	Spirit	—	—
B	—	—	—	Premier
C	—	Dynasty	New Yorker, New Yorker Landau	—
G	—	Daytona	—	—
H*	—	Lancer	LeBaron GTS, LeBaron Hatchback	—
J	—	—	LeBaron Coupe & Convertible	—
K*	Reliant America	Aries America	—	—
L	Horizon America	Omni America	—	—
P	Sundance	Shadow	—	—
Q	—	—	TC by Maserati	—

*—H phased out of production in March 1989; K phased out of U.S. production in December 1988.

FORD MOTOR CO.

	Ford	Mercury	Lincoln
BT17	Festiva	—	—
CT18	—	Tracer	—
DN5	Taurus	Sable	—
Erika	Escort	—	—
FN9	—	—	Continental
Fox	Mustang	—	—
LS	—	—	Mark VII
MN12	Thunderbird	Cougar	—
Panther	LTD Crown Victoria, Country Squire Wagon	Grand Marquis, Colony Park Wagon	Town Car
ST16	Probe	—	—
Topaz	Tempo	Topaz	—

GENERAL MOTORS CORP.

	Chevrolet	Pontiac	Oldsmobile	Buick	Cadillac
A	Celebrity	6000	Cutlass Ciera	Century	—
B	Caprice, Caprice Wagon	Safari Wagon	Custom Cruiser Wagon	Electra Estate Wagon, LeSabre Estate Wagon	—
C	—	—	Ninety-Eight Regency, Touring Sedan	Electra, Park Avenue	DeVille, Fleetwood, Fleetwood Sixty Special
D	—	—	—	—	Brougham
E	—	—	Toronado, Trofeo	Riviera	Eldorado
F	Camaro	Firebird	—	—	—
H	—	Bonneville	88 Royale	LeSabre	—
J	Cavalier	Sunbird	—	Skyhawk	—
K	—	—	—	—	Seville
L	Corsica, Beretta	Tempest (Canadian)	—	—	—
M	Geo Metro	—	—	—	—
N	—	Grand Am	Cutlass Calais	Skylark	—
R	Geo Spectrum	—	—	—	—
S	Geo Prizm	—	—	—	—
T	—	LeMans	—	—	—
V	—	—	—	—	Allante
W	—	Grand Prix	Cutlass Supreme	Regal	—
Y	Corvette	—	—	—	—
Z	—	—	—	Reatta	—

1989-model light-duty truck specifications

Make and Model	Dimensions and Capacities										Standard Engine					
	Wheelbase (in.) Standard	Wheelbase (in.) Maximum	Overall Length (in.) Standard	Overall Length (in.) Maximum	Width (in.)	Height (in.)	Gross Vehicle Weight Range (lbs.)	Payload Range (lbs.)	Wheel diameter (in.)	Fuel Tank (U.S. gals.)	Type	Displacement (liters/cu. in.)	Carburetion	Horsepower	4 WD Availability	Optional Engines
CHEVROLET/GMC S-10/15 Pickup	108.3	122.9	178.2	194.2	64.8	61.3	3,662- 5,386	1,000-1,500	14.0	20.0	I-4	2.5/151	FI	92	X	2.8/173, V6 FI on 2wd; 4.3/262, FI, V-6 (2wd, 4wd)
S-10/15 Blazer/Jimmy (2wd & 4wd)	100.5	—	170.3	—	65.4	64.1	3,961- 5,013	1,000	15.0	20.0	V-6	2.8/173	FI	125	X	2.8/173, FI on 2wd; 4.3/262, FI, V-6 (2wd, 4wd)
C/K, Sierra 1500	117.5	155.5	194.1	237.0	76.7	70.4	5,600- 6,600	1,319-2,308	15.0	25.0	V-6	4.3/262	FI	160	X	5.0/305, FI, V-8; 5.7/350, FI, V-8; 6.2/379, diesel, V-8
C/K, Sierra 2500	131.5	155.5	212.6	236.9	76.7	73.0	7,200- 8,600	2,135-4,245	16.0	25.0	V-6	4.3/262	FI	160	X	5.0/305, FI, V-8; 5.7/350, FI, V-8; 6.2/379, diesel, V-8
C/K, Sierra 3500	131.5	155.5	212.9	212.6	76.8	75.8	8,600-10,000	3,225-5,253	16.0	25.0	V-8	5.7/350	FI	190	X	7.4/454, TBI, V-8; 6.2/379, diesel, V-8
Blazer/Jimmy (4wd)*	106.5	—	184.8	—	79.6	73.8	6,100- 6,250	1,450-1,570	15.0	31.0	V-8	5.7/350	FI	210	X	6.2/379, FI, diesel, V-8
R/V-10/1500 — 25/2500 Suburbans	129.5	—	219.1	—	79.6	72.0	6,100- 8,600	1,454-3,788	15.0	31.0	V-8	5.7/350	FI	210	X	6.2/379, diesel, V-8; 7.4/454, FI, V-8
G-10/1500 to 3500 Van/Wagon	110.0	125.0	178.5	178.2	79.5	80.0	4,900- 8,600	1,038-4,178	15.0	22.0	V-6	4.3/262	FI	150		5.0/305, FI, V-8; 5.7/350, FI, V-8; 6.2/379, diesel, V-8; 7.4/454, FI, V-8
Astro/Safari Van (cargo & passenger)	111.0	—	176.8	—	77.0	74.9	5,000- 5,600	1,200-1,820	15.0	17.0	I-4	2.5/151	TBI	92		4.3/262, TBI, V-6 (standard on passenger models)
DODGE Raider	92.5	—	157.3	—	66.1	72.8	4,165	1,505	15.0	15.9	I-4	2.6/156	2V	109	X	3.0/181, MFI, V-6, 143 hp
Ram 50	105.1	116.1	176.9	193.5	65.1	60.8	4,165- 4,845	1,415-1,720	14.0	13.7	I-4	2.0/122	2V	90	X	2.6/156, 2V, I-4, 109 hp
Ramcharger	106.0	—	184.6	—	79.5	69.7	5,600- 6,400	1,362-1,788	15.0	34.0	V-8	5.2/318	TBI	140	X	5.9/360, TBI, V-8, 190 hp
B150-B350 Ram Van/Wagon	109.6	127.6	178.9	222.9	79.8	79.6	5,000- 9,000	1,220-4,465	15.0	22.0	V-6	3.9/239	TBI	125		5.2/318, TBI, V-8, 140hp; 5.9/360, TBI, V-8, 190 hp
Caravan, Caravan C/V, Gr. Caravan, Plymouth Voyager, Grand Voyager	112.0	119.0	175.9	190.5	72.0	64.4	4,060- 5,010	1,202-2,000	14.0	20.0	I-4	2.5/153	TBI	100		2.5/153, Turbo MFI, I-4, 150 hp; 3.0/181, MFI, V-6, 142 hp
Dakota	112.0	124.0	185.9	204.4	68.4	64.2	4,170- 5,820	1,250-2,550	14.0	15.0	I-4	2.2/153	TBI	100	X	3.9/239, TBI, V-6, 125 hp
D/W 100-150	115.0	131.0	190.8	210.8	79.5	69.0	4,950- 6,050	1,293-2,355	15.0	22.0	V-6	3.9/239	TBI	125	X	5.2/318, TBI, V-8, 140 hp; 5.9/360, TBI, V-8, 190 hp
D/W 250	131.0	—	210.8	—	79.5	73.0	6,600- 8,510	2,415-4,165	16.0	22.0	V-6	3.9/239	TBI	125	X	5.2/318, TBI, V-8, 140 hp; 5.9/360, TBI, V-8, 190 hp; 5.9/360, diesel, I-6, 160 hp
D/W 350	131.0	—	201.8	—	79.5	72.0	8,700-10,100	3,985-5,520	16.0	22.0	V-8	5.9/360	TBI	190	X	5.9/360, diesel, I-6, 160 hp
FORD Ranger Pickup	107.9	125.0	175.6	192.7	66.8	63.7	4,020- 4,760	1,200-1,700	14.0	17.0	I-4	2.3/140	MFI	100	X	2.9/179, MFI, V-6
F-150 Pickup	116.8	155.0	194.1	232.2	79.0	69.9	5,250- 6,250	1,575-2,485	15.0	18.2	I-6	4.9/300	MFI	150	X	5.0/302, MFI, V-8; 5.8/351, MFI, V-8
F-250 Pickup	133.0	155.0	210.2	232.2	79.0	73.0	6,600- 8,800	2,650-4,450	16.0	19.0	I-6	4.9/300	MFI	150	X	5.0/302, MFI, V-8; 5.8/351, MFI, V-8
F-350 Pickup	133.0	168.4	210.2	245.7	79.0	73.4	9,200-10,000	4,110-5,270	16.0	19.0	I-6	4.9/300	MFI	150	X	5.8/351, MFI, V-8; 7.3/444, Diesel, V-8; 7.5/460, MFI, V-8
Bronco II	94.0	-	161.9	—	68.0	68.9	4,040- 4,440	750	15.0	23.0	V-6	2.9/179	MFI	140	X	None
Bronco	104.7	-	180.5	—	79.1	74.0	6,050- 6,450	1,100-1,200	15.0	32.0	I-6	4.9/300	MFI	150	X	5.0/302, MFI, V-8; 5.8/351, MFI, V-8
Aerostar Van/Wagon	118.9	—	174.9	190.3	71.7	72.9	4,820- 5,200	1,605-2,010	14.0	21.0	V-6	3.0/182	MFI	145		None
E-150 to 350 Van/Wagon	124.0	138.0	186.6	226.8	79.9	79.2	5,500- 9,400	1,545-4,660	15.0	18.0	I-6	4.9/300	MFI	150		5.0/302, MFI, V-8; 5.8/351, MFI, V-8; 7.3/444, diesel, V-8; 7.5/460, MFI, V-8
GEO Tracker*	86.6	—	142.5	—	64.2	65.0	N.A.	900	15.0	11.1	I-4	1.6/97	TBI	80	X	None
ISUZU Trooper/Trooper II*	90.6	104.3	162.3	176.0	65.0	72.6	4,740-	1,140-1,165	15.0	21.9	I-4	2.6/156	MFI	120	X	2.8/173, TBI, V-6, 120 hp
Pickup	105.6	119.2	177.3	193.8	66.6	62.3	4,300- 5,400	1,375-1,675	14.0	14.0	I-4	2.3/138	2V	96	X	2.6/156, MFI, I-4, 120 hp
Amigo	91.7	—	164.2	168.1	70.1	65.2	3,850- 4,200	865- 960	15.0	21.9	I-4	2.3/138	2V	96	X	2.6/156, I-4, MFI
JEEP Wrangler*	93.4	—	152.6	—	66.0	72.0	4,350	800	15.0	15.0	I-4	2.5/151	TBI	121	X	4.2/258, 2V, I-6, 112 hp
Comanche	113.1	119.6	179.3	194.0	71.7	63.7	4,650- 5,550	1,475-2,205	15.0	18.0	I-4	2.5/151	TBI	121	X	4.0/242, MFI, I-6, 177 hp
Cherokee/Wagoneer	101.4	—	165.3	—	70.5	63.3	4,550- 4,900	1,150	15.0	20.2	I-4	2.5/151	TBI	121	X	4.0/242, MFI, I-6, 177 hp
Grand Wagoneer*	108.7	—	186.4	—	74.8	66.4	6,200	1,300	15.0	20.3	V-8	5.9/360	4V	144	X	None
LAFORZA	106.2	—	179.9	—	78.7	72.6	5,250	—	16.0	27.5	V-8	5.0/302	MFI	185	X	None
LAMBORGHINI LM 002	122.4	—	N.A.	—	N.A.	N.A.	5,720	N.A.	17.0	N.A.	V-12	5.2/315	N.A.	450	X	
MAZDA B-Series Pickup	108.7	118.1	177.6	198.8	65.7	61.8	4,460- 4,995	1,400	14.0	14.8	I-4	2.2/133	2V	85	X	2.6/159, MFI, I-4, 121 hp
MPV	110.4	110.8	175.8	—	71.9	68.1	—	1,000-1,400	14.0	15.9	I-4	2.6/159	MFI	121	X	3.0/180, MFI, V-6, 150 hp
MITSUBISHI 2wd Mighty Max/SPX	105.1	116.1	177.2	193.7	65.2	58.3	4,165- 4,896	1,430-2,110	14.0	13.7	I-4	2.0/122	2V	90	X	2.6/156, 2V, 109 hp
4wd Mighty Max	105.5	116.5	177.2	193.7	65.9	63.4	4,655- 4,845	1,625-1,662	15.0	15.7	I-4	2.6/156	2V	109	X	
Montero 2-door	92.5	—	153.5	155.1	66.1	72.4	4,210- 4,850	1,095-1,437	15.0	15.8	I-4	2.6/156	2V	109	X	V-6, 3.0/181, MFI, 143 hp
Montero 4-door	106.1	—	181.7	183.1	66.1	74.4	5,291	1,455-1,510	15.0	24.3	V-6	3.0/181	MFI	143	X	
Wagon/Van	88.0	—	171.7	175.2	66.5	71.3	4,961	1,576-1,951	14.0	14.2	I-4	2.3/143	MFI	107		
NISSAN Pickup	104.3	116.1	174.6	195.5	66.5	67.1	5,150	1,400-2,000	15.0	15.9	I-4	2.4/146	FI	106	X	3.0/181, EFI, V6, 145 hp
Pathfinder*	104.3	—	171.9	—	66.5	65.7	5,000	1,150	15.0	21.1	V-6	3.0/181	FI	145	X	None
RANGE ROVER Sport/Utility Vehicle	100.0	—	175.0	—	71.4	70.8	5,997	1,625	16.0	20.0	V-8	3.9/241	MFI	178	X	N.A.
SUZUKI Sidekick*	86.6	—	142.5	—	64.2	65.6	3,197	893-1,070	15.0	11.1	I-4	1.6/97.0	TBI	80	X	1.3/79, 2V, I-4, 64 hp
Samurai*	79.9	—	135.0	135.4	60.2	65.6	2,932	838- 871	15.0	10.6	I-4	1.3/80	2V	64	X	None
TOYOTA Van	88.0	—	175.8	—	66.3	70.3	4,750- 5,170	1,545-2,020	14.0	15.9	I-4	2.2/137	MFI	101	X	None
Pickup	103.0	137.0	174.6	193.5	66.8	60.8	1,400- 5,500	1,400-2,655	14.0	17.2	I-4	2.4/144	2V	103	X	2.4/144, MFI, I-4, 116 hp; 3.0/181, MFI, V-6, 150 hp
4Runner*	103.0	—	174.8	—	66.5	66.1	5,080- 5,180	1,445-1,475	15.0	17.2	I-4	2.4/144	MFI	116	X	3.0/181, MFI, V-6, 180 hp
Land Cruiser*	107.5	—	184.0	—	70.9	68.9	5,622	1,142	15.0	23.8	V-6	4.0/241	MFI	155	X	None
VOLKSWAGEN Vanagon	96.9	—	179.9	—	72.6	75.9	5,270- 5,560	1,720-1,810	14.0	15.9	H-4	2.1/129	MFI	90	X	None

NOTE: *—4wd only

This table has been compiled from information supplied by factories, distributors and other sources. Every reasonable precaution has been taken to insure accuracy, but Automotive News cannot assume any liability by reason of inaccuracies or omissions. Specs are subject to change without notice.

Listings for carburetion include 2V for two-barrel, 4V for four-barrel, FI for electronic fuel injection, MFI for multi-port fuel injection and TBI for throttle body fuel injection. Engine classifications include I for in-line and H for horizontally opposed.

Warranty Coverage Comparison

	Basic Coverage	Extra Drivetrain/ Major Component	Corrosion Coverage	Towing for Warranty-Covered Breakdown	Deductible for Extra Drivetrain/ Component
DOMESTIC					
FORD*	1/12,000	6/60,000	6/100,000	YES	$100
MERCURY*	1/12,000	6/60,000	6/100,000	YES	$100
LINCOLN/MERKUR	1/12,000	6/60,000	6/100,000	YES	$100
BUICK	3/50,000	—	6/100,000	YES	$100
CHEVROLET*	3/50,000	—	6/100,000	YES	$100
OLDSMOBILE	3/50,000	—	6/100,000	YES	$100
PONTIAC*	3/50,000	—	6/100,000	YES	$100
CADILLAC	4/50,000	—	6/100,000	YES	$100
CADILLAC Allante	1/12,000	7/100,000	7/100,000	YES	$25
CHRYSLER MOTORS	1/12,000	7/70,000	7/100,000	YES	$100
CHRYSLER New Yorker/ New Yorker Landau	5/50,000	7/70,000	7/100,000	YES	$100
CHRYSLER Captive Imports	3/36,000	3/50,000	5/Unlimited	YES	—
EAGLE	1/12,000	7/70,000	7/100,000	YES	$100
JEEP	1/12,000	7/70,000	3/Unlimited	YES	$100
JAPAN					
ACURA	3/36,000	—	3/Unlimited	YES	—
DAIHATSU	3/36,000	—	3/Unlimited	YES	—
HONDA	3/36,000	—	3/Unlimited	YES	—
ISUZU	3/36,000	—	3/Unlimited	YES	—
MAZDA	3/50,000	—	5/Unlimited	YES	—
MITSUBISHI	3/36,000	3/50,000	3/Unlimited	YES	—
MITSUBISHI Precis	1/12,000	3/36,000	3/Unlimited	YES	—
MITSUBISHI '89 Galant/ Mirage	3/36,000	3/50,000	7/100,000	YES	—
NISSAN	3/36,000	—	5/Unlimited	YES	—
SUBARU	3/36,000	—	6/60,000	YES	—
SUZUKI	2/24,000	2/24,000	3/Unlimited	NO	—
TOYOTA	3/36,000	—	5/Unlimited	YES	—
KOREA					
HYUNDAI	3/36,000	—	3/Unlimited	1 year Autoclub	—
FRANCE					
PEUGEOT	3/36,000	5/50,000	3/36,000	3 years Autoclub	—
GERMANY					
AUDI	3/50,000	—	6/Unlimited	3 years Autoclub	—
BMW	3/36,000	—	6/Unlimited	1/12,000	—
MERCEDES-BENZ	4/50,000	—	—	YES	—
PORSCHE	2/Unlimited	—	10/Unlimited	NO	—
VOLKSWAGEN	2/24,000	5/50,000	6/Unlimited	YES	—
GREAT BRITAIN					
ASTON MARTIN	2/24,000	—	—	NO	—
AUSTIN ROVER	3/36,000	—	6/Unlimited	3/36,000	—
JAGUAR	3/36,000	—	6/60,000	YES	—
LOTUS	2/Unlimited	—	8/Unlimited	NO	—
RANGE ROVER	3/36,000	—	6/Unlimited	3 years Autoclub	—
ROLLS-ROYCE	3/Unlimited	—	—	NO	—
ITALY					
ALFA ROMEO	3/36,000	3/36,000	6/60,000	NO	—
FERRARI	2/Unlimited	—	—	NO	—
MASERATI	3/36,000	—	—	YES	—
SWEDEN					
SAAB	3/36,000	—	6/Unlimited	1/Unlimited	—
VOLVO	1/Unlimited	3/Unlimited	8/Unlimited	3 years Autoclub	—
YUGOSLAVIA					
YUGO	1/12,000	4/40,000	12/12,000	YES	$25

*Includes captive imports

Compiled by Automotive News

1989 U.S. models by make, body style

	4-Door Models	2-Door Models*	Convert-ibles	4-Door Wagons	1989 Totals	(Final 1988 Totals)
Chrysler Motors	19	15	4	0	38	(39)
Chrysler Fifth Avenue	0	0	0	0	0	(1)
LeBaron	0	0	0	0	0	(2)
LeBaron hatchback	0	0	0	0	0	(2)
LeBaron J	0	4	4	0	8	(4)
New Yorker	2	0	0	0	2	(2)
Dodge Aries	1	1	0	0	2	(3)
Daytona	0	4	0	0	4	(3)
Dodge 600	0	0	0	0	0	(2)
Diplomat	0	0	0	0	0	(2)
Dynasty	2	0	0	0	2	(2)
Lancer	0	0	0	0	0	(2)
Omni	1	0	0	0	1	(1)
Shadow	1	1	0	0	2	(2)
Spirit	3	0	0	0	3	(0)
Eagle Premier	3	0	0	0	3	(2)
Plymouth Acclaim	3	0	0	0	3	(0)
Caravelle	0	0	0	0	0	(2)
Gran Fury	0	0	0	0	0	(1)
Horizon	1	0	0	0	1	(1)
Laser	0	3	0	0	3	(0)
Reliant	1	1	0	0	2	(3)
Sundance	1	1	0	0	2	(2)
Ford Motor Co.	23	22	3	12	60	(60)
Ford Escort	1	3	0	1	5	(5)
Escort EXP	0	0	0	0	0	(1)
Ltd Crown Victoria	2	0	0	4	6	(7)
Mustang	0	5	3	0	8	(5)
Probe	0	3	0	0	3	(3)
Taurus	4	0	0	3	7	(7)
Tempo	4	2	0	0	6	(6)
Thunderbird	0	3	0	0	3	(4)
Lincoln Town Car	3	0	0	0	3	(3)
Continental	2	0	0	0	2	(2)
Mark VII	0	2	0	0	2	(2)
Mercury Cougar	0	2	0	0	2	(2)
Grand Marquis	2	0	0	2	4	(4)
Sable	2	0	0	2	4	(4)
Topaz	3	2	0	0	5	(5)
General Motors	52	47	6	15	120	(127)
Buick Century	2	1	0	2	5	(6)
Electra/Park Avenue	4	0	0	1	5	(4)
Le Sabre	2	2	0	1	5	(5)
Reatta	0	1	0	0	1	(1)
Regal	0	2	0	0	2	(2)
Riviera	0	1	0	0	1	(1)
Skyhawk	1	1	0	1	3	(3)
Skylark	4	2	0	0	6	(4)
Cadillac Allante	0	0	1	0	1	(1)
Brougham	1	0	0	0	1	(1)
Cimarron	0	0	0	0	0	(1)
DeVille-Fleetwood	3	2	0	0	5	(4)
Eldorado	0	1	0	0	1	(1)
Seville	1	0	0	0	1	(1)
Chevrolet Camaro	0	2	2	0	4	(4)
Caprice	4	0	0	1	5	(5)
Cavalier	1	3	1	1	6	(8)
Celebrity	1	0	0	2	3	(4)
Corsica/Beretta	3	2	0	0	5	(2)
Corvette	0	1	1	0	2	(2)
Lumina	2	0	0	0	2	(0)
Geo Prizm	2	0	0	0	2	(3)
Oldsmobile Cutlass Calais	4	4	0	0	8	(6)
Cutlass Ciera	3	3	0	2	8	(8)
Cutlass Supreme	0	3	0	0	3	(3)
Firenza	0	0	0	0	0	(3)
Oldsmobile 88	2	2	0	1	5	(5)
Oldsmobile 98	3	0	0	0	3	(3)
Toronado	0	2	0	0	2	(2)
Pontiac Bonneville	3	0	0	1	4	(3)
Fiero	0	0	0	0	0	(3)
Firebird	0	4	0	0	4	(4)
Grand Am	2	2	0	0	4	(6)
Grand Prix	0	3	0	0	3	(3)
Pontiac 6000	3	0	0	2	5	(8)
Sunbird	1	3	1	0	5	(6)
Honda*	5	5	0	0	10	(7)
Accord	3	2	0	0	5	(5)
Civic	2	3	0	0	5	(2)
Mazda*	0	4	0	0	4	(3)
MX-6	0	4	0	0	4	(3)
Mitsubishi*	0	4	0	0	4	(0)
Eclipse	0	4	0	0	4	(0)
Nissan*	2	3	0	0	5	(6)
Sentra	2	3	0	0	5	(6)
Toyota*	6	0	0	0	6	(3)
Camry	3	0	0	0	3	(0)
Corolla	3	0	0	0	3	(3)
Volkswagen*	0	0	0	0	0	(9)
Golf	0	0	0	0	0	(5)
GTi	0	0	0	0	0	(1)
Jetta	0	0	0	0	0	(3)
Domestic Totals	107	100	13	27	247	(254)
1989 Import Totals	125	140	19	41	325	(348)
Domestic-Import Totals	232	240	32	68	572	(602)

NOTES: *—Totals for Honda, Mazda, Mitsubishi, Nissan, Toyota and Volkswagen include only models built in the United States.

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1989 EPA mileage specifications

Car Line	Est. MPG City	Est. MPG Hwy	Displ (liters)	Trans	Fuel Sys
Two Seaters					
Alfa Romeo Spider	21	27	2.0	M5	FI
Bertone X1/9	23	28	1.5	M5	FI
Buick Reatta	19	28	3.8	L4	FI
Cadillac Allante	15	23	4.5	L4	FI
Chevrolet Corvette	17	25	5.7	L4	FI
Chevrolet Corvette	16	25	5.7	M6	FI
Chevrolet Corvette Convertible	17	25	5.7	L4	FI
Chevrolet Corvette Convertible	16	25	5.7	M6	FI
Chrysler TC by Maserati Turbo	18	22	2.2	A3	FI
Chrysler TC by Maserati Turbo	17	21	2.5	A3	FI
Chrysler TC by Maserati Turbo	17	22	2.5	L3	FI
Ferrari Testarossa	10	15	4.9	M5	FI
Ferrari 328 GTS/GTB	13	18	3.2	M5	FI
Honda Civic CRX	29	36	1.5	L4	FI
Honda Civic CRX	34	41	1.5	M5	FI
Honda Civic CRX	28	33	1.6	M5	FI
Honda Civic CRX HF	45	52	1.5	M5	FI
Honda Civic CRX HF	50	56	1.5	M5	FI
Jaguar XJ-S Convertible	12	16	5.3	A3	FI
Maserati Karif	15	20	2.8	M5	FI
Maserati Spyder	15	20	2.8	M5	FI
Mercedes-Benz 560SL	14	17	5.6	A4	FI
Nissan 300ZX	13	26	3.0	L4	FI
Nissan 300ZX Turbo	17	24	3.0	L4	FI
Nissan 300ZX	17	25	3.0	M5	FI
Nissan 300ZX Turbo	17	25	3.0	M5	FI
Subaru XT-DL	24	28	1.8	M5	FI
Toyota MR2	22	27	1.6	L4	FI
Toyota MR2	25	30	1.6	L4	FI
Toyota MR2	24	30	1.6	M5	FI
Toyota MR2	26	31	1.6	M5	FI
Minicompact Cars					
Ferrari 3.2 Mondial Cabriolet	13	18	3.2	M5	FI
Maserati 225	15	20	2.8	M5	FI
Porsche 911 Carrera	18	24	3.2	M5	FI
Porsche 911 Carrera Turbo	13	20	3.3	M5	FI
Porsche 911 Turbo	14	21	3.3	M5	FI
Porsche 928 S4	15	19	5.0	A4	FI
Porsche 928 S4	14	22	5.0	M5	FI
Porsche 944	18	22	2.7	A3	FI
Porsche 944	19	26	2.7	M5	FI
Porsche 944 Turbo	19	27	2.5	M5	FI
Toyota Celica Convertible	26	32	2.0	L4	FI
Toyota Celica Convertible	26	32	2.0	M5	FI
Volkswagen Cabriolet	22	24	1.8	A3	FI
Volkswagen Cabriolet	24	27	1.8	M5	FI
Subcompact Cars					
Acura Integra	25	30	1.6	L4	FI
Acura Integra	26	30	1.6	M5	FI
Alfa Romeo Milano	18	22	2.5	A3	FI
Alfa Romeo Milano	28	24	2.5	M5	FI
Alfa Romeo Milano	18	25	3.0	M5	FI
Aston Martin Lagonda	8	11	5.3	L3	FI
Aston Martin Saloon/Vantage Volante	8	11	5.3	L3	FI
Aston Martin Saloon/Vantage Volante	8	11	5.3	M5	FI
Audi 80/90	23	27	2.0	A3	FI
Audi 80/90	22	30	2.0	M5	FI
Audi 80/90	19	22	2.3	A3	FI
Audi 80/90	20	26	2.3	M5	FI
Audi 80/90 Quattro	18	24	2.3	M5	FI
BMW M3	17	29	2.3	M5	FI
BMW M6	10	19	3.5	M5	FI
BMW 325i Convertible	18	23	2.5	L4	FI
BMW 325i Convertible	18	24	2.5	M5	FI
BMW 325i/325is	18	22	2.5	L4	FI
BMW 325i/325is	18	23	2.5	M5	FI
BMW 325ix	19	22	2.5	L4	FI
BMW 325ix	17	23	2.5	M5	FI
BMW 635CSi	15	19	3.4	L4	FI
BMW 635CSi	15	23	3.4	M5	FI
Chevrolet Camaro	19	27	2.8	L4	FI
Chevrolet Camaro	18	27	2.8	M5	FI
Chevrolet Camaro	17	26	5.0	L4	FI
Chevrolet Camaro	16	25	5.0	L4	FI
Chevrolet Camaro	17	26	5.0	M5	FI
Chevrolet Camaro	17	25	5.0	M5	FI
Chevrolet Camaro	17	25	5.7	L4	FI
Chevrolet Cavalier Convertible	20	27	2.8	L3	FI
Chevrolet Cavalier Convertible	18	29	2.8	M5	FI
Chrysler Conquest Turbo	18	24	2.6	L4	FI
Chrysler Conquest Turbo	18	22	2.6	M5	FI
Chrysler LeBaron Convertible Turbo	20	28	2.2	M5	FI
Chrysler LeBaron Convertible Turbo	18	23	2.5	A3	FI
Chrysler LeBaron Convertible	22	28	2.5	L3	FI
Chrysler LeBaron Convertible	23	31	2.5	M5	FI
Chrysler LeBaron Convertible Turbo	18	26	2.5	M5	FI
Daihatsu Charade	38	42	1.0	M5	FI
Dodge Colt	28	30	1.5	L3	FI
Dodge Colt	32	38	1.5	M4	FI
Dodge Colt	30	35	1.5	M5	FI
Dodge Colt Turbo	23	29	1.6	M5	FI
Dodge Daytona Turbo	20	28	2.2	M5	FI
Dodge Daytona Turbo	18	23	2.5	A3	FI
Dodge Daytona	23	29	2.5	L3	FI
Dodge Daytona	24	34	2.5	M5	FI
Dodge Daytona Turbo	20	29	2.5	M5	FI
Dodge Shadow Convertible	24	28	2.2	L3	FI
Dodge Shadow Convertible	24	34	2.2	M5	FI
Dodge Shadow Convertible Turbo	19	24	2.5	A3	FI
Dodge Shadow Convertible	23	29	2.5	L3	FI
Dodge Shadow Convertible	24	34	2.5	M5	FI
Ford Festiva	38	40	1.3	M4	2bc
Ford Festiva	39	43	1.3	M5	2bc
Ford Festiva	30	31	1.3	A3	FI
Ford Mustang	21	27	2.3	L4	FI
Ford Mustang	23	29	2.3	M5	FI
Ford Mustang	17	25	5.0	L4	FI
Ford Mustang	17	24	5.0	M5	FI
Geo Metro	53	58	1.0	M5	FI
Geo Metro LSi	38	40	1.0	A3	FI
Geo Metro LSi	46	50	1.0	M5	FI
Geo Spectrum	31	33	1.5	A3	2bc
Geo Spectrum	37	41	1.5	M5	2bc
Honda Civic	27	32	1.5	L4	FI
Honda Civic	34	38	1.5	M4	FI
Honda Civic	31	36	1.5	M5	FI
Honda Civic	28	33	1.6	M5	FI
Honda Prelude	20	26	2.0	L4	2bc
Honda Prelude	23	28	2.0	M5	2bc
Honda Prelude	21	26	2.0	L4	FI
Honda Prelude	23	26	2.0	M5	FI
Hyundai Excel	27	31	1.5	L3	2bc
Hyundai Excel	27	33	1.5	M4	2bc
Hyundai Excel	28	37	1.5	M5	2bc
Isuzu I-Mark	31	33	1.5	A3	2bc
Isuzu I-Mark	33	39	1.5	M5	2bc
Isuzu I-Mark	37	41	1.5	M5	2bc
Isuzu I-Mark Turbo	26	34	1.5	M5	FI
Isuzu I-Mark	24	32	1.6	M5	FI
Isuzu Impulse Turbo	20	26	2.0	L4	FI
Isuzu Impulse Turbo	21	27	2.0	M5	FI
Isuzu Impulse	20	26	2.3	L4	FI
Isuzu Impulse	20	26	2.3	M5	FI
Jaguar XJ-S	13	17	5.3	A3	FI
Mercury Tracer	26	29	1.6	A3	FI
Mercury Tracer	28	35	1.6	M5	FI
Maserati 430	15	20	2.8	M5	FI
Mercedes-Benz 190D 2.5	28	33	2.5	A4	FI
Mercedes-Benz 190E 2.6	20	23	2.6	A4	FI
Mercedes-Benz 190E 2.6	19	27	2.6	M5	FI
Mercedes-Benz 300CE	18	22	3.0	A4	FI
Mitsubishi Mirage	27	29	1.5	L3	FI
Mitsubishi Mirage	32	38	1.5	M4	FI
Mitsubishi Mirage	29	35	1.5	M5	FI
Mitsubishi Mirage Turbo	23	29	1.6	M5	FI
Mitsubishi Precis	27	31	1.5	L3	2bc
Mitsubishi Precis	27	33	1.5	M4	2bc
Mitsubishi Precis	28	37	1.5	M5	2bc
Mitsubishi Starion Turbo	18	24	2.6	L4	FI
Mitsubishi Starion Turbo	18	22	2.6	M5	FI
Nissan Pulsar NX	24	29	1.6	L3	FI
Nissan Pulsar NX	26	34	1.6	M5	FI
Nissan Pulsar NX	21	28	1.8	L4	FI
Nissan Pulsar NX	23	25	1.8	M5	FI
Nissan Sentra Coupe	26	30	1.6	L3	FI
Nissan Sentra Coupe	27	36	1.6	M5	FI
Nissan 240SX	20	25	2.4	L4	FI
Nissan 240SX	20	26	2.4	M5	FI
Nissan 300ZX 2+2	18	26	3.0	L4	FI
Nissan 300ZX 2+2	17	25	3.0	M5	FI
Plymouth Colt	28	30	1.5	L3	FI
Plymouth Colt	32	38	1.5	M4	FI
Plymouth Colt	30	35	1.5	M5	FI
Plymouth Colt Turbo	23	29	1.6	M5	FI
Plymouth Sundance Convertible	24	28	2.2	L3	FI
Plymouth Sundance Convertible	24	34	2.2	M5	FI
Plymouth Sundance Convertible Turbo	19	24	2.5	A3	FI
Plymouth Sundance Convertible	23	29	2.5	L3	FI
Plymouth Sundance Convertible	24	34	2.5	M5	FI
Pontiac Firebird/Trans Am	19	27	2.8	L4	FI
Pontiac Firebird/Trans Am	18	27	2.8	M5	FI
Pontiac Firebird/Trans Am	17	26	5.0	L4	FI
Pontiac Firebird/Trans Am	16	25	5.0	L4	FI
Pontiac Firebird/Trans Am	17	26	5.0	M5	FI
Pontiac Firebird/Trans Am	17	25	5.0	M5	FI
Pontiac Firebird/Trans Am	17	25	5.7	L4	FI
Pontiac Sunbird Convertible	22	29	2.0	L3	FI
Pontiac Sunbird Convertible Turbo	21	28	2.0	L3	FI
Pontiac Sunbird Convertible Turbo	21	30	2.0	M5	FI
Pontiac Sunbird Convertible	24	33	2.0	M5	FI
Rolls-Royce Bentley Continental	10	12	6.8	A3	FI
Rolls-Royce Corniche II	10	12	6.8	A3	FI
Saab 900 Convertible Turbo	18	22	2.0	A3	FI
Saab 900 Convertible Turbo	22	28	2.0	M5	FI
Subaru Hatchback	23	25	1.8	L3	2bc
Subaru Hatchback	26	31	1.8	M5	2bc
Subaru Justy	34	35	1.2	AV	2bc
Subaru Justy	34	37	1.2	M5	2bc
Subaru Justy 4wd	29	33	1.2	M5	2bc
Subaru XT	23	30	1.8	L4	FI
Subaru XT	24	28	1.8	M5	FI
Subaru XT	20	28	2.7	L4	FI
Subaru XT 4wd	22	28	1.8	L4	FI
Subaru XT 4wd	24	28	1.8	M5	FI
Subaru XT 4wd	19	25	2.7	L4	FI
Subaru XT 4wd	18	25	2.7	M5	FI
Suzuki Swift	31	34	1.3	A3	FI
Suzuki Swift GTi	25	28	1.3	A3	FI
Suzuki Swift GTi	29	36	1.3	M5	FI
Toyota Celica	22	28	2.0	L4	FI
Toyota Celica	[illegible]	32	2.0	L4	FI
Toyota Celica Turbo	[illegible]	26	2.0	M5	FI
Toyota Celica	26	32	2.0	M5	FI
Toyota Celica	22	28	2.0	M5	FI
Toyota Corolla	27	30	1.6	L3	2bc
Toyota Corolla	27	34	1.6	L4	2bc
Toyota Corolla	30	35	1.6	M5	2bc
Toyota Corolla	23	29	1.6	L4	FI
Toyota Corolla	23	28	1.6	M5	FI
Toyota Corolla	26	31	1.6	M5	FI
Toyota Supra	18	23	3.0	L4	FI
Toyota Supra Turbo	18	23	3.0	L4	FI
Toyota Supra	18	23	3.0	M5	FI
Toyota Supra Turbo	17	22	3.0	M5	FI
Toyota Tercel	28	32	1.5	L3	1bc
Toyota Tercel	35	41	1.5	M4	1bc
Toyota Tercel	31	37	1.5	M5	1bc
Volkswagen Fox	25	30	1.8	M4	FI
Volkswagen Fox	24	29	1.8	M5	FI
Yugo GV/GVX	28	31	1.1	M4	2bc
Yugo GV/GVX	26	29	1.3	M5	2bc
Compact Cars					
Acura Legend	18	22	2.7	L4	FI
Acura Legend	19	23	2.7	M5	FI
Austin Rover Sterling	18	23	2.7	L4	FI
Austin Rover Sterling	19	24	2.7	M5	FI
BMW 525i	18	23	2.5	L4	FI
BMW 525i	18	24	2.5	M5	FI
BMW 535i	15	19	3.4	L4	FI
BMW 535i	15	23	3.4	M5	FI
Buick Skyhawk	25	32	2.0	L3	FI
Buick Skyhawk	26	36	2.0	M5	FI
Buick Skylark	23	32	2.3	L3	FI
Buick Skylark	23	30	2.5	L3	FI
Buick Skylark	20	27	3.3	L3	FI
Chevrolet Beretta	24	31	2.0	L3	FI
Chevrolet Beretta	24	34	2.0	M5	FI
Chevrolet Beretta	20	27	2.8	L3	FI
Chevrolet Beretta	18	29	2.8	M5	FI
Chevrolet Cavalier	25	32	2.0	L3	FI
Chevrolet Cavalier	26	36	2.0	M5	FI
Chevrolet Cavalier	20	27	2.8	L3	FI
Chevrolet Cavalier	18	29	2.8	M5	FI
Chrysler LeBaron Turbo	20	28	2.2	M5	FI
Chrysler LeBaron Turbo	18	23	2.5	A3	FI
Chrysler LeBaron	23	29	2.5	L3	FI
Chrysler LeBaron	24	34	2.5	M5	FI
Chrysler LeBaron Turbo	20	29	2.5	M5	FI
Dodge Omni	24	30	2.2	L3	FI
Dodge Omni	26	35	2.2	M5	FI
Dodge Shadow	24	28	2.2	L3	FI
Dodge Shadow	24	34	2.2	M5	FI
Dodge Shadow	19	24	2.5	A3	FI
Dodge Shadow	23	29	2.5	L3	FI
Dodge Shadow	24	34	2.5	M5	FI
Dodge Shadow	20	29	2.5	M5	FI
Eagle Summit	27	30	1.5	L3	FI
Eagle Summit	29	35	1.5	M5	FI
Eagle Summit	23	28	1.6	L4	FI
Eagle Summit	23	28	1.6	M5	FI
Ford Escort	26	31	1.9	A3	FI
Ford Escort	32	42	1.9	M4	FI
Ford Escort	25	32	1.9	M5	FI
Ford Escort	27	36	1.9	M5	FI
Ford Probe	22	29	2.2	A4	FI
Ford Probe	24	31	2.2	M5	FI
Ford Probe Turbo	21	27	2.2	M5	FI
Ford Tempo	22	26	2.3	A3	FI
Ford Tempo	19	23	2.3	A3	FI
Ford Tempo	21	28	2.3	M5	FI
Ford Tempo	23	32	2.3	M5	FI
Honda Accord	23	30	2.0	L4	2bc
Honda Accord	27	34	2.0	M5	2bc
Honda Accord	22	28	2.0	L4	FI
Honda Accord	25	30	2.0	M5	FI
Jaguar XJ-6	17	23	3.6	L4	FI
Mercury Topaz	22	26	2.3	A3	FI
Mercury Topaz	19	23	2.3	A3	FI
Mercury Topaz	21	28	2.3	M5	FI
Mercury Topaz	23	31	2.3	M5	FI
Mazda 323	24	30	1.6	L4	FI
Mazda 323	26	30	1.6	M4	FI
Mazda 323	28	33	1.6	M5	FI
Mazda 323 Turbo	22	27	1.6	M5	FI
Mazda 323 Turbo	21	24	1.6	M5	FI
Mercedes-Benz 260E	20	24	2.6	A4	FI
Mercedes-Benz 300E	18	22	3.0	A4	FI
Mercedes-Benz 300SE	17	19	3.0	A4	FI
Mercedes-Benz 560SEC	14	16	5.6	A4	FI
Merkur XR4Ti	18	21	2.3	A3	FI
Merkur XR4Ti	19	25	2.3	M5	FI
Mitsubishi Galant (SOHC)	22	28	2.0	L4	FI
Mitsubishi Galant (DOHC)	21	27	2.0	M5	FI
Mitsubishi Galant (SOHC)	23	30	2.0	M5	FI
Mitsubishi Sigma	18	22	3.0	A4	FI
Mitsubishi Sigma	18	24	3.0	M5	FI
Nissan Maxima	19	26	3.0	L4	FI
Nissan Maxima	20	26	3.0	M5	FI
Nissan Sentra	26	30	1.6	L3	FI
Nissan Sentra	29	35	1.6	M4	FI
Nissan Sentra	28	36	1.6	M5	FI
Nissan Stanza	21	27	2.0	L4	FI
Nissan Stanza	22	28	2.0	M5	FI
Oldsmobile Cutlass Calais	23	32	2.3	L3	FI
Oldsmobile Cutlass Calais	24	35	2.3	M5	FI
Oldsmobile Cutlass Calais	23	30	2.5	L3	FI
Oldsmobile Cutlass Calais	23	33	2.5	M5	FI
Oldsmobile Cutlass Calais	20	27	3.3	L3	FI
Peugeot 405 Sedan	20	24	1.9	L4	FI
Peugeot 405 Sedan	20	26	1.9	M5	FI
Peugeot 405 Sedan 16-valve	20	27	1.9	M5	FI
Peugeot 505 Sedan Turbo	18	22	2.2	L4	FI
Peugeot 505 Sedan Turbo	18	24	2.2	M5	FI
Peugeot 505 Sedan	19	22	2.2	L4	FI
Peugeot 505 Sedan	18	24	2.2	M5	FI
Peugeot 505 Sedan	18	22	2.8	L4	FI
Peugeot 505 Sedan	18	22	2.8	M5	FI
Plymouth Horizon	24	30	2.2	L3	FI
Plymouth Horizon	26	35	2.2	M5	FI
Plymouth Sundance	24	28	2.2	L3	FI
Plymouth Sundance	24	34	2.2	M5	FI
Plymouth Sundance Turbo	19	24	2.5	A3	FI
Plymouth Sundance	23	29	2.5	L3	FI
Plymouth Sundance	24	34	2.5	M5	FI
Plymouth Sundance Turbo	20	29	2.5	M5	FI
Pontiac Grand Am	21	28	2.0	L3	FI
Pontiac Grand Am	21	30	2.0	M5	FI
Pontiac Grand Am	23	32	2.3	L3	FI
Pontiac Grand Am	24	35	2.3	M5	FI
Pontiac Grand Am	23	30	2.5	L3	FI
Pontiac Grand Am	23	33	2.5	M5	FI
Pontiac LeMans	27	31	1.6	L3	FI
Pontiac LeMans	30	39	1.6	M4	FI
Pontiac LeMans	31	40	1.6	M5	FI
Pontiac LeMans	22	28	2.0	L3	FI
Pontiac LeMans	24	30	2.0	M5	FI
Pontiac Sunbird	23	31	2.0	L3	FI
Pontiac Sunbird Turbo	20	27	2.0	L3	FI
Pontiac Sunbird Turbo	21	31	2.0	M5	FI
Pontiac Sunbird	27	36	2.0	M5	FI
Saab 900	19	22	2.0	A3	FI
Saab 900 Turbo	19	23	2.0	A3	FI
Saab 900	22	28	2.0	M5	FI
Saab 900 Turbo	22	28	2.0	M5	FI
Saab 900 Turbo	21	28	2.0	M5	FI
Subaru Sedan/3-Door	22	24	1.8	A3	FI
Subaru Sedan/3-Door	25	27	1.8	L3	FI
Subaru Sedan/3-Door	25	31	1.8	M5	FI
Subaru Sedan/3-Door 4wd Turbo	20	26	1.8	L4	FI
Subaru Sedan/3-Door 4wd Turbo	22	25	1.8	M5	FI
Toyota Camry	24	30	2.0	L4	FI
Toyota Camry	22	25	2.0	L4	FI
Toyota Camry	26	32	2.0	L4	FI
Toyota Camry	26	32	2.0	M5	FI
Toyota Camry	22	27	2.0	M5	FI
Toyota Camry	19	24	2.5	L4	FI
Toyota Camry	19	24	2.5	M5	FI
Toyota Cressida	19	24	3.0	L4	FI
Volkswagen Golf	23	28	1.8	A3	FI
Volkswagen Golf	25	34	1.8	M5	FI
Volkswagen GTI 16V	22	29	1.8	M5	FI
Volkswagen Jetta	23	28	1.8	A3	FI
Volkswagen Jetta	25	34	1.8	M5	FI
Volkswagen Jetta GLI 16V	22	29	1.8	M5	FI
Volvo 240 DL/240 GL	19	24	2.3	A4	FI
Volvo 240 DL/240 GL	19	24	2.3	A4	FI
Volvo 240 DL/240 GL	21	27	2.3	M5	FI
Volvo 240 DL/240 GL	21	28	2.3	M5	FI
Volvo 780 Turbo	19	23	2.3	A4	FI
Volvo 780	17	21	2.8	A4	FI
Mid-Size Cars					
Audi 100	19	22	2.3	A3	FI
Audi 100	18	25	2.3	M5	FI
Audi 100 Quattro	18	24	2.3	M5	FI
Audi 200	18	22	2.2	A3	FI
Audi 200	18	26	2.2	M5	FI
Audi 200 Quattro	17	25	2.2	M5	FI
Bentley Eight/Mulsanne	10	12	6.8	A3	FI
Bentley Turbo R	10	13	6.8	A3	FI
BMW 735i	15	19	3.4	L4	FI
BMW 735i	15	23	3.4	M5	FI
BMW 735iL	15	19	3.4	L4	FI
BMW 750iL	12	17	5.0	L4	FI
Buick Century	23	30	2.5	L3	FI
Buick Century	20	27	2.8	L3	FI
Buick Century	20	29	2.8	L4	FI
Buick Century	20	27	3.3	L3	FI
Buick Century	20	29	3.3	L4	FI
Buick Regal	20	29	2.8	L4	FI
Buick Riviera	19	28	3.8	L4	FI
Cadillac Eldorado	17	25	4.5	L4	FI
Cadillac Seville	17	25	4.5	L4	FI
Chevrolet Celebrity	23	30	2.5	L3	FI
Chevrolet Celebrity	20	27	2.8	L3	FI
Chevrolet Celebrity	20	29	2.8	L4	FI
Chevrolet Corsica	24	31	2.0	L3	FI
Chevrolet Corsica	24	34	2.0	M5	FI
Chevrolet Corsica	20	27	2.8	L3	FI
Chevrolet Corsica	18	29	2.8	M5	FI
Chrysler LeBaron GTS	24	28	2.2	L3	FI
Chrysler LeBaron GTS	24	34	2.2	M5	FI
Chrysler LeBaron GTS Turbo	20	28	2.2	M5	FI
Chrysler LeBaron GTS Turbo	19	24	2.5	A3	FI
Chrysler LeBaron GTS	23	29	2.5	L3	FI
Chrysler LeBaron GTS	24	34	2.5	M5	FI
Chrysler LeBaron GTS Turbo	20	29	2.5	M5	FI
Chrysler New Yorker	18	26	3.0	L4	FI
Chrysler Newport/Fifth Ave	16	22	5.2	L3	2bc
Dodge Aries	24	30	2.2	L3	FI
Dodge Aries	25	34	2.2	M5	FI
Dodge Aries	23	28	2.5	L3	FI
Dodge Diplomat	16	22	5.2	L3	2bc
Dodge Dynasty	22	28	2.5	L3	FI
Dodge Dynasty	18	26	3.0	L4	FI
Dodge Lancer	24	28	2.2	L3	FI
Dodge Lancer	24	34	2.2	M5	FI
Dodge Lancer Turbo	20	28	2.2	M5	FI
Dodge Lancer Turbo	19	24	2.5	A3	FI
Dodge Lancer	23	29	2.5	L3	FI
Dodge Lancer	24	34	2.5	M5	FI
Dodge Lancer Turbo	20	29	2.5	M5	FI
Dodge Spirit	24	28	2.2	L3	FI
Dodge Spirit Turbo	19	24	2.5	A3	FI
Dodge Spirit	23	29	2.5	L3	FI
Dodge Spirit	24	34	2.5	M5	FI
Dodge Spirit Turbo	20	29	2.5	M5	FI
Dodge Spirit	18	26	3.0	L4	FI
Dodge 600	24	28	2.2	L3	FI
Dodge 600 Turbo	19	24	2.5	A3	FI
Dodge 600	23	29	2.5	L3	FI
Eagle Medallion Sedan	21	27	2.2	A3	FI
Eagle Medallion Sedan	23	31	2.2	M5	FI
Ford Taurus	21	27	2.5	A3	FI
Ford Taurus	21	29	3.0	L4	FI
Ford Taurus	19	28	3.8	L4	FI
Lincoln Mark VII	17	24	5.0	L4	FI
Mercury Sable	21	29	3.0	L4	FI
Mercury Sable	19	28	3.8	L4	FI
Maserati 228	14	19	2.8	M5	FI
Mazda 626/MX-6	22	28	2.2	L4	FI
Mazda 626/MX-6 Turbo	19	25	2.2	L4	FI
Mazda 626/MX-6	24	[illegible]	2.2	M5	FI
Mazda 626/MX-6 Turbo	21	[illegible]	2.2	M5	FI
Mazda 929	19	23	3.0	L4	FI
Mazda 929	18	24	3.0	M5	FI
Mercedes-Benz 300SEL	17	19	3.0	A4	FI
Mercedes-Benz 420SEL	15	18	4.2	A4	FI
Mercedes-Benz 560SEL	14	16	5.6	A4	FI
Oldsmobile Cutlass Ciera	23	30	2.5	L3	FI
Oldsmobile Cutlass Ciera	20	27	2.8	L3	FI
Oldsmobile Cutlass Ciera	20	29	2.8	L4	FI
Oldsmobile Cutlass Ciera	20	29	3.3	L4	FI
Oldsmobile Cutlass Supreme	20	29	2.8	L4	FI
Oldsmobile Cutlass Supreme	18	30	2.8	M5	FI
Oldsmobile Toronado	19	28	3.8	L4	FI
Plymouth Acclaim	24	28	2.2	L3	FI
Plymouth Acclaim Turbo	19	24	2.5	A3	FI
Plymouth Acclaim	23	29	2.5	L3	FI
Plymouth Acclaim	24	34	2.5	M5	FI
Plymouth Acclaim Turbo	20	29	2.5	M5	FI
Plymouth Acclaim	18	26	3.0	L4	FI
Plymouth Caravelle	24	28	2.2	L3	FI
Plymouth Caravelle Turbo	19	24	2.5	A3	FI
Plymouth Caravelle	23	29	2.5	L3	FI
Plymouth Gran Fury	16	22	5.2	L3	2bc
Plymouth Reliant	24	30	2.2	L3	FI
Plymouth Reliant	25	34	2.2	M5	FI
Plymouth Reliant	23	28	2.5	L3	FI
Pontiac Grand Prix	20	29	2.8	L4	FI
Pontiac Grand Prix	18	30	2.8	M5	FI
Pontiac 6000	23	30	2.5	L3	FI
Pontiac 6000	20	27	2.8	L3	FI
Pontiac 6000	20	29	2.8	L4	FI
Pontiac 6000	18	23	3.1	L3	FI
Rolls-Royce Silver Spirit/Spur	10	12	6.8	A3	FI
Volvo 740 Turbo	19	23	2.3	A4	FI
Volvo 740	19	26	2.3	L4	FI
Volvo 740	20	26	2.3	L4	FI
Volvo 740 Turbo	20	25	2.3	M4	FI
Volvo 740	21	27	2.3	M5	FI
Volvo 760 Turbo	19	23	2.3	A4	FI
Volvo 760	17	21	2.8	A4	FI
Large Cars					
Buick Electra	19	28	3.8	L4	FI
Buick LeSabre	19	28	3.8	L4	FI
Cadillac Brougham	17	24	5.0	L4	4bc
Cadillac Fleetwood/DeVille	17	25	4.5	L4	FI
Chevrolet Caprice	19	27	4.3	L4	FI
Chevrolet Caprice	17	25	5.0	L4	FI
Chrysler New Yorker/Fifth Ave	18	26	3.0	L4	FI
Eagle Premier	22	31	2.5	L4	FI
Eagle Premier	18	27	3.0	L4	FI
Ford LTD Crown Victoria	17	24	5.0	L4	FI
Mercury Grand Marquis	17	24	5.0	L4	FI
Lincoln Town Car	17	24	5.0	L4	FI
Oldsmobile Eighty-Eight	19	28	3.8	L4	FI
Oldsmobile Ninety-Eight/Touring	18	28	3.8	L4	FI
Pontiac Bonneville	18	28	3.8	L4	FI
Saab 9000	18	24	2.0	L4	FI
Saab 9000 Turbo	19	26	2.0	L4	FI
Saab 9000	22	28	2.0	M5	FI
Saab 9000 Turbo	22	28	2.0	M5	FI
Small Station Wagons					
Buick Skyhawk Wagon	25	32	2.0	L3	FI
Buick Skyhawk Wagon	26	36	2.0	M5	FI
Chevrolet Cavalier Wagon	25	32	2.0	L3	FI
Chevrolet Cavalier Wagon	26	36	2.0	M5	FI
Chevrolet Cavalier Wagon	20	27	2.8	L3	FI
Chevrolet Cavalier Wagon	18	29	2.8	M5	FI
Dodge Colt Vista	22	23	2.0	L3	FI
Dodge Colt Vista	22	28	2.0	M5	FI
Dodge Colt Wagon	27	29	1.5	L3	FI
Dodge Colt Wagon	30	35	1.5	M5	FI
Ford Escort Wagon	25	31	1.9	A3	FI
Ford Escort Wagon	27	36	1.9	M5	FI
Honda Civic Wagon	27	32	1.5	L4	FI
Honda Civic Wagon	31	35	1.5	M5	FI
Honda Civic Wagon 4wd	24	27	1.6	L4	FI
Honda Civic Wagon 4wd	25	26	1.6	M5	FI

PRODUCTS/SPECIFICATIONS

Car Line	Est MPG City	Est MPG Hwy	Displ (liters)	Trans	Fuel Sys
Mercury Tracer Wagon	26	29	1.6	A3	FI
Mercury Tracer Wagon	28	35	1.6	M5	FI
Mazda 323 Wagon	24	28	1.6	A3	FI
Mazda 323 Wagon	28	33	1.6	M5	FI
Mitsubishi Mirage Wagon	27	29	1.5	L3	FI
Mitsubishi Mirage Wagon	30	35	1.5	M5	FI
Mitsubishi Space Wagon	22	23	2.0	L3	FI
Nissan Sentra Wagon	26	30	1.6	L3	FI
Nissan Sentra Wagon	27	35	1.6	M5	FI
Nissan Sentra Wagon 4wd	23	25	1.6	L3	FI
Nissan Sentra Wagon 4wd	25	29	1.6	M5	FI
Plymouth Colt Vista	22	23	2.0	L3	FI
Plymouth Colt Vista	22	28	2.0	M5	FI
Plymouth Colt Wagon	27	29	1.5	L3	FI
Plymouth Colt Wagon	30	35	1.5	M5	FI
Subaru Wagon Turbo	22	24	1.8	A3	FI
Subaru Wagon	25	27	1.8	L3	FI
Subaru Wagon	25	30	1.8	M5	FI
Subaru Wagon 4wd Turbo	20	26	1.8	L4	FI
Subaru Wagon 4wd Turbo	22	25	1.8	M5	FI
Toyota Camry Wagon	24	30	2.0	L4	FI
Toyota Camry Wagon	26	32	2.0	M5	FI
Toyota Camry Wagon	19	24	2.5	L4	FI
Toyota Corolla All-Trac Wagon	23	29	1.6	L4	FI
Toyota Corolla All-Trac Wagon	23	28	1.6	M5	FI
Toyota Corolla Wagon	27	30	1.6	L3	2bc
Toyota Corolla Wagon	30	35	1.6	M5	2bc
Volkswagen Fox Wagon	25	30	1.8	M4	FI

Mid-Size Station Wagons

Car Line	Est MPG City	Est MPG Hwy	Displ (liters)	Trans	Fuel Sys
Audi 100 Wagon	19	22	2.3	A3	FI
Audi 100 Wagon	18	25	2.3	M5	FI
Audi 200 Quattro Wagon	17	25	2.2	M5	FI
Buick Century Wagon	24	30	2.5	L3	FI
Buick Century Wagon	20	29	2.8	L4	FI
Buick Century Wagon	19	26	3.3	L3	FI
Buick Century Wagon	19	29	3.3	L4	FI
Chevrolet Celebrity Wagon	23	30	2.5	L3	FI
Chevrolet Celebrity Wagon	20	29	2.8	L4	FI
Eagle Medallion Wagon	21	27	2.2	A3	FI
Eagle Medallion Wagon	23	31	2.2	M5	FI
Ford Taurus Wagon	21	29	3.0	L4	FI
Ford Taurus Wagon V6 A/C	19	26	3.0	L4	FI
Ford Taurus Wagon V6 A/C	18	26	3.8	L4	FI
Mercury Sable Wagon	21	29	3.0	L4	FI
Mercury Sable Wagon V6 A/C	19	26	3.0	L4	FI
Mercury Sable Wagon V6 A/C	18	26	3.8	L4	FI
Mercedes-Benz 300TE	17	21	3.0	A4	FI
Oldsmobile Cutlass Cruiser	24	30	2.5	L3	FI
Oldsmobile Cutlass Cruiser	20	29	2.8	L4	FI
Oldsmobile Cutlass Cruiser	19	29	3.3	L4	FI
Peugeot 505 Station Wagon Turbo	18	22	2.2	L4	FI
Peugeot 505 Station Wagon	19	22	2.2	L4	FI
Peugeot 505 Station Wagon	18	22	2.2	M5	FI
Pontiac 6000 Wagon	24	30	2.5	L3	FI
Pontiac 6000 Wagon	20	29	2.8	L4	FI
Volvo 240 DL/240 GL Wagon	18	23	2.3	A4	FI
Volvo 240 DL/240 GL Wagon	19	24	2.3	A4	FI
Volvo 240 DL/240 GL Wagon	21	26	2.3	M5	FI
Volvo 240 DL/240 GL Wagon	21	27	2.3	M5	FI
Volvo 740 Wagon Turbo	19	23	2.3	A4	FI
Volvo 740 Wagon	19	24	2.3	L4	FI
Volvo 740 Wagon	19	25	2.3	L4	FI
Volvo 740 Wagon Turbo	20	25	2.3	M4	FI
Volvo 740 Wagon	21	26	2.3	M5	FI
Volvo 760 Wagon Turbo	19	23	2.3	A4	FI

Large Station Wagons

Car Line	Est MPG City	Est MPG Hwy	Displ (liters)	Trans	Fuel Sys
Buick LeSabre/Electra Wagon	17	24	5.0	L4	4bc
Chevrolet Caprice Wagon	17	24	5.0	L4	4bc
Ford LTD Crown Vic. Wagon	17	24	5.0	L4	FI
Mercury Grand Marquis Wagon	17	24	5.0	L4	FI
Oldsmobile Custom Cruiser	17	24	5.0	L4	4bc
Pontiac Safari Wagon	17	24	5.0	L4	4bc

Small Pickup Trucks/2wd

Car Line	Est MPG City	Est MPG Hwy	Displ (liters)	Trans	Fuel Sys
Chevrolet S10 Pickup	21	28	2.5	L4	FI
Chevrolet S10 Pickup	23	27	2.5	M5	FI
Chevrolet S10 Pickup	19	26	2.8	M5	FI
Chevrolet S10 Pickup	18	23	4.3	L4	FI
Dodge Ram 50	23	26	2.0	A4	2bc
Dodge Ram 50	23	28	2.0	M5	2bc
Dodge Ram 50	20	22	2.6	A4	2bc
Dodge Ram 50	20	25	2.6	M5	2bc
Ford Courier	20	25	2.2	L4	2bc
Ford Courier	21	26	2.2	M5	2bc
Ford Ranger Pickup	20	24	2.3	L4	FI
Ford Ranger Pickup	23	27	2.3	M5	FI
Ford Ranger Pickup	17	21	2.9	L4	FI
Ford Ranger Pickup	18	23	2.9	M5	FI
GMC S15 Pickup	21	28	2.5	L4	FI
GMC S15 Pickup	23	27	2.5	M5	FI
GMC S15 Pickup	19	26	2.8	M5	FI
GMC S15 Pickup	18	23	4.3	L4	FI
Isuzu Pickup	22	24	2.3	M5	2bc
Isuzu Pickup	19	23	2.6	L4	FI
Isuzu Pickup	19	24	2.6	M5	FI
Mazda B2200/B2600	20	25	2.2	L4	2bc
Mazda B2200/B2600	21	26	2.2	M5	2bc
Mitsubishi Truck	23	26	2.0	A4	2bc
Mitsubishi Truck	23	28	2.0	M5	2bc
Mitsubishi Truck	20	22	2.6	A4	2bc
Mitsubishi Truck	20	25	2.6	M5	2bc
Nissan Truck	21	26	2.4	L4	FI
Nissan Truck	21	24	2.4	M4	FI
Nissan Truck	21	26	2.4	M5	FI
Nissan Truck	18	21	3.0	L4	FI
Nissan Truck	17	24	3.0	M5	FI
Toyota Truck	21	23	2.4	M4	2bc
Toyota Truck	23	25	2.4	M4	2bc
Toyota Truck	21	25	2.4	M5	2bc
Toyota Truck	23	24	2.4	A4	FI
Toyota Truck	22	26	2.4	M5	FI
Toyota Truck	19	25	3.0	L4	FI
Toyota Truck	19	24	3.0	M5	FI

Small Pickup Trucks 4wd

Car Line	Est MPG City	Est MPG Hwy	Displ (liters)	Trans	Fuel Sys
Ford Ranger Pickup	21	24	2.3	M5	FI
Ford Ranger Pickup	16	19	2.9	L4	FI
Ford Ranger Pickup	18	21	2.9	M5	FI

Standard Pickup Trucks/2wd

Car Line	Est MPG City	Est MPG Hwy	Displ (liters)	Trans	Fuel Sys
Chevrolet C1500 Pickup	17	22	4.3	L4	FI
Chevrolet C1500 Pickup	18	21	4.3	M4C	FI
Chevrolet C1500 Pickup	17	24	4.3	M5	FI
Chevrolet C1500 Pickup	15	21	5.0	L4	FI
Chevrolet C1500 Pickup	15	21	5.0	M5	FI
Chevrolet C1500 Pickup	15	20	5.7	L4	FI
Chevrolet C1500 Pickup	14	17	5.7	M4C	FI
Chevrolet C1500 Pickup	13	19	5.7	M5	FI
Chevrolet C1500 Pickup Diesel	19	25	6.2	L4	FI
Chevrolet C1500 Pickup Diesel	18	19	6.2	M4C	FI
Chevrolet C2500 Pickup	17	22	4.3	L4	FI
Chevrolet C2500 Pickup	16	18	4.3	M4C	FI
Chevrolet C2500 Pickup	17	24	4.3	M5	FI
Chevrolet C2500 Pickup	15	20	5.0	L4	FI
Chevrolet C2500 Pickup	14	20	5.0	M5	FI
Chevrolet C2500 Pickup	14	20	5.7	L4	FI
Chevrolet C2500 Pickup	14	16	5.7	M4C	FI
Chevrolet C2500 Pickup	13	18	5.7	M5	FI
Chevrolet C2500 Pickup Diesel	18	25	6.2	L4	FI
Chevrolet C2500 Pickup Diesel	18	18	6.2	M4C	FI
Dodge Dakota Pickup	21	26	2.5	L4	FI
Dodge Dakota Pickup	22	28	2.5	M5	FI
Dodge Dakota Pickup	15	20	3.9	L4	FI
Dodge Dakota Pickup	16	22	3.9	M5	FI
Dodge D100/D150 Pickup	15	18	3.9	L3	FI
Dodge D100/D150 Pickup	15	19	3.9	L4	FI
Dodge D100/D150 Pickup	14	18	3.9	M4C	FI
Dodge D100/D150 Pickup	13	19	3.9	M5	FI
Dodge D100/D150 Pickup	13	14	5.2	A3	FI
Dodge D100/D150 Pickup	14	17	5.2	L3	FI
Dodge D100/D150 Pickup	13	17	5.2	L4	FI
Dodge D100/D150 Pickup	13	18	5.2	M4	FI
Dodge D100/D150 Pickup	13	15	5.2	M4C	FI
Dodge D100/D150 Pickup	11	13	5.9	A3	FI
Dodge D100/D150 Pickup	11	14	5.9	M4C	FI
Dodge D250 Pickup	14	16	3.9	L3	FI
Dodge D250 Pickup	14	17	3.9	M4C	FI
Dodge D250 Pickup	13	14	5.2	A3	FI
Dodge D250 Pickup	13	17	5.2	L4	FI
Dodge D250 Pickup	13	15	5.2	M4C	FI
Dodge D250 Pickup	11	13	5.9	A3	FI
Dodge D250 Pickup	11	14	5.9	M4C	FI
Ford F150 Pickup	14	16	4.9	A3	FI
Ford F150 Pickup	16	17	4.9	M4C	FI
Ford F150 Pickup	15	19	4.9	M5	FI
Ford F150 Pickup	15	18	4.9	M5C	FI
Ford F150 Pickup	13	15	5.0	A3	FI
Ford F150 Pickup	14	18	5.0	L4	FI
Ford F150 Pickup	14	15	5.0	M4C	FI
Ford F150 Pickup	14	17	5.0	M5	FI
Ford F150 Pickup	12	13	5.8	A3	FI
Ford F150 Pickup	14	16	4.9	A3	FI
Ford F250 Pickup	16	17	4.9	M4C	FI
Ford F250 Pickup	15	19	4.9	M5	FI
Ford F250 Pickup	15	18	4.9	M5C	FI
Ford F250 Pickup	14	18	5.0	L4	FI
Ford F250 Pickup	14	15	5.0	M4C	FI
Ford F250 Pickup	14	17	5.0	M5	FI
Ford F250 Pickup	11	13	5.8	A3	FI
GMC C1500 Sierra	17	22	4.3	L4	FI
GMC C1500 Sierra	18	21	4.3	M4C	FI
GMC C1500 Sierra	17	24	4.3	M5	FI
GMC C1500 Sierra	15	21	5.0	L4	FI
GMC C1500 Sierra	15	21	5.0	M5	FI
GMC C1500 Sierra	15	20	5.7	L4	FI
GMC C1500 Sierra	14	17	5.7	M4C	FI
GMC C1500 Sierra	13	19	5.7	M5	FI
GMC C1500 Sierra Diesel	19	25	6.2	L4	FI
GMC C1500 Sierra Diesel	18	19	6.2	M4C	FI
GMC C2500 Sierra	17	22	4.3	L4	FI
GMC C2500 Sierra	16	18	4.3	M4C	FI
GMC C2500 Sierra	17	24	4.3	M5	FI
GMC C2500 Sierra	15	20	5.0	L4	FI
GMC C2500 Sierra	14	20	5.0	M5	FI
GMC C2500 Sierra	14	20	5.7	L4	FI
GMC C2500 Sierra	14	16	5.7	M4C	FI
GMC C2500 Sierra	13	18	5.7	M5	FI
GMC C2500 Sierra Diesel	18	25	6.2	L4	FI
GMC C2500 Sierra Diesel	18	18	6.2	M4C	FI
Isuzu Pickup 1 Ton	18	22	2.6	M5	FI
Jeep Comanche Pickup	18	24	2.5	L4	FI
Jeep Comanche Pickup	20	25	2.5	M4	FI
Jeep Comanche Pickup	22	25	2.5	M4	FI
Jeep Comanche Pickup	19	24	2.5	M5	FI
Jeep Comanche Pickup	21	24	2.5	M5	FI
Jeep Comanche Pickup	16	21	4.0	L4	FI
Jeep Comanche Pickup	17	23	4.0	M5	FI
Toyota 1-Ton	19	25	3.0	L4	FI
Toyota 1-Ton	19	24	3.0	M5	FI

Standard Pickup Trucks 4wd

Car Line	Est MPG City	Est MPG Hwy	Displ (liters)	Trans	Fuel Sys
Chevrolet K1500 Pickup	16	20	4.3	L4	FI
Chevrolet K1500 Pickup	15	18	4.3	M4C	FI
Chevrolet K1500 Pickup	16	20	4.3	M5	FI
Chevrolet K1500 Pickup	14	17	5.0	L4	FI
Chevrolet K1500 Pickup	14	18	5.0	M5	FI
Chevrolet K1500 Pickup	13	17	5.7	L4	FI
Chevrolet K1500 Pickup	13	14	5.7	M4C	FI
Chevrolet K1500 Pickup	13	17	5.7	M5	FI
Chevrolet K1500 Pickup Diesel	17	22	6.2	L4	FI
Chevrolet K1500 Pickup Diesel	18	18	6.2	M4C	FI
Chevrolet K2500 Pickup	16	20	4.3	L4	FI
Chevrolet K2500 Pickup	15	18	4.3	M4C	FI
Chevrolet K2500 Pickup	16	20	4.3	M5	FI
Chevrolet K2500 Pickup	14	17	5.0	L4	FI
Chevrolet K2500 Pickup	13	17	5.0	M5	FI
Chevrolet K2500 Pickup	13	17	5.7	L4	FI
Chevrolet K2500 Pickup	13	14	5.7	M4C	FI
Chevrolet K2500 Pickup	13	17	5.7	M5	FI
Chevrolet K2500 Pickup Diesel	17	22	6.2	L4	FI
Chevrolet K2500 Pickup Diesel	17	18	6.2	M4C	FI
Chevrolet S10 Pickup	18	25	2.8	M5	FI
Chevrolet S10 Pickup	17	22	4.3	L4	FI
Dodge Dakota Pickup	14	18	3.9	L4	FI
Dodge Dakota Pickup	15	19	3.9	M5	FI
Dodge Power Ram 50	17	19	2.6	A4	2bc
Dodge Power Ram 50	18	21	2.6	M5	2bc
Dodge W100/W150 Pickup	13	15	3.9	A3	FI
Dodge W100/W150 Pickup	12	15	3.9	M4C	FI
Dodge W100/W150 Pickup	12	14	5.2	A3	FI
Dodge W100/W150 Pickup	11	15	5.2	M4C	FI
Dodge W100/W150 Pickup	11	12	5.9	A3	FI
Dodge W100/W150 Pickup	10	13	5.9	M4C	FI
Dodge W250 Pickup	11	13	5.2	A3	FI
Dodge W250 Pickup	11	14	5.2	M4C	FI
Dodge W250 Pickup	10	11	5.9	A3	FI
Dodge W250 Pickup	10	13	5.9	M4C	FI
Ford F150 Pickup	14	15	4.9	A3	FI
Ford F150 Pickup	15	17	4.9	M4C	FI
Ford F150 Pickup	15	19	4.9	M5	FI
Ford F150 Pickup	15	18	4.9	M5C	FI
Ford F150 Pickup	13	14	5.0	A3	FI
Ford F150 Pickup	14	17	5.0	L4	FI
Ford F150 Pickup	13	15	5.0	M4C	FI
Ford F150 Pickup	13	17	5.0	M5	FI
Ford F150 Pickup	11	13	5.8	A3	FI
Ford F250 Pickup	15	17	4.9	M5C	FI
Ford F250 Pickup	13	17	5.0	L4	FI
Ford F250 Pickup	13	15	5.0	M5	FI
Ford F250 Pickup	11	13	5.8	A3	FI
GMC K1500 Sierra	16	20	4.3	L4	FI
GMC K1500 Sierra	15	18	4.3	M4C	FI
GMC K1500 Sierra	16	20	4.3	M5	FI
GMC K1500 Sierra	14	17	5.0	L4	FI
GMC K1500 Sierra	14	18	5.0	M5	FI
GMC K1500 Sierra	13	17	5.7	L4	FI
GMC K1500 Sierra	13	14	5.7	M4C	FI
GMC K1500 Sierra	13	17	5.7	M5	FI
GMC K1500 Sierra Diesel	17	22	6.2	L4	FI
GMC K1500 Sierra Diesel	18	18	6.2	M4C	FI
GMC K2500 Sierra	16	20	4.3	L4	FI
GMC K2500 Sierra	15	18	4.3	M4C	FI
GMC K2500 Sierra	16	20	4.3	M5	FI
GMC K2500 Sierra	14	17	5.0	L4	FI
GMC K2500 Sierra	13	17	5.0	M5	FI
GMC K2500 Sierra	13	17	5.7	L4	FI
GMC K2500 Sierra	13	14	5.7	M4C	FI
GMC K2500 Sierra	13	17	5.7	M5	FI
GMC K2500 Sierra Diesel	17	22	6.2	L4	FI
GMC K2500 Sierra Diesel	17	18	6.2	M4C	FI
GMC S15 Pickup	18	25	2.8	M5	FI
GMC S15 Pickup	17	22	4.3	L4	FI
Isuzu Pickup	16	19	2.6	M5	FI
Jeep Comanche Pickup	18	23	2.5	L4	FI
Jeep Comanche Pickup	20	24	2.5	M4	FI
Jeep Comanche Pickup	21	24	2.5	M4	FI
Jeep Comanche Pickup	19	24	2.5	M5	FI
Jeep Comanche Pickup	20	23	2.5	M5	FI
Jeep Comanche Pickup	15	19	4.0	L4	FI
Jeep Comanche Pickup	17	22	4.0	M5	FI
Mitsubishi Truck	17	19	2.6	A4	2bc
Mitsubishi Truck	18	21	2.6	M5	2bc
Nissan Truck	17	21	2.4	M5	FI
Nissan Truck	15	17	3.0	L4	FI
Nissan Truck	15	19	3.0	M5	FI
Toyota Truck	18	20	2.4	L4	FI
Toyota Truck	19	22	2.4	M5	FI
Toyota Truck	15	18	3.0	L4	FI
Toyota Truck	17	20	3.0	M5	FI

Cargo Vans

Car Line	Est MPG City	Est MPG Hwy	Displ (liters)	Trans	Fuel Sys
Chevrolet Astro 2wd	19	25	2.5	L4	FI
Chevrolet Astro 2wd	21	26	2.5	M5	FI
Chevrolet Astro 2wd	17	22	4.3	L4	FI
Chevrolet Astro 2wd	17	24	4.3	M5	FI
Chevrolet G10/20 Van 2wd	17	23	4.3	L4	FI
Chevrolet G10/20 Van 2wd	16	19	4.3	M4	FI
Chevrolet G10/20 Van 2wd	15	20	5.0	L4	FI
Chevrolet G10/20 Van 2wd	14	18	5.0	M4	FI
Chevrolet G10/20 Van 2wd	15	20	5.7	L4	FI
Chevrolet G10/20 Van Diesel	18	25	6.2	L4	FI
Chevrolet G10/20 Van Diesel	20	24	6.2	M4	FI
Chevrolet G30 Van 2wd	17	23	4.3	L4	FI
Dodge B150/B250 Van 2wd	15	17	3.9	A4	FI
Dodge B150/B250 Van 2wd	15	18	3.9	L3	FI
Dodge B150/B250 Van 2wd	15	19	3.9	L4	FI
Dodge B150/B250 Van 2wd	13	19	3.9	M5	FI
Dodge B150/B250 Van 2wd	13	14	5.2	A3	FI
Dodge B150/B250 Van 2wd	13	17	5.2	L3	FI
Dodge B150/B250 Van 2wd	13	17	5.2	L4	FI
Dodge B150/B250 Van 2wd	11	13	5.9	A3	FI
Dodge B350 Van 2wd	13	14	5.2	A3	FI
Dodge B350 Van 2wd	13	17	5.2	L4	FI
Dodge B350 Van 2wd	11	13	5.9	A3	FI
Ford Aerostar Van	17	23	3.0	L4	FI
Ford Aerostar Van	18	23	3.0	M5	FI
Ford E150 Econoline 2wd	14	16	4.9	A3	FI
Ford E150 Econoline 2wd	15	19	4.9	M5	FI
Ford E150 Econoline 2wd	13	17	5.0	L4	FI
Ford E150 Econoline 2wd	11	13	5.8	A3	FI
Ford E250 Econoline 2wd	14	16	4.9	A3	FI
Ford E250 Econoline 2wd	13	17	5.0	L4	FI
Ford E250 Econoline 2wd	11	13	5.8	A3	FI
GMC G15/25 Vandura 2wd	17	23	4.3	L4	FI
GMC G15/25 Vandura 2wd	16	19	4.3	M4	FI
GMC G15/25 Vandura 2wd	15	20	5.0	L4	FI
GMC G15/25 Vandura 2wd	14	18	5.0	M4	FI
GMC G15/25 Vandura 2wd	15	20	5.7	L4	FI
GMC G15/25 Vandura Diesel	18	25	6.2	L4	FI
GMC G15/25 Vandura Diesel	20	24	6.2	M4	FI
GMC G35 Vandura 2wd	17	23	4.3	L4	FI
GMC Safari 2wd	19	25	2.5	L4	FI
GMC Safari 2wd	21	26	2.5	M5	FI
GMC Safari 2wd	17	22	4.3	[illegible]	[illegible]
GMC Safari 2wd	17	24	4.3	M5	FI
Mitsubishi Van	20	22	2.4	L4	FI
Toyota Van 2wd	21	23	2.2	L4	FI
Toyota Van 2wd	22	24	2.2	M5	FI
Toyota Van 4wd	20	21	2.2	L4	FI

Passenger Vans

Car Line	Est MPG City	Est MPG Hwy	Displ (liters)	Trans	Fuel Sys
Chevrolet Astro 2wd	17	22	4.3	L4	FI
Chevrolet Astro 2wd	17	24	4.3	M5	FI
Chevrolet G10/20 Sportvan 2wd	17	23	4.3	L4	FI
Chevrolet G10/20 Sportvan 2wd	16	18	4.3	M4	FI
Chevrolet G10/20 Sportvan 2wd	14	17	5.0	L4	FI
Chevrolet G10/20 Sportvan 2wd	14	19	5.7	L4	FI
Chevrolet G10/20 Sportvan Diesel	16	21	6.2	L4	FI
Chevrolet G10/20 Sportvan Diesel	18	21	6.2	M4	FI
Chevrolet G30 Sportvan 2wd	13	15	5.7	L4	FI
Dodge B150/B250 Wagon 2wd	14	16	3.9	A4	FI
Dodge B150/B250 Wagon 2wd	14	16	3.9	L3	FI
Dodge B150/B250 Wagon 2wd	14	18	3.9	L4	FI
Dodge B150/B250 Wagon 2wd	13	17	3.9	M5	FI
Dodge B150/B250 Wagon 2wd	12	14	5.2	A3	FI
Dodge B150/B250 Wagon 2wd	13	16	5.2	L3	FI
Dodge B150/B250 Wagon 2wd	13	16	5.2	L4	FI
Dodge B150/B250 Wagon 2wd	10	12	5.9	A3	FI
Dodge B350 Wagon 2wd	12	14	5.2	A3	FI
Dodge B350 Wagon 2wd	13	16	5.2	L4	FI
Dodge B350 Wagon 2wd	10	12	5.9	A3	FI
Ford Aerostar Wagon	17	22	3.0	L4	FI
Ford Aerostar Wagon	16	23	3.0	M5	FI
Ford E150 Club Wagon	13	15	4.9	A3	FI
Ford E150 Club Wagon	13	17	5.0	L4	FI
Ford E150 Club Wagon	11	13	5.8	A3	FI
GMC G15/25 Rally 2wd	17	23	4.3	L4	FI
GMC G15/25 Rally 2wd	16	18	4.3	M4	FI
GMC G15/25 Rally 2wd	14	17	5.0	L4	FI
GMC G15/25 Rally 2wd	14	19	5.7	L4	FI
GMC G15/25 Rally 2wd Diesel	16	21	6.2	L4	FI
GMC G15/25 Rally 2wd Diesel	18	21	6.2	M4	FI
GMC G35 Rally 2wd	13	15	5.7	L4	FI
GMC Safari 2wd	17	22	4.3	L4	FI
GMC Safari 2wd	17	24	4.3	M5	FI
Mitsubishi Wagon	18	21	2.4	L4	FI
Toyota Van 2wd	21	23	2.2	L4	FI
Toyota Van 2wd	22	24	2.2	M5	FI
Toyota Van 4wd	20	21	2.2	L4	FI
Toyota Van 4wd	20	22	2.2	M5	FI
Volkswagen Vanagon Syncro 4wd	16	16	2.1	M5C	FI
Volkswagen Vanagon 2wd	17	18	2.1	A3	FI
Volkswagen Vanagon 2wd	18	19	2.1	M4	FI

Special Purpose Vehicles/2wd

Car Line	Est MPG City	Est MPG Hwy	Displ (liters)	Trans	Fuel Sys
Chevrolet R1500 Suburban 2wd	14	19	5.7	L4	FI
Chevrolet R1500 Suburban 2wd Diesel	16	24	6.2	L4	FI
Chevrolet S10 Blazer 2wd	19	26	2.8	M5	FI
Chevrolet S10 Blazer 2wd	18	23	4.3	L4	FI
Dodge AD150 Ramcharger 2wd	13	14	5.2	A3	FI
Dodge AD150 Ramcharger 2wd	13	17	5.2	L4	FI
Dodge AD150 Ramcharger 2wd	11	13	5.9	A3	FI
Dodge Caravan/Ram Van 2wd	21	23	2.5	A3	FI
Dodge Caravan/Ram Van 2wd Turbo	18	21	2.5	A3	FI
Dodge Caravan/Ram Van 2wd Turbo	18	25	2.5	M5	FI
Dodge Caravan/Ram Van 2wd	21	28	2.5	M5	FI
Dodge Caravan/Ram Van 2wd	18	22	3.0	L3	FI
Dodge Caravan/Ram Van 2wd	18	23	3.0	L4	FI
Ford Bronco II 2wd	17	21	2.9	L4	FI
Ford Bronco II 2wd	18	23	2.9	M5	FI
GMC R1500 Suburban 2wd	14	19	5.7	L4	FI
GMC R1500 Suburban Diesel	16	24	6.2	L4	FI
GMC S15 Jimmy 2wd	19	26	2.8	M5	FI
GMC S15 Jimmy 2wd	18	23	4.3	L4	FI
Isuzu Amigo 2wd	19	22	2.3	M5	2bc
Isuzu Amigo 2wd	17	21	2.6	M5	FI
Jeep Cherokee 2wd	18	24	2.5	L4	FI
Jeep Cherokee 2wd	19	24	2.5	M5	FI
Jeep Cherokee 2wd	21	24	2.5	M5	FI
Jeep Cherokee 2wd	16	21	4.0	L4	FI
Jeep Cherokee 2wd	17	23	4.0	M5	FI
Mazda MPV	19	24	2.6	L4	FI
Mazda MPV	20	24	2.6	M5	FI
Mazda MPV	17	22	3.0	L4	FI
Mazda MPV	18	23	3.0	M5	FI
Nissan Pathfinder 2wd	16	17	3.0	L4	FI
Nissan Pathfinder 2wd	15	19	3.0	M5	FI
Plymouth Voyager 2wd	21	23	2.5	A3	FI
Plymouth Voyager 2wd Turbo	18	21	2.5	A3	FI
Plymouth Voyager 2wd Turbo	18	25	2.5	M5	FI
Plymouth Voyager 2wd	21	28	2.5	M5	FI
Plymouth Voyager 2wd	18	22	3.0	L3	FI
Plymouth Voyager 2wd	18	23	3.0	L4	FI

Special Purpose Vehicles/4wd

Car Line	Est MPG City	Est MPG Hwy	Displ (liters)	Trans	Fuel Sys
Chevrolet S10 Blazer 4wd	18	25	2.8	M5	FI
Chevrolet S10 Blazer 4wd	17	21	4.3	L4	FI
Chevrolet V1500 Blazer 4wd	13	17	5.7	L4	FI
Chevrolet V1500 Blazer 4wd	13	15	5.7	M4C	FI
Chevrolet V1500 Blazer 4wd Diesel	17	21	6.2	L4	FI
Chevrolet V1500 Suburban 4wd	12	16	5.7	L4	FI
Chevrolet V1500 Suburban 4wd	12	14	5.7	M4C	FI
Chevrolet V1500 Suburban 4wd Diesel	16	21	6.2	L4	FI
Dodge AW150 Ramcharger 4wd	11	13	5.2	A3	FI
Dodge AW150 Ramcharger 4wd	11	14	5.2	M4C	FI
Dodge AW150 Ramcharger 4wd	10	11	5.9	A3	FI
Dodge AW150 Ramcharger 4wd	10	13	5.9	M4C	FI
Dodge Colt Vista 4wd	19	25	2.0	M5	FI
Dodge Colt Wagon 4wd	23	28	1.8	M5	FI
Dodge Raider	16	19	2.6	M5	2bc
Dodge Raider	17	17	3.0	A4	FI
Dodge Raider	15	18	3.0	M5	FI
Ford Bronco II 4wd	16	20	2.9	L4	FI
Ford Bronco II 4wd	17	22	2.9	M5	FI
Ford Bronco 4wd	14	15	4.9	A3	FI
Ford Bronco 4wd	14	16	4.9	M4C	FI
Ford Bronco 4wd	15	18	4.9	M5	FI
Ford Bronco 4wd	15	17	4.9	M5C	FI
Ford Bronco 4wd	12	13	5.0	A3	FI
Ford Bronco 4wd	13	17	5.0	L4	FI
Ford Bronco 4wd	13	14	5.0	M4C	FI
Ford Bronco 4wd	13	15	5.0	M5	FI
Ford Bronco 4wd	11	13	5.8	A3	FI
Geo Tracker Convertible 4wd	28	29	1.6	M5	FI
Geo Tracker Hardtop 4wd	25	26	1.6	L3	FI
Geo Tracker Hardtop 4wd	28	29	1.6	M5	FI
GMC S15 Jimmy 4wd	18	25	2.8	M5	FI
GMC S15 Jimmy 4wd	17	21	4.3	L4	FI
GMC V1500 Jimmy 4wd	13	17	5.7	L4	FI
GMC V1500 Jimmy 4wd	13	15	5.7	M4C	FI
GMC V1500 Jimmy 4wd Diesel	17	21	6.2	L4	FI
GMC V1500 Suburban 4wd	12	161	5.7	L4	FI
GMC V1500 Suburban 4wd	12	14	5.7	M4C	FI
GMC V1500 Suburban 4wd Diesel	16	21	6.2	L4	FI
Isuzu Amigo 4wd	16	19	2.6	M5	FI
Isuzu Trooper	16	18	2.6	L4	FI
Isuzu Trooper	16	19	2.6	M5	FI
Isuzu Trooper	15	18	2.8	M5	FI
Jeep Cherokee/Wagoneer 4wd	18	23	2.5	L4	FI
Jeep Cherokee/Wagoneer 4wd	19	24	2.5	M5	FI
Jeep Cherokee/Wagoneer 4wd	20	23	2.5	M5	FI
Jeep Cherokee/Wagoneer 4wd	16	20	4.0	L4	FI
Jeep Cherokee/Wagoneer 4wd	17	22	4.0	M5	FI
Jeep Grand Wagoneer 4wd	11	13	5.9	A3	2bc
Jeep Wagoneer Limited 4wd	15	20	4.0	L4	FI
Jeep Wrangler 4wd	16	20	2.5	M5	FI
Jeep Wrangler 4wd	18	20	2.5	M5	FI
Jeep Wrangler 4wd	15	16	4.2	A3	2bc
Jeep Wrangler 4wd	16	20	4.2	M5	2bc
Range Rover	12	15	3.9	L4	FI
Mitsubishi Montero	16	19	2.6	M5	2bc
Mitsubishi Montero	17	17	3.0	A4	FI
Mitsubishi Montero	15	18	3.0	M5	FI
Mitsubishi Space Wagon 4wd	19	25	2.0	M5	FI
Nissan Pathfinder 4wd	16	20	2.4	M5	FI
Nissan Pathfinder 4wd	14	16	3.0	L4	FI
Nissan Pathfinder 4wd	15	18	3.0	M5	FI
Plymouth Colt Vista 4wd	19	25	2.0	M5	FI
Plymouth Colt Vista 4wd	23	28	1.8	M5	FI
Subaru Hatchback 4wd	25	29	1.8	M4	2bc
Subaru Sedan/3-door 4wd	23	23	1.8	A3	FI
Subaru Sedan/3-door 4wd	24	29	1.8	M5	FI
Subaru Wagon 4wd	23	23	1.8	A3	FI
Subaru Wagon 4wd	24	29	1.8	M5	FI
Suzuki Samurai Convertible	28	29	1.3	M5	2bc
Suzuki Samurai Hardtop	28	29	1.3	M5	2bc
Suzuki Sidekick Convertible 4wd	28	29	1.3	M5	2bc
Suzuki Sidekick Convertible 4wd	25	26	1.6	L3	FI
Suzuki Sidekick Convertible 4wd	28	29	1.6	M5	FI
Suzuki Sidekick Hardtop 4wd	25	26	1.6	L3	FI
Suzuki Sidekick Hardtop 4wd	28	29	1.6	M5	FI
Toyota Land Cruiser Wagon 4wd	12	14	4.0	L4	FI
Toyota 4-Runner 4wd	18	20	2.4	L4	FI
Toyota 4-Runner 4wd	19	22	2.4	M5	FI
Toyota 4-Runner 4wd	15	18	3.0	L4	FI
Toyota 4-Runner 4wd	17	20	3.0	M5	FI

Special Purpose Vehicles/Cab Chassis

Car Line	Est MPG City	Est MPG Hwy	Displ (liters)	Trans	Fuel Sys
Cadillac Commercial Chassis	17	25	4.5	L4	FI
Chevrolet S10 Cab Chassis 2wd	18	19	2.5	L3	FI
Dodge Dakota Cab Chassis 2wd	14	18	3.9	L4	FI
Dodge Dakota Cab Chassis 2wd	13	17	3.9	M5	FI
Dodge D250 Cab Chassis 2wd	10	12	5.9	A3	FI
General Motors Coachbuilder Wagon	17	24	5.0	L4	4bc
Nissan Truck Cab Chassis 2wd	12	12	3.0	L4	FI
Nissan Truck Cab Chassis 2wd	14	14	3.0	M5	FI
Toyota Cab/Chassis 2wd	11	11	3.0	L4	FI
Toyota Cab/Chassis 2wd	13	13	3.0	M5	FI

NOTES: Transmissions: M – Manual; A – Automatic; L – Lockup Automatic; C – Creeper

PRICES

Retail prices, 1989 U.S. and import models

This table shows the prices of 1989 domestic and imported cars as of May 9, 1989. All prices are manufacturers' suggested retail prices. Import prices include ocean freight and U.S. import duty. None of the prices include destination charges, state and local taxes, optional equipment or any charges that may be passed on to the buyer. In the equipment section, "Std." means standard equipment; "N.A." means the item is not available on the model mentioned. On some models, the standard-equipment radio is a delete option.

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	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Auto Trans.	Power Steering	AM FM Stereo	Air Cond.
ACURA Integra RS 4 (1989 model)	$12,060		$11,260			$610	std.	240	728
Integra LS 4 (1989 model)	13,900		13,070			610	std.	std.	728
Integra RS 4 (1990 model)	12,850		11,950			725	std.	240	735
Integra LS 4 (1990 model)	14,545		13,725			725	std.	std.	735
Integra GS 4 (1990 model)	15,950		15,825			725	std.	std.	735
Legend V-6	22,600	$24,760				800	std.	std.	std.
Legend L V-6	25,900	27,325				800	std.	std.	std.
Legend LS V-6	29,160	30,040				800	std.	std.	std.

Radio and air conditioning prices on Integra models do not include dealer installation charge.

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Auto Trans.	Power Steering	AM FM Stereo	Air Cond.
ALFA ROMEO Graduate 4				$16,700		N.A.	N.A.	645	995
Veloce 4				20,200		N.A.	N.A.	645	995
Quadrifoglio 4				23,400		N.A.	N.A.	645	995
Milano Gold V-6	18,475					700	std.	std.	std.
Milano Platinum V-6	22,500					std.	std.	std.	std.
Milano 3-liter V-6	22,700					N.A.	std.	std.	std.

Prices do not include suggested dealer preparation charge of $160.

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Auto Trans.	Power Steering	AM FM Stereo	Air Cond.
ASTON MARTIN Volante V-8				183,000		std.	std.	std.	std.
Vantage Volante V-8				197,000		std.	std.	std.	std.
Lagonda V-8	197,000					std.	std.	std.	std.

East Coast prices are listed. West Coast prices are $2,000 higher.

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Auto Trans.	Power Steering	AM FM Stereo	Air Cond.
AUDI 80 4	19,350					550	std.	495	std.
80 Quattro 5	23,610					N.A.	std.	495	std.
90 5	25,310					550	std.	std.	std.
90 Quattro 5	28,840					N.A.	std.	std.	std.
100E 5	25,230					std.	std.	std.	std.
100 5	27,750				29,250	550	std.	std.	std.
100 Quattro 5	31,110					N.A.	std.	std.	std.
200 Turbo 5	33,405					550	std.	std.	std.
200 Quattro 5	37,305				38,805	N.A.	std.	std.	std.
BENTLEY Eight V-8	108,700					std.	std.	std.	std.
Mulsanne S V-8	118,900					std.	std.	std.	std.
Turbo R V-8	149,500					std.	std.	std.	std.
Continental V-8				204,800		std.	std.	std.	std.
BMW 325i 6	25,450	24,650		33,850		645	std.	std.	std.
325is 6		28,950				645	std.	std.	std.
325iX 6	30,750	29,950				645	std.	std.	std.
M3 4		34,950				N.A.	std.	std.	std.
525i 6	37,000					std.*	std.	std.	std.
535i 6	43,600					std.*	std.	std.	std.
635CSi 6		47,000				std.*	std.	std.	std.
M6 6		55,950				N.A.	std.	std.	std.
735i 6	54,000					std.*	std.	std.	std.
735iL 6	58,000					std.	std.	std.	std.
750iL V-12	70,000					std.	std.	std.	std.

Dealer preparation charge: $130 on 325i 2-door and 4-door, 325is, 325ix 2-door and 4-door and 525i; $145 on 325i convertible, 535i, 735i, 735iL and 635-CSi; $180 on M-3 and M-6; $215 on 750iL.

*5-speed-manual transmission is a no-cost option on 525i, 535i, 635-CSi and 735i.

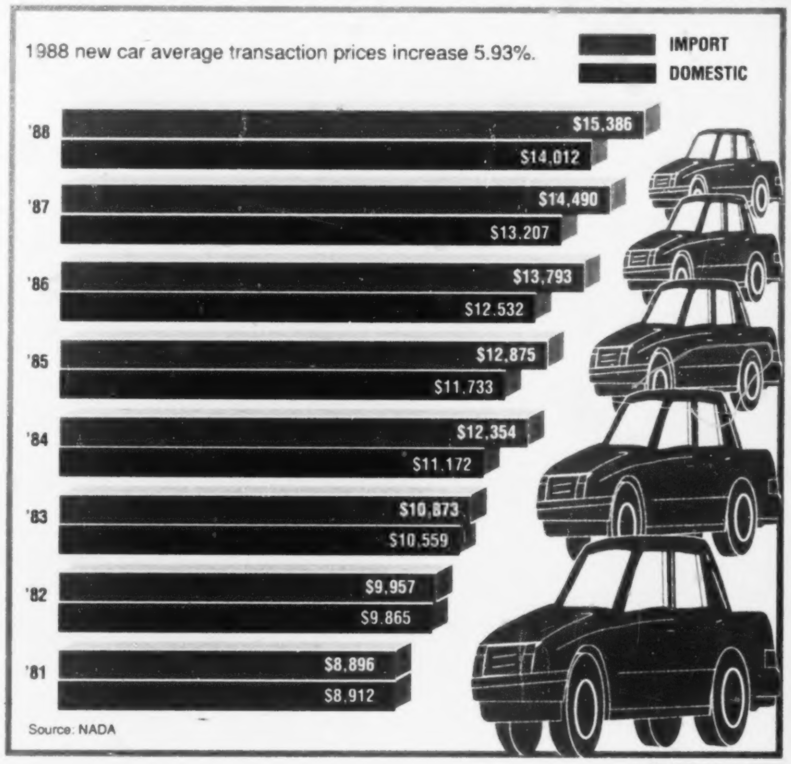
Add the following for gas-guzzler tax: $650 manual transmission/$850 automatic on 535i, 635-CSi and 735i; $850 on 735iL; $1,850 on 750iL; and $2,250 on M-6.

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Auto Trans.	Power Steering	AM FM Stereo	Air Cond.
BUICK Skyhawk 4	9,285	9,285			10,230	440	std.	std.	695
Skylark Custom 4	11,115	11,115				std.	std.	std.	695
Skyklark Custom Luxury Edition 4	12,415					std.	std.	std.	695
Skylark Limited 4	12,345	12,345				std.	std.	std.	695
Skylark Limited Luxury Edition 4	13,545					std.	std.	std.	695
Century Custom 4	12,429	12,199			13,156	std.	std.	std.	795
Century Limited 4	13,356					std.	std.	std.	795
Century Estate Wagon 4					13,956	std.	std.	std.	795
Regal Custom V-6		14,614				std.	std.	std.	std.
Regal Limited V-6		15,139				std.	std.	std.	std.
LeSabre V-6		15,425				std.	std.	std.	std.
LeSabre Custom V-6	15,330					std.	std.	std.	std.
LeSabre Limited V-6	16,730	16,630				std.	std.	std.	std.
LeSabre Estate Wagon (3-seat) V-8					16,770	std.	std.	std.	std.
Electra Limited V-6	18,525					std.	std.	std.	std.
Electra Park Avenue V-6	20,460					std.	std.	std.	std.
Electra T-Type V-6	21,325					std.	std.	std.	std.
Park Avenue Ultra V-6	26,218					std.	std.	std.	std.
Electra Estate Wagon (3-seat) V-8					19,860	std.	std.	std.	std.
Riviera V-6		22,540				std.	std.	std.	std.
Reatta V-6		26,700				std.	std.	std.	std.
CADILLAC DeVille V-8	25,435	24,960				std.	std.	std.	std.
Fleetwood V-8	30,300	29,825				std.	std.	std.	std.
Fleetwood Sixty Special V-8	34,230					std.	std.	std.	std.
Brougham V-8	25,699					std.	std.	std.	std.
Eldorado V-8		26,738				std.	std.	std.	std.
Seville V-8	29,750					std.	std.	std.	std.
Allante V-8				57,183		std.	std.	std.	std.
CHEVROLET Geo Metro 3			5,995			*	N.A.	*	N.A.
Geo Metro LSi hatchback 3	7,195		6,895			*	N.A.	*	655
Geo Spectrum 4	7,795		7,295			*	*	*	660
Geo Prizm 4	9,660					420	*	*	675
Geo Prizm hatchback 4	9,960					420	*	*	675
Cavalier VL 4		7,375				415	*	*	695
Cavalier 4	8,595	8,395			8,975	440	*	std.	695
Cavalier Z24 V-6		11,325		16,615		440	std.	std.	695
Corsica 4	9,985					515	std.	std.	770
Corsica hatchback 4	10,375					515	std.	std.	770
Corsica LTZ V-6	12,825					515	std.	std.	std.
Beretta 4		10,575				515	std.	std.	770
Beretta GT V-6		12,685				515	std.	std.	std.
Camaro RS V-6		11,495				515	std.	std.	775
Camaro RS convertible V-8				16,995		515	std.	std.	795
Camaro IROC-Z V-8		14,145		18,945		515	std.	std.	795
Celebrity 4	11,495				11,925	std.	std.	std.	795
Celebrity 3-seat wagon 4					12,175	std.	std.	std.	795
Lumina 4	11,883					std.	std.	std.	775
Lumina Euro 4	13,776					std.	std.	std.	std.
Caprice V-8	13,865					std.	std.	std.	std.
Caprice Classic V-8	14,445					std.	std.	std.	std.
Caprice Classic 3-Seat Wagon V-8					15,025	std.	std.	std.	std.
Caprice Classic Brougham V-8	15,615					std.	std.	std.	std.
Caprice Classic Brougham LS V-8	16,835					std.	std.	std.	std.
Corvette V-8			31,545	36,785		std.	std.	std.	std.

*—Part of option package, not priced separately.

Geo Metro and Geo Spectrum models are imported from Japan.

1988 new car average transaction



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AUTOMOTIVE NEWS / C. BEEVER

PRICES

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Auto. Trans.	Power Steering	AM/FM Stereo	Air Cond.
CHRYSLER Conquest TSi 4			18,974			718	std.	std.	955
LeBaron hatchback 4***	11,495					536	std.	std.	775
LeBaron Premium hatchback 4***	13,495					536	std.	std.	std.
LeBaron GTS hatchback 4***	17,095					*	std.	std.	std.
LeBaron High 4		11,495		13,995		536	std.	std.	775
LeBaron Premium 4		14,695		18,195		std.	std.	std.	std.
LeBaron GTC 4		17,435		19,666		**	std.	std.	std.
LeBaron GT 4		14,795		17,195		536	std.	std.	std.
New Yorker V-6	17,416					std.	std.	std.	std.
New Yorker Landau V-6	19,509					std.	std.	std.	std.
Fifth Avenue V-8***	18,345					std.	std.	std.	std.
TC by Maserati 4				33,000		std.	std.	std.	std.

Conquest TSi is imported from Japan.
Chrysler TC by Maserati is imported from Italy.
*—On the LeBaron GTS, there is a $175 credit with automatic transmission.
**—Automatic transmission is a no-charge option on the LeBaron GT.
***—Production of LeBaron hatchback ended March 3, 1989. Production of Fifth Avenue ended Dec. 23, 1988.

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Auto. Trans.	Power Steering	AM/FM Stereo	Air Cond.
DAIHATSU Charade CES 3			6,197			N.A.	N.A.	230	730
Charade CLS 3			6,697			N.A.	N.A.	230	730
Charade CLX 3			7,497			N.A.	N.A.	230	730
Charade CLS 4			7,097			400	241	230	730
Charade CLX 4			8,657			std.	std.	230	730
DODGE Colt 4			6,678			N.A.	N.A.	273	739
Colt E 4			7,505			N.A.	259	273	739
Colt GT 4			8,863			499	259	298	739
Colt DL 4					9,316	499	259	273	739
Colt DL 4 (4wd)					11,145	N.A.	std.	273	739
Colt Vista 4					11,518	499	259	273	739
Colt Vista 4 (4wd)					12,828	N.A.	std.	273	739
Omni America 4	6,595					*	*	*	775
Aries America 4	7,595	7,595				*	240	*	775
Shadow 4	8,595			8,395		536	std.	std.	775
Spirit 4	9,995					536	std.	std.	*
Spirit LE 4	11,195					536	std.	std.	775
Spirit ES 4	12,495					536	std.	std.	775
Daytona 4			9,295			536	std.	std.	*
Daytona ES 4			10,395			536	std.	std.	*
Daytona ES Turbo 4			11,995			536	std.	std.	*
Daytona Shelby 4			13,295			*	std.	std.	*
Lancer 4***	11,195					536	std.	std.	775
Lancer ES 4***	13,695					536	std.	std.	std.
Lancer Shelby 4***	17,395					**	std.	std.	std.
Dynasty 4	12,295					std.	std.	std.	775
Dynasty LE V-6	13,595					std.	std.	std.	775
Diplomat Salon V-8***	11,995					std.	std.	std.	855
Diplomat SE V-8***	14,795					std.	std.	std.	std.

*—Part of option package; not priced separately.
**—On the Lancer Shelby, there is a $175 credit with automatic transmission.
Colt and Colt Vista models are imported from Japan.
***—Production of Lancer ended March 3, 1989. Production of Diplomat ended Dec. 23, 1988.

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Auto. Trans.	Power Steering	AM/FM Stereo	Air Cond.
EAGLE Summit DL 4	9,347					505	*	*	748
Summit LX 4	10,364					505	std.	*	748
Medallion DL 4	10,405					490	std.	std.	799
Medallion DL wagon 4					11,649	std.	std.	std.	799
Medallion LX 4	10,938					490	std.	std.	799
Medallion LX wagon 4					12,275	std.	std.	std.	799
Premier LX4	13,576					std.	std.	std.	830
Premier ES V-6	15,859					std.	std.	std.	830
Premier ES Limited V-6	19,181					std.	std.	std.	std.

*—Part of option package; not priced separately.
Summit models are imported from Japan.
Medallion models were made in France. They are no longer imported.

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Auto. Trans.	Power Steering	AM/FM Stereo	Air Cond.
FERRARI 328GTB V-8		77,900				N.A.	N.A.	*	std.
328GTS V-8		83,800				N.A.	N.A.	*	std.
Testarossa V-12		140,700				N.A.	N.A.	*	std.

*—Radio is dealer installed; Ferrari does not quote a price.

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Auto. Trans.	Power Steering	AM/FM Stereo	Air Cond.
FORD Festiva L 4			6,073			N.A.	N.A.	N.A.	N.A.
Festiva L plus 4			6,747			515	N.A.	std.	824
Festiva LX 4			7,476			515	N.A.	std.	720
Escort Pony 4			6,964			515	N.A.	206	N.A.
Escort LX 4	7,679		7,349			515	235	152	720
Escort LX wagon 4					8,280	439	235	152	720
Escort GT 4			9,315			N.A.	std.	std.	720
Probe GL 4			10,943			617	std.	std.	807
Probe LX 4			11,769			617	std.	std.	807
Probe GT 4			14,077			N.A.	std.	std.	807
Tempo GL 4	9,207	9,057				515	std.	std.	807
Tempo GLS 4	9,848	9,697				515	std.	std.	807
Tempo LX 4	10,156					515	std.	std.	807
Tempo 4 (all-wheel-drive)	10,860					std.	std.	std.	807
Mustang LX 4		9,050	9,556	14,140		515	std.	std.	807
Mustang LX 5-liter V-8		11,410	12,265	17,001		515	std.	std.	807
Mustang GT V-8			13,272	17,512		515	std.	std.	807
Taurus L 4	11,778					std.	std.	std.	807
Taurus L Wagon V-6					13,143	std.	std.	std.	807
Taurus GL 4	12,202					std.	std.	std.	807
Taurus GL Wagon V-6					13,544	std.	std.	std.	807
Taurus LX V-6	15,282				16,524	std.	std.	std.	std.
Taurus SHO V-6	19,739					N.A.	std.	std.	std.
Thunderbird V-6		14,612				std.	std.	std.	std.
Thunderbird LX V-6		16,817				std.	std.	std.	std.
Thunderbird Super Coupe V-6		19,823				539	std.	std.	std.
LTD Crown Victoria V-8	15,851				16,209	std.	std.	std.	std.
LTD Crown Victoria LX V-8	16,767				17,238	std.	std.	std.	std.
LTD Country Squire V-8					16,527	std.	std.	std.	std.
LTD Country Squire LX V-8					17,556	std.	std.	std.	std.

Festiva models are imported from South Korea.
Probe models are built by Mazda in Flat Rock, Mich.

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Auto. Trans.	Power Steering	AM/FM Stereo	Air Cond.
HONDA Civic 4			6,385			N.A.	N.A.	181	672
Civic DX 4			8,445			850	*	181	672
Civic DX 4	9,190					900	*	181	672
Civic Si 4			9,980			N.A.	N.A.	181	672
Civic LX 4	10,150					570	std.	181	672
Civic wagon 4					10,125	1,015	*	181	672
Civic wagon 4 (4wd)					12,210	600	std.	181	672
Civic CRX HF 4			8,895			N.A.	N.A.	181	672
Civic CRX DX 4			9,310			570	N.A.	181	672
Civic CRX Si 4			10,930			N.A.	N.A.	181	672
Accord DX 4	11,770	11,650	11,230			610	std.	181	735
Accord LX 4	14,180					610	std.	std.	std.
Accord LXi 4	15,920	14,690	14,530			610	std.	std.	std.
Prelude S 4		13,945				725	std.	std.	std.
Prelude Si 4		16,965				725	std.	std.	std.
Prelude Si 4 (4-wheel steering)		18,450				725	std.	std.	std.

*—Automatic transmission price on Civic DX and 2wd wagon includes power steering.
Radio and air conditioning prices do not include dealer installation charge.
Civic and Accord 4-door sedans and Accord notchback coupes are U.S.-built. Civic 2-door hatchbacks are built in Canada.

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Auto. Trans.	Power Steering	AM/FM Stereo	Air Cond.
HYUNDAI Excel 4	6,449		5,724*			N.A.	260	295	735
Excel GL 4	7,399		6,949			485	260	295	735
Excel GL (hatchback) 4	7,199					485	260	295	735
Excel GS 4			7,949			485	260	295	735
Excel GLS 4	7,999					485	260	std.	735
Excel GLS (hatchback) 4	7,849					485	260	std.	735
Sonata 4	9,695					610	std.	330	745
Sonata GLS 4	11,695					610	std.	std.	745

*—Automatic transmission not available on base Excel 3-door hatchback.

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Auto. Trans.	Power Steering	AM/FM Stereo	Air Cond.
ISUZU I-Mark S 4	8,179		7,779			430	220	185	680
I-Mark XS 4	9,379		9,179			430	std.	185	680
I-Mark RS 4	9,559		9,359			N.A.	std.	std.	680
I-Mark LS Turbo 4	11,369					N.A.	std.	std.	680
Impulse 4			14,329			540	std.	std.	std.
Impulse Turbo 4			16,329			540	std.	std.	std.
JAGUAR XJ6 6	44,000					std.	std.	std.	std.
Vanden Plas 6	48,000					std.	std.	std.	std.
XJ-S V-12		48,000		57,000		std.	std.	std.	std.
LAMBORGHINI Countach V-12		145,000				N.A.	std.	std.	std.
LINCOLN Town Car V-8	25,562					std.	std.	std.	std.
Town Car Signature V-8	28,563					std.	std.	std.	std.
Town Car Cartier V-8	29,709					std.	std.	std.	std.
Mark VII Bill Blass V-8		27,569				std.	std.	std.	std.
Mark VII LSC V-8		27,569				std.	std.	std.	std.
Continental V-6	28,430					std.	std.	std.	std.
Continental Signature V-6	30,353					std.	std.	std.	std.
LOTUS Esprit Turbo 4		67,500				N.A.	N.A.	std.	std.
ESP Turbo 4 (special equipment)		79,500				N.A.	N.A.	std.	std.
MASERATI 430 V-6	44,320					N.A.	std.*	std.	std.
228 V-6		55,835				N.A.	std.*	std.	std.
Spyder V-6				46,310		N.A.	std.*	std.	std.

*—Automatic transmission or 5-speed manual are no-charge choices on all models.

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Auto. Trans.	Power Steering	AM/FM Stereo	Air Cond.
MAZDA 323 4	7,899		6,449			700	250	450	760

PRICES

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Auto Trans.	Power Steering	AM/FM Stereo	Air Cond.
323-SE 4	8,599		7,649			700	250	450	760
323 LX 4	9,499					700	std.	450	760
626-DX 4	11,449					720	std.	450	800
626-LX 4	13,399					720	std.	std.	800
626-LX touring sedan 4	13,599					720	std.	std.	800
626 Turbo touring sedan 4	15,249					720	std.	std.	800
MX-6 DX 4		11,399				720	std.	450	800
MX-6 LX 4		13,299				720	std.	std.	800
MX-6 GT 4		15,499				720	std.	std.	800
MX-6 GT 4 (4-wheel steering)		16,699				720	std.	std.	800
929 V-6	22,900					std.	std.	std.	std.
RX-7 GTU			17,300			750	std.	std.	859
RX-7 GTU-S			19,600			N.A.	std.	std.	859
RX-7 GXL			21,600			750	std.	std.	std.
RX-7 GXL 2 + 2			22,100			750	std.	std.	std.
RX-7 Turbo			25,950			N.A.	std.	std.	std.
RX-7 convertible				25,600		750	std.	std.	859

Mazda MX-6 models are U.S.-built.

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Auto Trans.	Power Steering	AM/FM Stereo	Air Cond.
MERCEDES-BENZ 190D 2.5 5	30,980					std.	std.	std.	std.
190E 2.6 6	31,590					910	std.	std.	std.
260E 6	39,200					std.	std.	std.	std.
300E 6	44,850					std.	std.	std.	std.
300CE 6		53,880				std.	std.	std.	std.
300TE 6					48,210	std.	std.	std.	std.
300SE 6	51,400					std.	std.	std.	std.
300SEL 6	55,100					std.	std.	std.	std.
420SEL V-8	61,210					std.	std.	std.	std.
560SEL V-8	72,280					std.	std.	std.	std.
560SL		64,230				std.	std.	std.	std.
560SEC		79,840				std.	std.	std.	std.

Add the following for gas-guzzler tax: $500 on 300-TE; $650 on 300-SE and 300-SEL; $1,050 on 420-SEL; $1,300 on 560-SL; and $1,500 on 560-SEL and 560-SEC.

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Auto Trans.	Power Steering	AM/FM Stereo	Air Cond.
MERCURY Tracer 4			8,672			415	235	std.	688
Tracer 4	9,358				9,842	415	std.	std.	688
Topaz GS 4	9,734	9,577				539	std.	std.	807
Topaz XR-5 4		10,498				539	std.	std.	807
Topaz LS 4	11,030					539	std.	std.	807
Topaz LTS 4	11,980					539	std.	std.	807
Sable GS V-6	14,101				14,804	std.	std.	std.	std.
Sable LS V-6	15,094				15,872	std.	std.	std.	std.
Cougar V-6		15,448				std.	std.	std.	std.
Cougar XR-7 V-6		19,650				539	std.	std.	std.
Grand Marquis GS V-8	16,701					std.	std.	std.	std.
Grand Marquis LS V-8	17,213					std.	std.	std.	std.
Colony Park GS V-8					17,338	std.	std.	std.	std.
Colony Park LS V-8					17,922	std.	std.	std.	std.
Merkur XR4Ti 4			19,759			479	std.	std.	std.
Merkur Scorpio V-6	25,052					550	std.	std.	std.

Tracer models are imported from Mexico.
Merkur XR4Ti and Scorpio models are imported from West Germany.

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Auto Trans.	Power Steering	AM/FM Stereo	Air Cond.
MITSUBISHI Precis 4			5,724			N.A.	N.A.	295	N.A.
Precis RS 4			6,949			N.A.	N.A.	295	735
Precis LS 4			7,599			490	260	std.	735
Precis LS 4	7,849					490	260	std.	N.A.
Mirage 4	8,859					470	262	353	744
Mirage 4			9,159			std.	262	353	744
Mirage LS 4	10,209					490	std.	552	744
Mirage Turbo 4			11,969			N.A.	std.	552	744
Eclipse 4			10,397			630	235	165	788
Eclipse GS 4			11,409			630	std.	std.	788
Eclipse GS DOHC 16-valve 4			12,239			630	std.	std.	788
Eclipse GS DOHC Turbo 16-valve 4			14,169			N.A.	std.	std.	788
Galant 4	10,971					848	std.	552	790
Galant LS 4	13,579					std.	std.	std.	790
Galant GS 4	15,269					N.A.	std.	std.	790
Sigma V-6	17,069					std.	std.	std.	std.
Starion ESi-R Turbo 4			19,859			N.A.	std.	std.	std.

Eclipse models are U.S.-built.

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Auto Trans.	Power Steering	AM/FM Stereo	Air Cond.
NISSAN Sentra 4		6,999				N.A.	N.A.	*	825
Sentra E 4	8,799	8,249			9,499	900	**	*	825
Sentra XE 4	10,599	9,949			11,049	925	std.	***	825
Sentra XE 4 (4wd)					11,899	925	std.	***	825
Sentra XE coupe 4		10,999				925	std.	***	825
Sentra SE coupe 4		12,299				540	std.	std.	825
Pulsar NX XE 4			11,999			540	std.	std.	825
Pulsar NX SE 4			12,999			780	std.	std.	825
Stanza E 4	12,199					780	std.	std.	825
Stanza GXE 4	14,249					780	std.	std.	825
240SX XE 4		13,249				830	std.	std.	825
240SX SE 4			13,499			830	std.	std.	825
Maxima GXE V-6	17,499					std.	std.	std.	std.
Maxima SE V-6	18,549					900	std.	std.	std.
300ZX GS V-6 (1990 model)			27,300			800	std.	std.	std.
300ZX GS 2 + 2 V-6 (1989 model)			24,649			780	std.	std.	std.
300ZX Turbo V-6 (1989 model)			25,949			780	std.	std.	std.

*—Radio is dealer installed on base Sentra and Sentra E. Nissan does not quote a price.
**—Automatic transmission price on Sentra E includes power steering.
***—Automatic transmission price on Sentra XE includes AM/FM/Stereo Radio.
Sentra 2-door sedans and 4-door sedans are U.S.-built.

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Auto Trans.	Power Steering	AM/FM Stereo	Air Cond.
OLDSMOBILE Cutlass Calais 4	9,995	9,995				405	std.	std.	*
Cutlass Calais S 4	10,995	10,895				515	std.	std.	*
Cutlass Calais SL 4	11,995	11,895				515	std.	std.	*
Cutlass Calais International 4	14,495	14,395				515	std.	std.	std.
Cutlass Ciera 4	12,195	11,695				std.	std.	std.	*
Cutlass Ciera SL 4	13,495	12,695				std.	std.	std.	*
Cutlass Ciera International 4	16,795	15,995				std.	std.	std.	std.
Cutlass Ciera Cruiser 4					12,995	std.	std.	std.	*
Cutlass Cruiser SL (3-seat wagon) 4					13,995	std.	std.	std.	*
Cutlass Supreme V-6		14,370				std.	std.	std.	std.
Cutlass Supreme SL V-6		15,270				std.	std.	std.	std.
Cutlass Supreme Intl. V-6		16,995				715	std.	std.	std.
88 Royale V-6	15,295	15,195				std.	std.	std.	std.
88 Royale Brougham V-6	16,395	16,295				std.	std.	std.	std.
Custom Cruiser V-8					16,795	std.	std.	std.	std.
98 Regency V-6	19,295					std.	std.	std.	std.
98 Regency Brougham V-6	20,495					std.	std.	std.	std.
Touring Sedan V-6	25,995					std.	std.	std.	std.
Toronado V-6		21,995				std.	std.	std.	std.
Toronado Trofeo V-6		24,995				std.	std.	std.	std.

*—Part of option package; not priced separately.

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Auto Trans.	Power Steering	AM/FM Stereo	Air Cond.
PEUGEOT 405-DL 4	14,500					650	std.	579*	std.
405-S 4	17,700					650	std.	std.	std.
405-Mi 16 4	20,700					N.A.	std.	std.	std.
505-S 4	19,295					650	std.	std.	std.
505 V-6	21,435					650	std.	std.	std.
505-STX V-6	25,895					650	std.	std.	std.
505 Turbo 4	26,335					650	std.	std.	std.
505-DL 4					17,590	650	std.	579*	std.
505-SW8 4					19,995	650	std.	std.	std.
505 Turbo 4					25,540	std.	std.	std.	std.
505-SW8 Turbo 4					25,695	std.	std.	std.	std.

*—Radio prices on 405-DL sedan and 505-DL wagon do not include installation charges.

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Auto Trans.	Power Steering	AM/FM Stereo	Air Cond.
PLYMOUTH Colt 4			6,678			N.A.	N.A.	273	739
Colt E 4			7,505			N.A.	259	273	739
Colt GT 4			8,563			499	259	273	739
Colt DL 4					9,316	499	259	273	739
Colt DL 4 (4wd)					11,145	N.A.	std.	273	739
Colt Vista 4					11,518	499	259	273	739
Colt Vista 4 (4wd)					12,828	N.A.	std.	273	739
Horizon America 4	6,595					*	*	*	775
Reliant America 4	7,595	7,595				*	240	*	775
Sundance 4	8,595		8,395			536	std.	std.	775
Laser 4			10,397			668	*	std.	775
Laser RS 4			11,417			668	std.	std.	775
Laser RS Turbo 4			13,394			N.A.	std.	std.	775
Acclaim 4	9,920					536	std.	std.	*
Acclaim LE 4	11,295					536	std.	std.	775
Acclaim LX V-6	13,195					std.	std.	std.	775
Gran Fury V-8**	11,995					std.	std.	std.	855

*—Part of option package; not priced separately.
**—Production of Gran Fury ended Dec. 23, 1988.
Colt and Colt Vista models are imported from Japan.

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Auto Trans.	Power Steering	AM/FM Stereo	Air Cond.
PONTIAC LeMans 4			6,599			N.A.	N.A.	307	N.A.
LeMans LE 4	8,349		7,999			445	214	std.	680
LeMans SE 4	9,749					445	214	std.	680
LeMans GSE 4			9,499			445	std.	std.	680
Sunbird LE 4	8,949	8,849				440	225	std.	695
Sunbird SE 4		9,099				440	225	std.	695
Sunbird GT 4		11,399		16,899		440	std.	std.	695

PRICES

	4-Door	2-Door	3-Door Hatchback	Convertible	4-Door Wagon	Auto. Trans.	Power Steering	AM/FM Stereo	Air Cond.
Grand Am LE 4	10,669	10,469				515	std.	std.	695
Grand Am SE 4	13,799	13,599				515	std.	std.	695
Firebird V-6		11,999				515	std.	std.	795
Firebird Formula V-8		13,949				515	std.	std.	std.
Firebird Trans Am V-8		15,999				515	std.	std.	std.
Firebird Trans Am GTA V-8		20,339				std.	std.	std.	std.
Pontiac 6000-LE 4	11,969					std.	std.	std.	795
Pontiac 6000-LE V-6					13,769	std.	std.	std.	795
Pontiac 6000-S/E V-6	15,399				16,699	std.	std.	std.	795
Pontiac 6000-STE (AWD) V-6	22,599					std.	std.	std.	std.
Grand Prix V-6		13,975				std.	std.	std.	std.
Grand Prix LE V-6		14,925				std.	std.	std.	std.
Grand Prix SE V-6		15,999				615	std.	std.	std.
Bonneville LE V-6	14,829					std.	std.	std.	std.
Bonneville SE V-6	17,199					std.	std.	std.	std.
Bonneville SSE V-6	22,899					std.	std.	std.	std.
Safari V-8					15,659	std.	std.	std.	std.

LeMans models are imported from South Korea.

	4-Door	2-Door	3-Door Hatchback	Convertible	4-Door Wagon	Auto. Trans.	Power Steering	AM/FM Stereo	Air Cond.
PORSCHE 944 4			33,245			1,060	std.	std.	std.
944-S2 4			41,900			N.A.	std.	std.	std.
944 Turbo 4			44,900			N.A.	std.	std.	std.
911 6		51,205		59,200		N.A.	N.A.	std.	std.
911 Targa 6		52,435				N.A.	N.A.	std.	std.
911 Speedster 6		65,480				N.A.	N.A.	std.	2,665
911 6 (4wd)		69,500				N.A.	N.A.	std.	std.
911 Turbo 6		70,975		85,060		N.A.	N.A.	std.	std.
911 Targa Turbo 6		77,065				N.A.	N.A.	std.	std.
928-S4 V-8			74,545			std.*	std.	std.	std.

*Automatic transmission or 5-speed manual are no-charge choices on 928-S4.

	4-Door	2-Door	3-Door Hatchback	Convertible	4-Door Wagon	Auto. Trans.	Power Steering	AM/FM Stereo	Air Cond.
ROLLS-ROYCE Silver Spirit V-8	129,800					std.	std.	std.	std.
Silver Spur V-8	142,600					std.	std.	std.	std.
Corniche II V-8				205,500		std.	std.	std.	std.
SAAB 900 16-valve 4	17,515		16,995			525	std.	std.	std.
900S 16-valve 4	20,245		19,695			525	std.	std.	std.
900 Turbo 16-valve 4	24,345		23,795	32,095		525	std.	std.	std.
900 Turbo SPG 16-valve 4			26,895			N.A.	std.	std.	std.
9000S 16-valve 4 (hatchback)	24,445					695	std.	std.	std.
9000 Turbo 16-valve 4 (hatchback)	30,795					695	std.	std.	std.
9000-CD Turbo 16-valve 4	30,895					695	std.	std.	std.
STERLING 827S V-6	23,300					800	std.	std.	std.
827SL V-6	29,675					std.	std.	std.	std.
827SLi V-6 (hatchback)	29,675					std.	std.	std.	std.
827LE V-6	30,150					std.	std.	std.	std.
SUBARU Justy 4			5,866			N.A.	N.A.	250	650
Justy GL 4			7,251			*	N.A.	std.	650
Justy RS 4 (4wd)			8,351			N.A.	N.A.	std.	650
GL Hatchback 4			8,596			560	N.A.	std.	640
DL 4	9,731		10,031		10,181	560	std.	std.	700
GL 4	11,521		11,821		11,971	560	std.	std.	700
RX Turbo 4 (4wd)			16,361			760	std.	std.	std.
GL-10 Turbo 4	16,401				16,851	std.	std.	std.	std.
Legacy 4	11,299				11,849	750	std.	325	879
Legacy L 4	12,499				13,049	750	std.	std.	879
Legacy L 4 (4wd)	13,699				14,249	750	std.	std.	879
Legacy LS 4	14,699				15,249	750	std.	std.	std.
Legacy LS 4 (4wd)	16,499				17,049	750	std.	std.	std.
XT GL 4		13,071				760	std.	std.	822
XT-6		17,111				std.	std.	std.	std.

Prices do not include suggested dealer preparation charge of $129.
*—Continuously variable transmission is $540 on Justy GL.

	4-Door	2-Door	3-Door Hatchback	Convertible	4-Door Wagon	Auto. Trans.	Power Steering	AM/FM Stereo	Air Cond.
SUZUKI Swift GTi 4			8,895			1,000	N.A.	std.	*
Swift GLX 4	7,495					std.	N.A.	*	*

*—Dealer installed: Suzuki does not quote a price.

	4-Door	2-Door	3-Door Hatchback	Convertible	4-Door Wagon	Auto. Trans.	Power Steering	AM/FM Stereo	Air Cond.
TOYOTA Tercel EZ 4			6,328			N.A.	N.A.	210	N.A.
Tercel 4			6,328			N.A.	N.A.	210	735
Tercel Standard 4			7,178			470	250	210	735
Tercel Standard 4		7,338				460	250	210	735
Tercel Deluxe 4	8,538	8,398	8,298			470	250	210	735
Corolla 4	8,548					470	250	330	745
Corolla Deluxe 4	9,198					470	250	330	745
Corolla Deluxe 4					9,788	470	250	380	745
Corolla LE 4	10,418					670	250	std.	745
Corolla Deluxe 4 (4wd)	10,608				11,498	770	250	330	745

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Auto. Trans.	Power Steering	AM/FM Stereo	Air Cond.
Corolla SR5 4 (4wd)					13,088	N.A.	std.	std.	745
Corolla Sport SR5 4		10,628				670	250	330	745
Corolla Sport GT-S 4		12,728				N.A.	250	std.	745
Camry 4	11,488					670	std.	330	795
Camry Deluxe 4	12,328					750	std.	330	795
Camry Deluxe 4					13,018	750	std.	360	795
Camry Deluxe 4 (4wd)	14,108					950	std.	330	795
Camry Deluxe V-6	13,638					750	std.	330	795
Camry Deluxe V-6					15,078	std.	std.	360	795
Camry LE 4	14,658				15,[illegible]8	std.	std.	std.	795
Camry LE 4 (4wd)	16,648					std.	std.	std.	795
Camry LE V-6	16,428				17,218	std.	std.	std.	std.
Cressida 6	21,498					std.	std.	std.	std.
MR2 4		13,798				750	N.A.	std.	795
MR2 4 (T-bar roof)		15,268				750	N.A.	std.	795
MR2 4 (supercharged)		17,628				750	N.A.	std.	795
Celica ST 4		11,808				670	std.	std.	795
Celica GT 4		13,408	13,658	18,318		670	std.	std.	795
Celica GT-S 4		15,388				750	std.	std.	960
Celica GT-S 4			15,738			N.A.	std.	std.	960
Celica Turbo 4 (4wd)			20,878			N.A.	std.	std.	960
Supra 6			22,360			750	std.	std.	std.
Supra 6 (sport roof)			23,430			750	std.	std.	std.
Supra Turbo 6			24,700			750	std.	std.	std.
Supra Turbo 6 (sport roof)			25,720			750	std.	std.	std.

The following Toyota models are U.S.-built: Corolla base, Deluxe and LE 2-wheel-drive 4-door sedans; Camry base, Deluxe and LE 2wd 4-door sedans with 4-cylinder engines.

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Auto. Trans.	Power Steering	AM/FM Stereo	Air Cond.
VOLKSWAGEN Fox 4		6,890				N.A.	N.A.	430	715
Fox GL 4	7,920	7,720			8,150*	N.A.	N.A.	430	715
Fox GLS Sport 4	8,395	8,195				N.A.	N.A.	430	715
Golf 4			8,465			505	275	520	805
Golf GL 4	9,380		9,170			505	275	585	805
GTI 16V 4			13,650			N.A.	std.	585	805
Jetta 4	9,910	9,690				505	280	520	805
Jetta Diesel 4	10,110					505	280	520	805
Jetta GL 4	11,120					505	std.	585	805
Jetta GLI 16V 4	14,770					N.A.	std.	585	805
Jetta Carat 4	15,140					505	std.	std.	std.
Cabriolet 4				15,195		505	290	std.	825
Cabriolet Bestseller 4				15,890		505	290	std.	825
Cabriolet Boutique 4				16,740		505	std.	std.	825

*Fox Wagon is a 2-door model.

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Auto. Trans.	Power Steering	AM/FM Stereo	Air Cond.
VOLVO 240-DL 4	17,250				17,740	645	std.	std.	std.
240-GL 4	20,110				20,850	std.	std.	std.	std.
740-GL 4	20,685				21,635	645	std.	std.	std.
740 Turbo 4	24,925				25,605	555	std.	std.	std.
760-GLE V-6	32,155					std.	std.	std.	std.
760-GLE Turbo 4	32,940				32,940	std.	std.	std.	std.
780 V-6		37,790				std.	std.	std.	std.
780 Turbo 4		38,975				std.	std.	std.	std.

Gas-guzzler tax is $500 on 760 GLE V-6 and 780 V-6.

	4-Door	2-Door	2-Door Hatchback	Convertible	4-Door Wagon	Auto. Trans.	Power Steering	AM/FM Stereo	Air Cond.
YUGO GV 4			4,349			N.A.	N.A.	239	999*
GVL 4			4,599			N.A.	N.A.	379	1,099*
GVX 4			5,699			N.A.	N.A.	379	1,099*

*Air conditioning price includes AM/FM/Stereo cassette player.

Retail prices, 1989 light trucks, domestic and import

These tables show the prices of domestic and imported light trucks, sport-utility vehicles and vans as of May 9, 1989. Prices are manufacturers' suggested retail prices. Import prices include ocean freight and U.S. import duty. None of the vehicle prices include destination charges, state and local taxes, optional equipment or any charges that may be passed on to the retail buyer. Vehicle prices are for the base vehicle with the base engine. In the equipment section, "Std." means standard equipment; "N.A." means the item is not available on the model mentioned. On some models, the standard-equipment radio is a delete option.

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	Base Price	Automatic Trans.	Power Steering	AM/FM Stereo	Air Cond.
CHEVROLET S-10 pickup (2wd) Fleetside EL (108.3-inch w.b.)	$ 7,474	$795	*	$175	$736
Fleetside (108.3-inch w.b.)	8,585	795	*	175	736
Fleetside (117.9-inch w.b.)	8,750	795	*	175	736
Extended Cab Fleet (122.9-inch w.b.)	9,435	795	*	175	736
S-10 pickup (4wd) Fleetside (108.3-inch w.b.)	11,275	795	std.	175	680
Fleetside (117.9-inch w.b.)	11,455	795	std.	175	680

PRICES

	Base Price	Automatic Trans.	Power Steering	AM/FM Stereo	Air Cond.
Extended Cab Fleet (122.9-inch w.b.)	12,085	795	std.	175	680
C-K pickup (2wd) C-1500 Sport (117.5-inch w.b.)	10,553	625	std.	268	781
C-1500 Fleet (117.5-inch w.b.)	10,335	795	std.	268	781
C-1500 Fleet (131.5-inch w.b.)	10,535	625	std.	268	781
C-1500 Extended Cab Fleet (141.5-inch w.b.)	11,267	625	std.	268	781
C-1500 Extended Cab Fleet (155.5-inch w.b.)	11,467	625	std.	268	781
C-2500 Fleet (131.5-inch w.b.)	11,143	625	std.	268	781
C-2500 Extended Cab Fleet (141.5-inch w.b.)	12,298	625	std.	268	781
C-2500 Extended Cab Fleet (155.5-inch w.b.)	12,498	625	std.	268	781
C-3500 Fleet (131.5-inch w.b.	12,778	625	std.	268	781
C-3500 Extended Cab Fleet (155.5-inch w.b.)	13,813	625	std.	268	781
C-K pickup (4wd) K-1500 Sport (117.5-inch w.b.)	12,576	625	std.	268	781
K-1500 Fleet (117.5-inch w.b.)	12,365	625	std.	268	781
K-1500 Fleet (131.5-inch w.b.)	12,560	625	std.	268	781
K-1500 Extended Cab Fleet (141.5-inch w.b.)	13,491	625	std.	268	781
K-1500 Extended Cab Fleet (155.5-inch w.b.)	13,691	625	std.	268	781
K-2500 Fleet (131.5-inch w.b.)	12,754	625	std.	268	781
K-2500 Extended Cab Fleet (141.5-inch w.b.)	13,871	625	std.	268	781
K-2500 Extended Cab Fleet (155.5-inch w.b.)	14,071	625	std.	268	781
K-3500 Fleet (131.5-inch w.b.)	14,874	625	std.	268	781
K-3500 Extended Cab Fleet (155.5-inch w.b.)	15,921	625	std.	268	781
R-V pickup (2wd; 164.5-inch w.b.) R-2500 Bonus Cab	14,164	625	std.	148	781
R-2500 Crew Cab	14,664	625	std.	148	781
R-3500 Bonus Cab	14,362	625	std.	148	781
R-3500 Crew Cab	14,871	625	std.	148	781
R-V pickup (4wd) (164.5-inch w.b.) V-3500 Bonus Cab	16,948	625	std.	148	781
V-3500 Crew Cab	17,461	625	std.	148	781
*Part of an option package. Not priced separately					
DODGE Ram 50 pickup (2wd) Base model (105.1-inch w.b.)	7,664	684	247	273	713
Sport (105.1-inch w.b.)	9,496	549	std.	273	713
Base model (116.1-inch w.b.)	8,320	684	247	273	713
Custom (116.1-inch w.b.)	8,769	684	247	273	713
Extended Cab (116.1-inch w.b.)	8,680	684	247	273	713
Extended Cab Sport (116.1-inch w.b.)	10,407	684	std.	273	713
Ram 50 pickup (4wd) Base model (105.1-inch w.b.)	10,485	690	247	273	713
Sport (105.1-inch w.b.)	12,169	555	std.	424*	713
Base model (116.1-inch w.b.)	11,044	690	247	273	713
Extended Cab (116.1-inch w.b.)	11,620	690	247	273	713
Extended Cab Sport (116.1-inch w.b.)	13,089	690	std.	424*	713
Dakota pickup (2wd) Sweptline (111.9-inch w.b.)	9,172	N.A.	275	std.	781
Sweptline (123.9-inch w.b.)	9,338	N.A.	275	std.	781
Dakota pickup (4wd) Sweptline (111.9-inch w.b.)	12,032	795	std.	std.	781
Sweptline (123.9-inch w.b.)	12,212	795	std.	std.	781
Dakota S pickup (2wd) Sweptline (111.9-inch w.b.)	7,497	795	275	239	781
Dakota Sport pickup (2wd) Sweptline (111.9-inch w.b.)	11,293	795	std.	std.	781
Sweptline convertible (111.9-inch w.b.)	14,425	795	std.	std.	781
Dakota Sport pickup (4wd) Sweptline (111.9-inch w.b.)	13,559	795	std.	std.	781
Sweptline convertible (111.9-inch w.b.)	16,595	795	std.	std.	781
2wd pickups D-100 Sweptline (115-inch w.b.)	9,685	625	std.	239	781
D-100 Sweptline (131-inch w.b.)	9,872	625	std.	239	781
D-150 Sweptline (115-inch w.b.)	10,693	625	std.	std.	781
D-150 Sweptline (131-inch w.b.)	10,893	625	std.	std.	781
D-250 Sweptline (131-inch w.b.)	11,722	625	std.	std.	781
D-350 Sweptline (131-inch w.b.)	13,111	625	std.	std.	781
4wd pickups W-100 Sweptline (115-inch w.b.)	11,588	625	std.	239	781
W-100 Sweptline (131-inch w.b.)	11,776	625	std.	239	781
W-150 Sweptline (115-inch w.b.)	12,898	625	std.	std.	781
W-150 Sweptline (131-inch w.b.)	13,099	625	std.	std.	781
W-250 Sweptline (131-inch w.b.)	13,807	625	std.	std.	781
W-350 Sweptline (131-inch w.b.)	14,904	625	std.	std.	781
*—Ram 50 Sport radio includes cassette player					
FORD Ranger (2wd) S Styleside (108-inch w.b.)	7,693	896	N.A.	N.A.	671
Styleside (108-inch w.b.)	9,045	896	274	93	671
Styleside (114-inch w.b.)	9,208	896	274	93	671
Supercab Styleside (125-inch w.b.)	10,458	896	std.	93	671
Ranger (4wd) S Styleside (108-inch w.b.)	10,837	896	std.	93	671
Styleside (108-inch w.b.)	11,641	896	std.	93	671
Styleside (114-inch w.b.)	11,805	896	std.	93	671
Supercab Styleside (125-inch w.b.)	13,258	896	std.	93	671
F-150 (2wd) S Styleside (117-inch w.b.)	10,067	687	std.	N.A.	787
S Styleside (133-inch w.b.)	10,267	687	std.	N.A.	787
Styleside (117-inch w.b.)	10,516	687	std.	84	787
Styleside (133-inch w.b.)	10,716	687	std.	84	787
Supercab Styleside (139-inch w.b.)	12,027	687	std.	84	787
Supercab Styleside (155-inch w.b.)	12,227	687	std.	84	787
F-150 (4wd) Styleside (117-inch w.b.)	12,399	687	std.	84	787
Styleside (133-inch w.b.)	12,594	687	std.	84	787
Supercab Styleside (139-inch w.b.)	13,989	687	std.	84	787
Supercab Styleside (155-inch w.b.)	14,184	687	std.	84	787
F-250 — under 8,500 pounds GVW Styleside (2wd; 133-inch w.b.)	11,419	687	std.	84	787
Styleside (4wd; 133-inch w.b.)	12,928	687	std.	84	787
F-250 HD — over 8,500 pounds GVW Styleside (2wd; 133-inch w.b.)	11,843	687	std.	84	787
Styleside (4wd; 133-inch w.b.)	14,892	687	std.	84	787
Supercab Styleside (2wd; 155-inch w.b.)	14,250	687	std.	84	787
Supercab Styleside (4wd; 155-inch w.b.)	16,395	687	std.	84	787
F-350 Styleside (2wd; 133-inch w.b.; dual-rear-wheels)	13,985	687	std.	84	787
Styleside (4wd; 133-inch w.b.; single-rear-wheels)	16,172	687	std.	84	787
Crew Cab Styleside (2wd; 168-inch w.b.; single-rear-wheels)	15,841	687	std.	84	787
Crew Cab Styleside (2wd; 168-inch w.b.; dual-rear-wheels)	16,426	687	std.	84	787
Crew Cab Styleside (4wd; 168-inch w.b.; single-rear-wheels)	18,391	687	std.	84	787
Chassis Cab (2wd; 133-inch w.b.; single-rear-wheels)	11,676	687	std.	84	787
Chassis Cab (2wd; 137-inch w.b.; dual-rear-wheels)	12,376	687	std.	84	787
Chassis Cab (2wd; 161-inch w.b.; dual-rear-wheels)	12,465	687	std.	84	787
Chassis Cab (4wd; 133-inch w.b.; single-rear-wheels)	14,795	687	std.	84	787
Chassis Cab (4wd; 137-inch w.b.; dual-rear-wheels)	16,293	687	std.	84	787
Chassis Cab (4wd; 161-inch w.b.; dual-rear-wheels)	16,382	687	std.	84	787
Supercab Styleside (2wd; 155-inch w.b.; dual-rear-wheels)	15,780	687	std.	84	787
GMC S-15 pickup (2wd) Wideside Special (108.3-inch w.b.)	7,527	795	275	175	736
Wideside (108.3-inch w.b.)	8,641	795	275	175	736
Wideside (117.9-inch w.b.)	8,806	795	275	175	736
Club Coupe Wideside (122.9-inch w.b.)	9,491	795	275	175	736
S-15 pickup (4wd) Wideside (108.3-inch w.b.)	11,331	795	std.	175	680
Wideside (117.9-inch w.b.)	11,511	795	std.	175	680
Club Coupe Wideside (122.9-inch w.b.)	12,141	795	std.	175	680
Sierra pickup (2wd) C-1500 Sportside (117.5-inch w.b.)	10,613	625	std.	268	781
C-1500 Wideside (117.5-inch w.b.)	10,395	625	std.	268	781
C-1500 Wideside (131.5-inch w.b.)	10,595	625	std.	268	781
C-1500 Club Coupe Wideside (141.5-inch w.b.)	11,327	625	std.	268	781
C-1500 Club Coupe Wideside (155.5-inch w.b.)	11,527	625	std.	268	781
C-2500 Wideside (131.5-inch w.b.)	11,203	625	std.	268	781
C-2500 Club Coupe Wideside (141.5-inch w.b.)	12,358	625	std.	268	781
C-2500 Club Coupe Wideside (155.5-inch w.b.)	12,558	625	std.	268	781
C-3500 Wideside (131.5-inch w.b.)	12,778	std.	std.	268	781
C-3500 Club Coupe Wideside (155.5-inch w.b.)	13,813	std.	std.	268	781
Sierra pickup (4wd) K-1500 Sportside (117.5-inch w.b.)	12,636	625	std.	268	781
K-1500 Wideside (117.5-inch w.b.)	12,425	625	std.	268	781
K-1500 Wideside (131.5-inch w.b.)	12,620	625	std.	268	781
K-1500 Club Coupe Wideside (141.5-inch w.b.)	13,561	625	std.	268	781
K-1500 Club Coupe Wideside (155.5-inch w.b.)	13,751	625	std.	268	781
K-2500 Wideside (131.5-inch w.b.)	12,814	625	std.	268	781
K-2500 Club Coupe Wideside (141.5-inch w.b.)	13,931	625	std.	268	781
K-2500 Club Coupe Wideside (155.5-inch w.b.)	14,131	625	std.	268	781
K-3500 Wideside (131.5-inch w.b.)	14,873	std.	std.	268	781
K-3500 Club Coupe Wideside (155.5-inch w.b.)	15,920	std.	std.	268	781
RV pickup (2wd; 164.5-inch w.b.) R-2500 Bonus Cab	14,225	625	std.	148	781
R-2500 Crew Cab	14,725	625	std.	148	781
R-3500 Bonus Cab	14,361	625	std.	148	781
R-3500 Crew Cab	14,870	625	std.	148	781
RV pickup (4wd; 164.5-inch w.b.) V-3500 Bonus Cab	16,947	625	std.	148	781
V-3500 Crew Cab	17,460	625	std.	148	781
ISUZU Half-ton (2wd) S Std. bed, 2.3 liter	7,649	N.A.	250	185	665
XS Standard bed, 2.3 liter	8,159	N.A.	250	150	665
S Long bed, 2.3-liter	8,239	N.A.	250	185	665
S Std. bed, 2.6-liter	8,029	800	250	185	665
LS Std. bed, 2.6-liter	10,429	800	std.	std.	665
S Long bed, 2.6-liter	9,329	std.	250	185	665
S Spacecab, 2.6-liter	9,279	N.A.	std.	185	665
XS Spacecab, 2.6-liter	10,099	N.A.	std.	150	665
LS Spacecab, 2.6-liter	11,629	800	std.	std.	665
One-ton (2wd) S Long bed, 2.6-liter	9,479	N.A.	std.	185	665
Half-ton (4wd) S Std. bed, 2.6-liter	10,579	N.A.	std.	185	665
XS Standard bed, 2.6-liter	11,029	N.A.	std.	150	665
LS Standard bed, 2.6-liter	13,079	N.A.	std.	std.	665
LS Spacecab, 2.6-liter	14,279	N.A.	std.	std.	665
JEEP Comanche (2wd) pickup, short bed	7,757	988	290	187	820
Pickup, Long bed	8,585	685*	290	187	820
Comanche (4wd) pickup, short bed	10,727	882	290	187	820

	Base Price	Automatic Trans.	Power Steering	AM/FM Stereo	Air Cond.
Pickup, Long bed	11,413	685	std	187	320

*—Automatic transmission on the 2wd long bed pickup is available only with the optional 4 0-liter I-6 engine

	Base Price	Automatic Trans.	Power Steering	AM/FM Stereo	Air Cond.
MAZDA B-2200 (2wd) Std. Short bed	7,799	650	275	250	725
SE-5 Short bed	8,199	600	275	250	725
LX Short bed	10,099	600	std.	250	725
Std. Long bed	8,299	N.A.	275	250	725
SE-5 Longe bed	8,699	N.A	275	250	725
Std. Cab Plus	9,299	600	275	250	725
SE-5 Cab Plus	9,599	600	275	250	725
LX Cab Plus	11,099	600	std	250	725
B-2600i (4wd) Std. short bed	10,609	N.A	std	250	725
SE-5 Short bed	11,109	N.A	std.	250	725
SE-5 Cab Plus	12,849	N.A.	std	250	725
LX Cab Plus	13,779	N.A	std	250	725
MITSUBISHI pickup (2wd) Mighty Max, 2.0-liter	7,599	840	290	295	677
Mighty Max Macrocab, 2.6-liter	8,809	650	290	295	677
Mighty Max Sport Short bed, 2.6-liter	8,489	N.A	290	295	677
Mighty Max Sport Long bed, 2.6-liter	9,079	N.A	290	295	677
SPX Macrocab, 2.6-liter	10,179	N.A	290	503*	677
One-ton (2wd) Mighty Max, 2.6-liter	8,869	N.A	std	295	677
Pickup (4wd) Mighty Max, 2.6-liter	10,559	N.A	std	295	677
Mighty Max Sport, 2.6-liter	11,889	N.A.	std	295	677
SPX, 2.6-liter	12,109	N.A	std	503*	677
SPX Macrocab, 2.6-liter	13,019	N.A	std	503*	677

*—Radio price for SPX models includes cassette player

	Base Price	Automatic Trans.	Power Steering	AM/FM Stereo	Air Cond.
NISSAN Hardbody Regular Cab (2wd) Standard	7,549	870*	315*	**	825
Hardbody Special	8,949	870*	315*	std	825
Hardbody V6	8,949	980*	std.	**	825
Hardbody Special-V6	9,949	980*	std	std	825
King Cab (2wd) Standard	9,149	555*	std.	**	825
Hardbody Special	10,149	555*	std	std	825
Hardbody SE-V6	12,199	980*	std	std	825
Hardbody Regular Cab (4wd) Standard	9,999	N.A	315	**	825
Hardbody Special	11,899	N.A	315	std	825
Hardbody V-6	11,899	1,030	std	**	825
Hardbody Special V-6	12,899	1,030	std	std.	825
King Cab (4wd) Standard	11,899	N.A	std	**	825
Hardbody Special	12,899	N.A.	std	std	825
Hardbody SE-V-6	14,249	1,030	std	std	825

*—Automatic transmission price includes power steering
**—Radio is dealer-installed. Nissan does not quote a price.
Nissan pickup trucks are built in the United States and also are imported from Japan.

	Base Price	Automatic Trans.	Power Steering	AM/FM Stereo	Air Cond.
TOYOTA pickups (2wd) short bed	7,998	N.A.	280	210	*
Deluxe short bed	8,558	830	280	210	*
Deluxe long bed	9,088	830	280	210	*
SR5 long bed	9,988	670	280	210	*
Xtracab Deluxe short bed	9,728	900	280	210	*
Xtracab SR5 short bed	10,988	680	280	210	*
Deluxe V6 long bed	10,368	850	std.	210	*
Xtracab Deluxe V6 short bed	11,008	850	std.	210	*
Xtracab SR5 V6 short bed	12,788	850	std.	std.	*
Deluxe V6 One-ton (2wd)	11,008	850	std.	210	*
Pickups (4wd) Deluxe short bed	11,288	N.A.	280	210	*
SR5 short bed	12,218	N.A.	280	210	*
Deluxe long bed	11,898	1,180	280	210	*
Xtracab Deluxe short bed	12,538	1,180	280	210	*
Xtracab SR5 short bed	13,528	1,170	280	210	*
Deluxe V6 short bed	12,428	N.A.	std.	210	*
SR5 V6 short bed	14,248	N.A.	std.	std.	*
Deluxe V6 long bed	12,988	1,240	std.	210	*
Xtracab Deluxe V6 short bed	13,628	1,240	std.	210	*
Xtracab SR5 V6 short bed	15,418	1,230	std.	std.	*

*—Air conditioning is port-installed. Toyota does not quote a price.

Retail prices, 1989 sport-utility vehicles, domestic and import

	Base Price	Automatic Trans.	Power Steering	AM/FM Stereo	Air Cond.
CHEVROLET S-10 Blazer (100.5-inch w.b.) Tailgate (2wd)	$11,680	$795*	std	$275	$680
Tailgate (4wd)	13,255	795*	std	275	680
V Blazer (106.5-inch w.b.) Utility (4wd)	15,355	795	std	148	781
Suburban (129.5-inch w.b.) R-1500 Panel doors (2wd)	14,545	std.	std.	148	781
R-1500 Tailgate (2wd)	14,585	std.	std.	148	781
V-1500 Panel doors (4wd)	15,505	795	std.	148	781
V-1500 Tailgate (4wd)	15,545	795	std.	148	781
R-2500 Panel doors (2wd)	15,184	625	std.	148	781
R-2500 Tailgate (2wd)	15,224	625	std.	148	781
V-2500 Panel doors (4wd)	16,939	625	std.	148	781
V-2500 Tailgate (4wd)	16,979	625	std.	148	781
Geo Tracker 2-door	10,695	N.A.	N.A.	$302	695
Convertible	10,395	N.A.	N.A.	302	695
LSi 2-door	12,695	std.	N.A.	302	std.

*—Only available with optional 4.3 liter V6 engine.
Note: Geo Tracker models are imported from Japan. Production in Canada will begin in summer, 1989.

	Base Price	Automatic Trans.	Power Steering	AM/FM Stereo	Air Cond.
DODGE Raider (4wd, 92.5-inch w.b.)	12,550	730	std	273	781
Ramcharger (106-inch w.b.) AD-100 (2wd)	12,785	std.	std	190	781
AD-150 (2wd)	14,927	std	std	std.	781
AW-100 (4wd)	14,043	625	std.	190	781
AW-150 (4wd)	15,676	625	std.	std	781
FORD Bronco II (94-inch w.b.) 4-passenger (2wd)	12,405	957	std.	100	750
4-passenger (4wd)	13,915	957	std.	100	750
Bronco (105-inch w.b.) 5-passenger (4wd)	15,909	687	std	146	787
GMC Jimmy (100.5-inch w.b.) Tailgate (2wd)	11,738	795	std	275	680
Tailgate (4wd)	13,313	795	std.	275	680
V Jimmy (106.5-inch w.b.) Utility (4wd)	15,415	795	std.	148	781
Suburban (2wd; 129.5-inch w.b.) R-1500 Panel doors	14,605	625	std.	148	781
R-1500 Tailgate	14,645	625	std.	148	781
R-2500 Panel doors	15,244	625	std.	148	781
R-2500 Tailgate	15,284	625	std.	148	781
Suburban (4wd; 129.5-inch w.b.) V-1500 Panel doors	15,565	625	std.	148	781
V-1500 Tailgate	15,605	625	std.	148	781
V-2500 Panel doors	16,999	625	std.	148	781
V-2500 Tailgate	17,039	625	std.	148	781
ISUZU Trooper II RS 2-door	14,899	1,000	std.	std.	850
S 4-door	13,149	1,000	std.	185	850
XS 4-door	14,149	1,000	std.	std.	850
LS 4-door	15,839	1,000	std.	std.	850
Amigo S (2wd)	8,999	N.A.	325	185	750
XS (2wd)	10,269	N.A.	std.	185	750
S (4wd)	11,769	N.A.	std.	185	750
XS (4wd)	12,969	N.A.	std.	185	750
JEEP Wrangler S 2-door (4wd)	8,995	N.A.	294	265	N.A.
Wrangler 2-door (4wd)	11,022	497	294	167	861
Wrangler Islander 2-door (4wd)	11,721	497	294	167	861
Wrangler Sahara 2-door (4wd)	12,853	497	std.	std.	861
Wrangler Laredo 2-door (4wd)	14,867	497	std.	std.	861
Cherokee 2-door wagon (2wd)	12,374	795	std.	187	820
Cherokee 4-door wagon (2wd)	13,186	795	std.	187	820
Cherokee 2-door wagon (4wd)	13,715	795	std.	187	820
Cherokee 4-door wagon (4wd)	14,529	795	std.	187	820
Cherokee Limited 2-door wagon (4wd)	23,282	std.	std.	std.	std.
Cherokee Limited 4-door wagon (4wd)	24,386	std.	std.	std.	std.
Wagoneer Limited 4-door wagon (4wd)	23,455	std	std.	std.	std.
Grand Wagoneer 4-door wagon (4wd)	26,639	std.	std.	std.	std.
LAFORZA 4-door wagon (4wd)	43,850	std.	std.	std.	std.
LAMBORGHINI LM002 (4wd)	126,000	N.A.	std	std.	std.
MITSUBISHI Montero SP 2-door	12,299	N.A.	std	324	810
Montero SP V6 2-door	13,949	690	std	324	810
Montero Sport V6 2-door	15,399	std	std	std.	810
Montero V6 4-door	17,099	690	std	std.	810
Montero LS V6 4-door	18,389	std	std	std	810
NISSAN Pathfinder XE 2-door (2wd)	15,399	1,155*	std	std	825
Pathfinder XE 2-door (4wd)	17,399	1,155*	std	std	825
Pathfinder SE 2-door (4wd)	20,499	930	std	std	std.

*—Automatic transmission price includes cruise control and variable intermittent wipers.

	Base Price	Automatic Trans.	Power Steering	AM/FM Stereo	Air Cond.
RANGE ROVER 4-door wagon	36,600	std	std	std	std.

	Base Price	Automatic Trans	Power Steering	AM FM Stereo	Air Cond
County 4-door wagon	43,100	std	std	std	std
SUZUKI Samurai (2-door; 4wd) Standard soft top	8,854	N.A.	N.A.	*	*
Standard Hardtop	8,954	N.A.	N.A.	*	*
Sidekick (2-door; 4wd) Standard JA soft top (2-seat)	8,995	N.A.	N.A.	*	*
Deluxe JX soft top (2-seat)	10,995	N.A.	N.A.	std	*
Deluxe JX soft top (4-seat)	11,550	N.A.	N.A.	std	*
Deluxe JX hardtop (2-seat)	12,495	std	N.A.	std	*
Deluxe JX hardtop (4-seat)	13,014	std	N.A.	std	*
Custom JLX soft top (2-seat)	12,595	std	N.A.	std	*
Custom JLX soft top (4-seat)	13,294	std	N.A.	std	*
Custom JLX hardtop (2-seat)	13,595	std	std	std	*
Custom JLX hardtop (4-seat)	14,274	std	std	std	*

*—Dealer installed. Suzuki does not quote a price.
Note: Suzuki Sidekick models are imported from Japan and also built in Canada.

	Base Price	Automatic Trans	Power Steering	AM FM Stereo	Air Cond
TOYOTA 4Runner (4wd) Deluxe (2-passenger)	13,988	1,170	280	210	N.A.
Deluxe (5-passenger)	15,968	1,170	285	210	N.A.
Deluxe V6 (2-passenger)	15,078	1,170	std	210	N.A.
SR5 V6 (5-passenger)	18,428	1,120	std	std	795
SR5 (5-passenger)	17,618	1,120	std	std	795

Retail prices, 1989 vans, domestic and import

	Base Price	Automatic Trans	Power Steering	AM FM Stereo	Air Cond (Front)	Air Cond (Front and Rear)
CHEVROLET Astro Cargo van	$10,400	$735	std	$253	$736	N.A.
Astro CS passenger van	11,900	610	std	293	736	$1,320
Astro CL passenger van	12,633	610	std	293	736	1,320
Astro LT passenger van	14,144	610	std	293	736	1,320
Chevy van G-10 (110-inch w.b.)	11,145	315	std	228	904	1,499
G-10 (125-inch w.b.)	11,405	315	std	228	904	1,499
G-20 (110-inch w.b.)	11,455	315	std	228	904	1,499
G-20 (125-inch w.b.)	11,725	315	std	228	904	1,499
G-30 (125-inch w.b.)	12,302	std	std	228	904	1,499
G-30 Heavy-duty (125-inch w.b.)	13,370	std	std	228	904	1,499
Sport van G-10 sport van (110-inch w.b.)	12,638	485	std	228	904	1,499
G-10 sport van (125-inch w.b.)	12,899	485	std	228	904	1,499
G-10 Beauville (125-inch w.b.)	14,221	485	std	228	904	1,499
G-20 Sport van (125-inch w.b.)	13,121	485	std	228	904	1,499
G-20 Beauville (125-inch w.b.)	14,440	485	std	228	904	1,499
G-30 Sport van (125-inch w.b.)	15,494	std	std	228	904	1,499
G-30 Beauville (125-inch w.b.)	16,813	std	std	228	904	1,499
G-30 Heavy-duty sport van (125-inch w.b.)	14,855	std	std	228	904	1,499
G-30 Heavy-duty Beauville (125-inch w.b.)	16,155	std	std	228	904	1,499
DODGE Caravan C/V (112-inch w.b.)	10,592	565	std	std	840	N.A.
Caravan Extended C/V (119-inch w.b.)	11,401	565	std	std	840	N.A.
Dodge van B-150 (109.6-inch w.b.)	11,430	310	std	std	951	N.A.
B-150 (127.6-inch w.b.)	12,000	std	std	std	951	N.A.
B-250 (109.6-inch w.b.)	11,741	310	std	std	951	N.A.
B-250 (127.6-inch w.b.)	12,379	std	std	std	951	N.A.
B-250 Maxivan (127.6-inch w.b.)	13,250	std	std	std	951	N.A.
B-350 (127.6-inch w.b.)	13,321	std	std	std	951	N.A.
B-350 Maxivan (127.6-inch w.b.)	14,191	std	std	std	951	N.A.
Long Range Ram Van B-150 (109.6-inch w.b.)	10,729	310	std	std	951	N.A.
Long Range Ram Van B-150 (127.6-inch w.b.)	11,973	std	std	std	951	N.A.
Ram Value Wagon B-150 (109.6-inch w.b.)	13,273	310	std	std	951	N.A.
Dodge wagon B-150 (109.6-inch w.b.)	13,339	310	std	std	N.A.	N.A.
B-150 (127.6-inch w.b.)	13,862	std	std	std	951	1,753*
B-250 (127.6-inch w.b.)	14,431	std	std	std	951	1,753*
B-250 Maxiwagon (127.6-inch w.b.)	15,573	std	std	std	951	1,753*
B-350 (127.6-inch w.b.)	15,338	std	std	std	951	1,753*
B-350 Maxiwagon (127.6-inch w.b.)	16,473	std	std	std	951	1,753*
Caravan	11,312	565	std	std	840	N.A.
Caravan SE	12,039	565	std	std	**	N.A.
Caravan LE	13,987	565	std	std	std	N.A.
Grand Caravan SE	13,161	565	std	std	**	560
Grand Caravan LE	16,462	735	std	std	std	560

*—V-8 models only. Includes auxiliary heater.
**—Part of an option package. Not priced separately.

	Base Price	Automatic Trans	Power Steering	AM FM Stereo	Air Cond (Front)	Air Cond (Front and Rear)
FORD Aerostar wagon (standard length)	11,745	623	std	211	846	1,422
Aerostar wagon (extended length)	12,392	623	std	211	846	1,422
Aerostar Cargo van (standard length)	11,226	668	std	221	876	N.A.
Aerostar Cargo van (extended length)	11,766	668	std	221	876	N.A.
Aerostar Window van (standard length)	11,609	668	std	221	876	N.A.
Aerostar Window van (extended length)	12,149	668	std	221	876	N.A.
Club Wagon E-150 (138-inch w.b.)	15,241	std	std	146	927	1,627
E-250 (138-inch w.b.)	16,083	std	std	146	927	1,627
E-350 (138-inch w.b.)	17,522	std	std	146	927	1,627
Econoline E-150 Cargo van (124-inch w.b.)	11,443	687	std	101	927	1,627
E-150 Cargo van (138-inch w.b.)	11,702	687	std	101	927	1,627
E-150 Super Cargo van (138-inch w.b.)	13,291	std	std	101	927	1,627
E-250 Cargo van (138-inch)	12,684	std	std	101	927	1,627
E-250 Super Cargo van (138-inch w.b.)	13,400	std	std	101	927	1,627
E-350 Cargo van (138-inch w.b.)	13,489	std	std	101	927	1,627
E-350 Super Cargo van (138-inch w.b.)	14,607	std	std	101	927	1,627
GMC Safari (cargo)	10,457	735	std	253	736	N.A.
Safari SLX (passenger)	11,957	610	std	293	736	1,320
Safari SLE (passenger)	12,690	610	std	293	736	1,320
Safari SLT (passenger)	14,201	610	std	293	736	1,320
Vandura G-1500 Vandura (110-inch w.b.)	11,205	485	std	228	904	1,499
G-1500 Vandura (125-inch w.b.)	11,465	485	std	228	904	1,499
G-2500 Vandura (110-inch w.b.)	11,515	485	std	228	904	1,499
G-2500 Vandura (125-inch w.b.)	11,785	485	std	228	904	1,499
G-3500 Vandura (125-inch w.b.)	12,302	std	std	228	904	1,499
Rally G-1500 Rally (110-inch w.b.)	12,698	485	std	228	904	1,499
G-1500 Rally (125-inch w.b.)	12,959	485	std	228	904	1,499
G-1500 Rally STX (125-inch w.b.)	14,281	485	std	228	904	1,499
G-2500 Rally (125-inch w.b.)	13,181	485	std	228	904	1,499
G-2500 Rally STX (125-inch w.b.)	14,500	485	std	228	904	1,499
G-3500 Rally (125-inch w.b.)	15,494	std	std	228	904	1,499
G-3500 Rally STX (125-inch w.b.)	16,813	std	std	228	904	1,499
G-3500 Heavy-duty Rally (125-inch w.b.)	14,855	std	std	228	904	1,499
G-3500 Heavy-duty Rally STX (125-inch w.b.)	16,155	std	std	228	904	1,499
MAZDA MPV 2-passenger Cargo van	11,199	700	std	std	849	1,497
MPV 5-passenger wagon	13,199	700	std	std	849	1,497
MPV 7-passenger wagon (2wd)	14,049	700	std	std	849	1,497
MPV 7-passenger wagon (4wd)	18,379	std	std	std	849	1,497
MITSUBISHI cargo van	11,229	std	268	453*	***	N.A.
Wagon	14,929	std	268	511**	N.A.	1,426
LS Wagon	16,579	std	std	std	N.A.	1,426

*—Radio price on cargo van includes cassette player and two speakers.
**Radio price on wagon includes cassette player and four speakers.
***Front air conditioning on cargo van is dealer installed. Mitsubishi does not quote a price.

	Base Price	Automatic Trans	Power Steering	AM FM Stereo	Air Cond (Front)	Air Cond (Front and Rear)
NISSAN Axxess XE (2wd)	13,949	750	std	std	*	N.A.
Axxess SE (2wd)	16,749	std	std	std	*	N.A.
Axxess XE (4wd)	15,749	750	std	std	*	N.A.
Axxess SE (4wd)	18,749	std	std	std	*	N.A.

*—Part of an option package. Not priced separately.

	Base Price	Automatic Trans	Power Steering	AM FM Stereo	Air Cond (Front)	Air Cond (Front and Rear)
PLYMOUTH Voyager	11,312	565	std	std	840	N.A.
Voyager SE	12,039	565	std	std	*	N.A.
Voyager LE	13,987	565	std	std	std	N.A.
Grand Voyager SE	13,161	565	std	std	*	560
Grand Voyager LE	16,462	735	std	std	std	560

*—Part of option package; not priced separately.

	Base Price	Automatic Trans	Power Steering	AM FM Stereo	Air Cond (Front)	Air Cond (Front and Rear)
TOYOTA cargo van-Window	11,058	670	360*	**	**	**
Cargo van-Panel	10,758	670	360*	**	**	**
Cargo van-Panel (4wd)	14,018	std	std	**	**	**
Deluxe passenger van	13,608	670	275	360	N.A.	1,420
LE passenger van	15,538	670	275	std	N.A.	1,420
Deluxe passenger van (4wd)	16,068	780	std	360	N.A.	1,420
LE passenger van (4wd)	18,448	std	std	std	N.A.	1,420

*—Power steering price includes tilt steering wheel.
**—Port installed. Toyota does not quote a price.

OPTIONS/EQUIPMENT

Car buyers continued to show strong interest in most factory-installed convenience, comfort and safety options in 1988.

More than 86 percent of all cars built in the United States last year were equipped with three- or four-speed automatic transmissions. Sporty five-speed gearboxes maintained a small share of the market.

Six-cylinder engines went into nearly one-third of the cars produced. Interest in turbocharged powerplants waned somewhat in 1988 compared to the previous year.

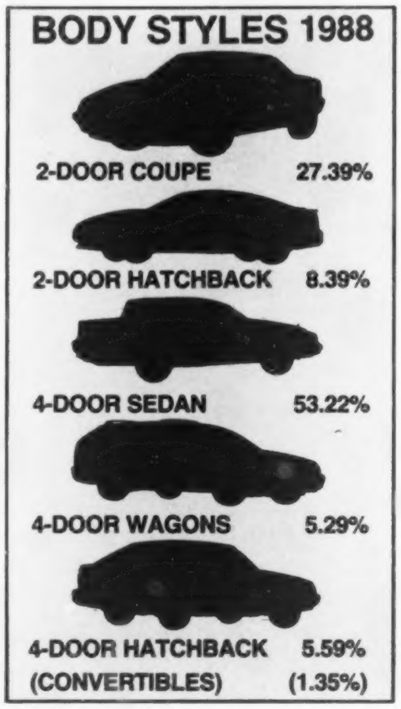
Power options were installed on the majority of cars last year. Power steering and power brakes were virtually standard equipment.

Demand varied for sophisticated factory-installed sound and entertainment systems in 1988. Most cars were equipped with stereo AM/FM radios. Almost half of the domestic cars included stereo cassette players. But compact disc installations garnered less than one-half of a point of total car production.

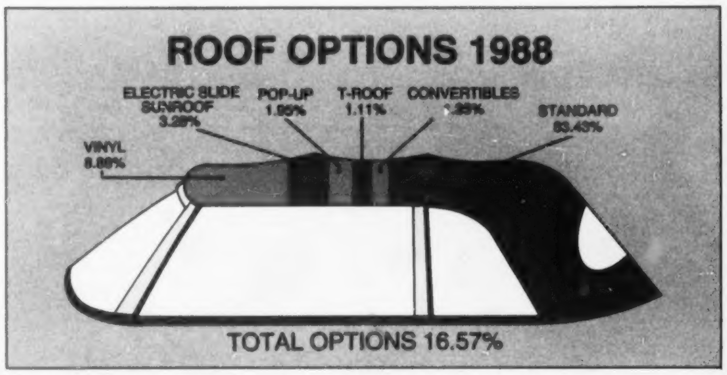
Interest in anti-lock braking systems, and expanded availability of air bags as optional or standard equipment, added to the popularity of automotive safety features last year.

Also gaining momentum were styled wheels which were installed on more than 29 percent of domestic cars.

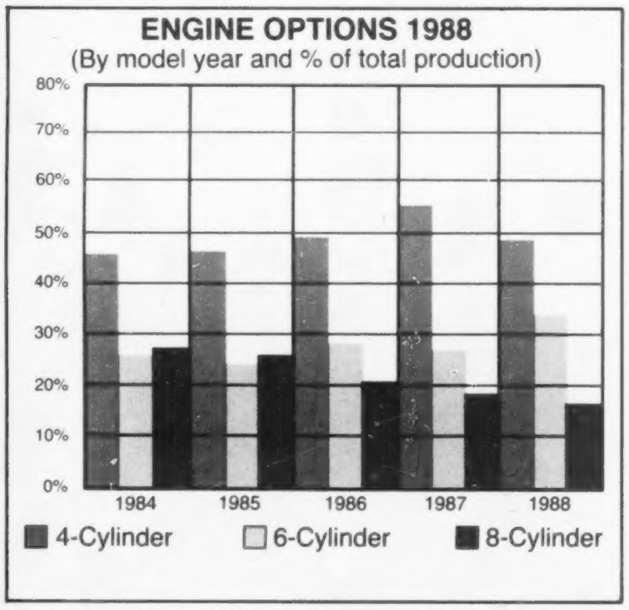
This year for the first time the Automotive News Market Data Book features option statistics on imported cars. Installation figures for imports begin on page 94.



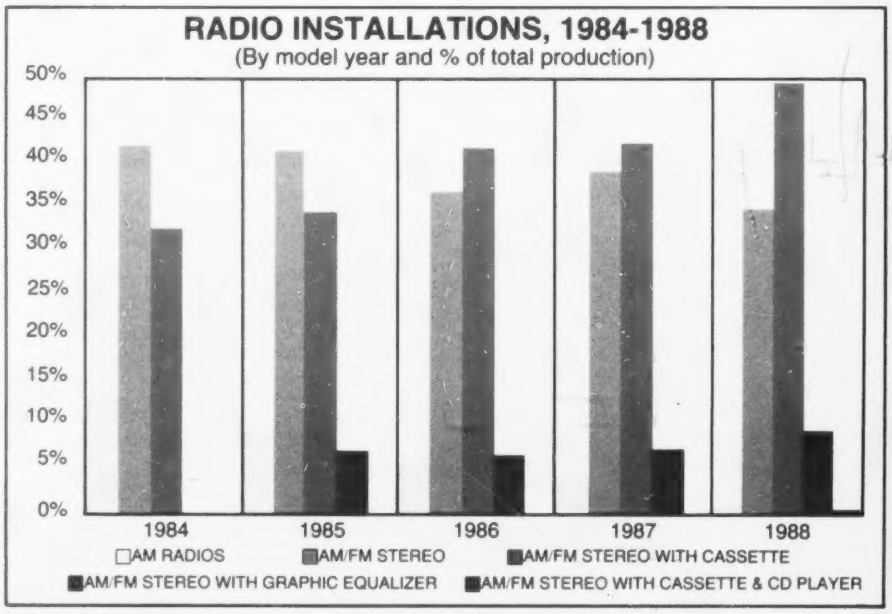
See table on page 85.



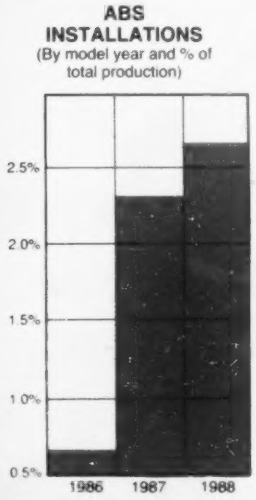
Vinyl roof installations shrank over two points in 1988. Electrical-slide sunroofs gained almost two points of total production. Factory-installed convertible roofs were more popular and accounted for more than a point of total domestic car output in 1988. See table on page 90.



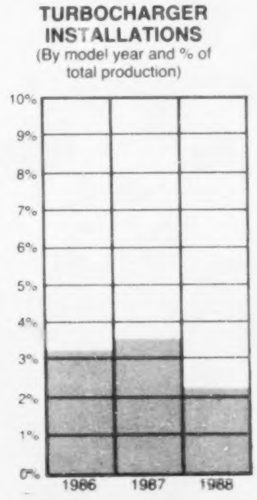
Power was on the rise in 1988. Four-cylinder engines were the choice in nearly half of the cars built in the U.S. last year; sixes were installed in over a third of the cars produced. See table on page 82.



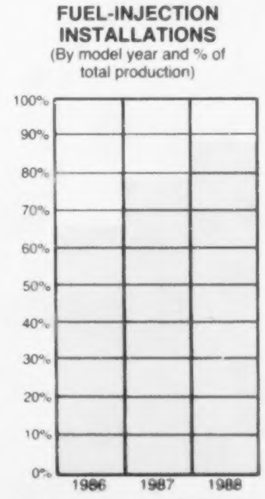
Most U.S.-built cars were equipped with stereo sound in 1988. Nearly half had factory AM/FM stereo radio and cassette decks. See table on page 86.



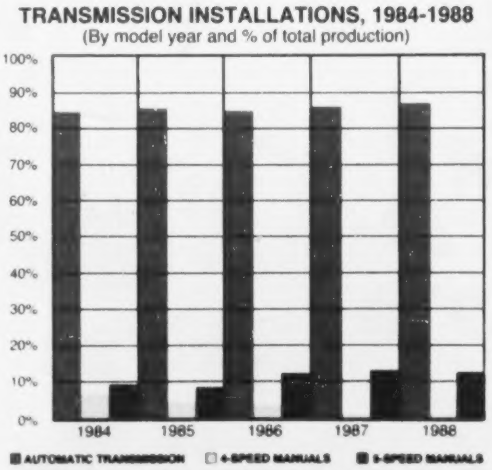
Anti-lock braking system installations rose in 1988. See table on page 89.



Turbocharger installations fell almost a point in 1988. See table on page 89.



Nearly 90 percent of domestic cars were fuel-injected. See table on page 82.



Automatic transmissions were installed in the majority of cars produced in the U.S. in 1988. See table on page 83.

OPTIONS/EQUIPMENT

Engine options on 1988 U.S. models

Note All numbers are based on 1988 model year production

	V-8 Gasoline	Percent of Output	6-Cylinder Gasoline	Percent of Output	4-Cylinder Gasoline	Percent of Output	Multi-Valve Engine	Percent of Output	Turbo-charging	Percent of Output	Throttle Body Fuel Injection	Percent of Output	Port Fuel Injection	Percent of Output
CHRYSLER MOTORS	**81,171**	**7.14**	**145,512**	**12.81**	**909,439**	**80.05**	**0**	**0.00**	**113,920**	**10.03**	**719,922**	**63.37**	**259,331**	**22.83**
Plymouth Total	11,434	3.27	0	0.00	338,707	96.73	0	0.00	9,046	2.58	329,762	94.18	8,945	2.55
Horizon	0	0.00	0	0.00	66,997	100.00	0	0.00	0	0.00	66,997	100.00	0	0.00
Sundance	0	0.00	0	0.00	101,441	100.00	0	0.00	7,304	7.20	94,239	92.90	7,202	7.10
Reliant	0	0.00	0	0.00	148,209	100.00	0	0.00	0	0.00	148,209	100.00	0	0.00
Caravelle	0	0.00	0	0.00	22,060	100.00	0	0.00	1,743	7.90	20,317	92.10	1,743	7.90
Gran Fury	11,434	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Chrysler Total	49,029	17.25	82,616	29.07	152,575	53.68	0	0.00	67,693	23.82	84,882	29.86	150,309	52.88
LeBaron K	0	0.00	0	0.00	29,091	100.00	0	0.00	4,975	17.10	24,116	82.90	4,975	17.10
LeBaron J	0	0.00	0	0.00	94,473	100.00	0	0.00	45,914	48.60	48,559	51.40	45,914	48.60
LeBaron GTS	0	0.00	0	0.00	19,406	100.00	0	0.00	7,200	37.10	12,206	62.90	7,200	37.10
New Yorker E	0	0.00	0	0.00	9,605	100.00	0	0.00	9,605	100.00	0	0.00	9,605	100.00
New Yorker C	0	0.00	82,616	100.00	0	0.00	0	0.00	0	0.00	0	0.00	82,616	100.00
Fifth Avenue	49,029	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Dodge Total	20,708	4.13	62,896	12.54	418,157	83.34	0	0.00	37,181	7.41	305,278	60.84	100,077	19.95
Daytona	0	0.00	0	0.00	74,852	100.00	0	0.00	19,836	26.50	55,016	73.50	19,836	26.50
Omni	0	0.00	0	0.00	64,740	100.00	0	0.00	0	0.00	64,740	100.00	0	0.00
Shadow	0	0.00	0	0.00	106,619	100.00	0	0.00	12,048	11.30	94,571	88.70	12,048	11.30
Aries	0	0.00	0	0.00	131,649	100.00	0	0.00	0	0.00	55,951	42.50	0	0.00
Dodge 600	0	0.00	0	0.00	21,221	100.00	0	0.00	1,549	7.30	19,672	92.70	1,549	7.30
Dynasty	0	0.00	62,896	92.30	5,247	7.70	0	0.00	0	0.00	5,247	7.70	62,896	92.30
Lancer	0	0.00	0	0.00	13,829	100.00	0	0.00	3,748	27.10	10,081	72.90	3,748	27.10
Diplomat	20,708	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
FORD MOTOR CO.	**668,297**	**26.76**	**657,077**	**26.31**	**1,172,382**	**46.94**	**0**	**0.00**	**47,117**	**1.89**	**0**	**0.00**	**2,497,783**	**100.00**
Ford Division	270,084	16.35	413,117	25.01	968,763	58.64	0	0.00	47,117	2.85	0	0.00	1,651,991	100.00
Escort	0	0.00	0	0.00	422,035	100.00	0	0.00	0	0.00	0	0.00	422,035	100.00
Mustang	103,078	48.80	0	0.00	108,147	51.20	0	0.00	0	0.00	0	0.00	211,225	100.00
Probe	0	0.00	0	0.00	45,460	100.00	0	0.00	9,865	21.70	0	0.00	45,460	100.00
Tempo	0	0.00	0	0.00	313,262	100.00	0	0.00	0	0.00	0	0.00	313,262	100.00
Crown Victoria	125,189	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	125,189	100.00
Taurus	0	0.00	344,944	89.00	42,606	10.99	0	0.00	0	0.00	0	0.00	387,577	100.00
Thunderbird	41,817	28.40	68,174	46.30	37,252	25.30	0	0.00	37,252	25.30	0	0.00	147,243	100.00
L-M Division	398,213	47.08	243,960	28.84	203,619	24.07	0	0.00	0	0.00	0	0.00	845,792	100.00
Mercury Total	158,841	28.11	202,673	35.86	203,619	36.03	0	0.00	0	0.00	0	0.00	565,133	100.00
Tracer Lynx	0	0.00	0	0.00	91,733	100.00	0	0.00	0	0.00	0	0.00	91,733	100.00
Topaz	0	0.00	0	0.00	111,886	100.00	0	0.00	0	0.00	0	0.00	111,886	100.00
Grand Marquis	121,067	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	121,067	100.00
Cougar	37,774	31.70	81,388	68.30	0	0.00	0	0.00	0	0.00	0	0.00	119,162	100.00
Sable	0	0.00	121,285	100.00	0	0.00	0	0.00	0	0.00	0	0.00	121,285	100.00
Lincoln Total	239,372	85.29	41,287	14.71	0	0.00	0	0.00	0	0.00	0	0.00	280,659	100.00
Continental	0	0.00	41,287	100.00	0	0.00	0	0.00	0	0.00	0	0.00	41,287	100.00
Lincoln	201,113	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	201,113	100.00
Mark VII	38,259	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	38,259	100.00
GENERAL MOTORS	**611,803**	**15.94**	**1,961,255**	**51.10**	**1,267,351**	**33.02**	**62,154**	**1.62**	**18,846**	**0.49**	**1,352,939**	**35.25**	**2,029,177**	**52.87**
Buick Total	9,659	1.67	469,568	81.22	100,904	17.45	0	0.00	0	0.00	89,573	15.49	478,902	82.84
Skyhawk	0	0.00	0	0.00	29,134	100.00	0	0.00	0	0.00	29,134	100.00	0	0.00
Century	0	0.00	81,651	72.09	31,604	27.90	0	0.00	0	0.00	31,599	27.90	81,659	72.10
Regal (fwd)	0	0.00	130,001	100.00	0	0.00	0	0.00	0	0.00	0	0.00	130,001	100.00
Somerset/Skylark	0	0.00	16,626	30.34	40,166	73.31	0	0.00	0	0.00	28,840	52.64	25,952	47.36
LeSabre (fwd)	0	0.00	136,044	100.00	0	0.00	0	0.00	0	0.00	0	0.00	136,044	100.00
LeSabre (rwd)	9,659	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Electra (fwd)	0	0.00	91,913	100.00	0	0.00	0	0.00	0	0.00	0	0.00	91,913	100.00
Reatta	0	0.00	4,708	100.00	0	0.00	0	0.00	0	0.00	0	0.00	4,708	100.00
Riviera	0	0.00	8,625	100.00	0	0.00	0	0.00	0	0.00	0	0.00	8,625	100.00
Cadillac Total	264,390	97.62	6,454	2.38	0	0.00	0	0.00	0	0.00	56,178	20.74	161,536	59.64
Cimarron	0	0.00	6,454	100.00	0	0.00	0	0.00	0	0.00	0	0.00	6,454	100.00
Allante	2,569	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	2,569	100.00
Brougham (rwd)	53,130	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
DeVille (fwd)	152,513	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	152,513	100.00
Eldorado	33,210	100.00	0	0.00	0	0.00	0	0.00	0	0.00	33,210	100.00	0	0.00
Seville	22,968	100.00	0	0.00	0	0.00	0	0.00	0	0.00	22,968	100.00	0	0.00
Chevrolet Total	263,072	17.70	644,631	43.38	578,277	38.92	0	0.00	0	0.00	0	0.00	1,237,038	83.25
Camaro	53,455	55.52	42,820	44.48	0	0.00	0	0.00	0	0.00	0	0.00	42,842	44.50
Cavalier	0	0.00	71,076	22.01	251,863	77.99	0	0.00	0	0.00	0	0.00	322,939	100.00
Celebrity	0	0.00	157,164	60.81	101,292	39.19	0	0.00	0	0.00	0	0.00	258,456	100.00
Corsica	0	0.00	146,737	50.40	144,426	49.60	0	0.00	0	0.00	0	0.00	291,163	100.00
Beretta	0	0.00	194,402	70.67	80,696	29.33	0	0.00	0	0.00	0	0.00	275,098	100.00
Monte Carlo	16,204	53.70	13,970	46.30	0	0.00	0	0.00	0	0.00	0	0.00	5,220	17.30
Caprice	170,624	90.24	18,462	9.76	0	0.00	0	0.00	0	0.00	0	0.00	18,530	9.80
Corvette	22,789	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	22,789	100.00
Oldsmobile Total	27,444	3.59	549,613	71.93	187,074	24.48	3,254	0.43	0	0.00	656,645	85.93	68,691	8.99
Firenza	0	0.00	0	0.00	12,260	100.00	0	0.00	0	0.00	12,260	100.00	0	0.00
Calais	0	0.00	11,936	10.82	98,340	89.18	3,254	2.95	0	0.00	41,582	37.71	68,691	62.29
Cutlass Ciera	0	0.00	174,262	69.50	76,474	30.50	0	0.00	0	0.00	250,736	100.00	0	0.00
Cutlass Supreme (fwd)	0	0.00	94,723	100.00	0	0.00	0	0.00	0	0.00	94,723	100.00	0	0.00
Cutlass Supreme	16,330	59.00	11,348	41.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
88 (fwd)	0	0.00	160,913	100.00	0	0.00	0	0.00	0	0.00	160,913	100.00	0	0.00
88 (rwd)	11,114	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Olds 98	0	0.00	79,935	100.00	0	0.00	0	0.00	0	0.00	79,935	100.00	0	0.00
Toronado	0	0.00	16,496	100.00	0	0.00	0	0.00	0	0.00	16,496	100.00	0	0.00
Pontiac Total	47,237	6.39	290,990	39.36	401,096	54.25	58,900	7.97	18,846	2.55	550,543	74.47	83,010	11.23
Fiero	0	0.00	12,079	45.75	14,323	54.25	0	0.00	0	0.00	26,402	100.00	0	0.00
Firebird	40,840	65.38	21,627	34.62	0	0.00	0	0.00	0	0.00	19,998	32.01	20,842	33.37
Sunbird	0	0.00	0	0.00	93,694	100.00	0	0.00	6,689	7.14	87,005	92.86	0	0.00
Grand Am	0	0.00	0	0.00	235,371	100.00	58,900	25.02	12,157	5.17	164,314	69.81	0	0.00
Grand Prix	0	0.00	86,357	100.00	0	0.00	0	0.00	0	0.00	86,357	100.00	0	0.00
Pontiac 6000	0	0.00	62,347	51.93	57,708	48.07	0	0.00	0	0.00	57,887	48.22	62,168	51.78
Bonneville	0	0.00	108,580	100.00	0	0.00	0	0.00	0	0.00	108,580	100.00	0	0.00
Safari/Parisienne	6,397	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
HONDA	**0**	**0.00**	**0**	**0.00**	**364,000**	**100.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**188,472**	**51.78**
Civic	0	0.00	0	0.00	89,738	100.00	0	0.00	0	0.00	0	0.00	89,738	100.00
Accord	0	0.00	0	0.00	274,262	100.00	0	0.00	0	0.00	0	0.00	98,734	36.00
MAZDA	**0**	**0.00**	**0**	**0.00**	**60,156**	**100.00**	**0**	**0.00**	**18,104**	**30.09**	**0**	**0.00**	**0**	**0.00**
NISSAN	**0**	**0.00**	**0**	**0.00**	**91,281**	**100.00**	**0**	**0.00**	**0**	**0.00**	**91,281**	**100.00**	**0**	**0.00**
NUMMI	**0**	**0.00**	**0**	**0.00**	**112,034**	**100.00**	**2,811**	**2.51**	**0**	**0.00**	**0**	**0.00**	**2,811**	**2.51**
Corolla	0	0.00	0	0.00	40,918	100.00	592	1.45	0	0.00	0	0.00	592	1.45
Nova	0	0.00	0	0.00	71,116	100.00	2,219	3.12	0	0.00	0	0.00	2,219	3.12
VOLKSWAGEN	**0**	**0.00**	**0**	**0.00**	**39,647**	**100.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**39,647**	**100.00**
Golf GTI	0	0.00	0	0.00	25,697	100.00	0	0.00	0	0.00	0	0.00	25,697	100.00
Jetta	0	0.00	0	0.00	13,950	100.00	0	0.00	0	0.00	0	0.00	13,950	100.00
Total Cars, U.S.	**1,361,271**	**15.72**	**2,763,844**	**33.96**	**4,016,291**	**49.32**	**64,965**	**0.80**	**179,883**	**2.21**	**2,164,142**	**26.59**	**5,017,221**	**61.64**

OPTIONS/EQUIPMENT

Transmission options on 1988 U.S. models

	3-Speed Automatic	Percent of Output	4-Speed Automatic	Percent of Output	4-Speed Manual	Percent of Output	5-Speed Manual	Percent of Output	Four Wheel Drive	Percent of Output	Limited Slip Differential	Percent of Output
CHRYSLER MOTORS	**1,037,486**	**91.32**	**0**	**0.00**	**0**	**0.00**	**107,812**	**9.49**	**0**	**0.00**	**0**	**0.00**
Plymouth Total	316,681	90.44	0	0.00	0	0.00	32,571	9.30	0	0.00	0	0.00
Horizon	49,712	74.20	0	0.00	0	0.00	17,285	25.80	0	0.00	0	0.00
Sundance	89,268	88.00	0	0.00	0	0.00	12,173	12.00	0	0.00	0	0.00
Reliant	144,207	97.30	0	0.00	0	0.00	3,112	2.10	0	0.00	0	0.00
Caravelle	22,060	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Gran Fury	11,434	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Chrysler Total	276,709	97.36	0	0.00	0	0.00	7,511	2.64	0	0.00	0	0.00
LeBaron K	29,091	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
LeBaron J	88,049	93.20	0	0.00	0	0.00	6,424	6.80	0	0.00	0	0.00
LeBaron GTS	18,319	94.40	0	0.00	0	0.00	1,087	5.60	0	0.00	0	0.00
New Yorker E	9,605	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
New Yorker C	82,616	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Fifth Avenue	49,029	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Dodge Total	444,096	88.51	0	0.00	0	0.00	67,730	13.50	0	0.00	0	0.00
Daytona	46,109	61.60	0	0.00	0	0.00	28,743	38.40	0	0.00	0	0.00
Omni	46,483	71.80	0	0.00	0	0.00	18,257	28.20	0	0.00	0	0.00
Shadow	99,582	93.40	0	0.00	0	0.00	17,379	16.30	0	0.00	0	0.00
Aries	129,279	98.20	0	0.00	0	0.00	2,370	1.80	0	0.00	0	0.00
Dodge 600	21,221	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Dynasty	68,143	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Lancer	12,571	90.90	0	0.00	0	0.00	982	7.10	0	0.00	0	0.00
Diplomat	20,708	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
FORD MOTOR CO.	**661,697**	**26.49**	**1,392,106**	**55.73**	**59,515**	**2.38**	**384,530**	**15.39**	**17,949**	**0.72**	**211,144**	**8.45**
Ford Division	498,653	30.18	749,933	45.40	59,515	3.60	343,955	20.82	14,260	0.86	134,994	8.17
Escort	226,211	53.60	0	0.00	59,515	14.10	136,375	32.31	0	0.00	0	0.00
Mustang	0	0.00	92,154	43.63	0	0.00	119,071	56.37	0	0.00	103,135	48.83
Probe	0	0.00	22,109	48.63	0	0.00	23,351	51.37	0	0.00	0	0.00
Tempo	272,443	86.97	0	0.00	0	0.00	40,819	13.03	14,260	4.55	0	0.00
Crown Victoria	0	0.00	125,189	100.00	0	0.00	0	0.00	0	0.00	15,470	12.36
Taurus	0	0.00	385,933	99.58	0	0.00	1,644	0.42	0	0.00	0	0.00
Thunderbird	0	0.00	124,548	84.59	0	0.00	22,695	15.41	0	0.00	16,389	11.13
L-M Division	163,044	19.28	642,173	75.93	0	0.00	40,575	4.80	3,689	0.44	76,150	9.00
Mercury Total	163,044	28.85	361,514	63.97	0	0.00	40,575	7.18	3,689	0.65	32,763	5.80
Tracer/Lynx	66,030	71.98	0	0.00	0	0.00	25,703	28.02	0	0.00	0	0.00
Topaz	97,014	86.71	0	0.00	0	0.00	14,872	13.29	3,689	3.30	0	0.00
Grand Marquis	0	0.00	121,067	100.00	0	0.00	0	0.00	0	0.00	14,369	11.87
Cougar	0	0.00	119,162	100.00	0	0.00	0	0.00	0	0.00	18,395	15.44
Sable	0	0.00	121,285	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Lincoln Total	0	0.00	280,659	100.00	0	0.00	0	0.00	0	0.00	43,387	15.46
Continental	0	0.00	41,287	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Lincoln	0	0.00	201,113	100.00	0	0.00	0	0.00	0	0.00	23,887	11.88
Mark VII	0	0.00	38,259	100.00	0	0.00	0	0.00	0	0.00	19,500	50.97
GENERAL MOTORS	**1,496,785**	**38.99**	**2,112,730**	**55.04**	**4,282**	**0.11**	**224,649**	**5.85**	**179**	**0.00**	**47,604**	**1.24**
Buick Total	153,801	26.60	422,835	73.14	0	0.00	1,498	0.26	0	0.00	0	0.00
Skyhawk	27,636	94.86	0	0.00	0	0.00	1,498	5.14	0	0.00	0	0.00
Century	71,373	63.02	41,885	36.98	0	0.00	0	0.00	0	0.00	0	0.00
Regal (fwd)	0	0.00	130,001	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Somerset/Skylark	54,792	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
LeSabre (fwd)	0	0.00	136,044	100.00	0	0.00	0	0.00	0	0.00	0	0.00
LeSabre (rwd)	0	0.00	9,659	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Electra (fwd)	0	0.00	91,913	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Reatta	0	0.00	4,708	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Riviera	0	0.00	8,625	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Cadillac Total	6,309	2.33	264,390	97.62	0	0.00	145	0.05	0	0.00	0	0.00
Cimarron	6,309	97.75	0	0.00	0	0.00	145	2.25	0	0.00	0	0.00
Allante	0	0.00	2,569	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Brougham (rwd)	0	0.00	53,130	100.00	0	0.00	0	0.00	0	0.00	0	0.00
DeVille (fwd)	0	0.00	152,513	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Eldorado	0	0.00	33,210	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Seville	0	0.00	22,968	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Chevrolet Total	699,022	47.04	636,612	42.84	4,282	0.29	146,098	9.83	0	0.00	22,789	1.53
Camaro	0	0.00	77,213	80.20	0	0.00	19,096	19.83	0	0.00	0	0.00
Cavalier	274,806	85.10	0	0.00	0	0.00	48,133	14.90	0	0.00	0	0.00
Celebrity	150,437	58.21	107,260	41.50	0	0.00	759	0.29	0	0.00	0	0.00
Corsica	273,779	94.03	0	0.00	0	0.00	17,384	5.97	0	0.00	0	0.00
Beretta	0	0.00	214,372	77.93	0	0.00	60,726	22.07	0	0.00	0	0.00
Monte Carlo	0	0.00	30,174	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Caprice	0	0.00	189,086	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Corvette	0	0.00	18,507	81.21	4,282	18.79	0	0.00	0	0.00	22,789	100.00
Oldsmobile Total	253,205	33.14	498,937	65.29	0	0.00	11,988	1.57	0	0.00	1,550	0.20
Firenza	11,574	94.40	0	0.00	0	0.00	686	5.60	0	0.00	0	0.00
Calais	101,721	92.24	0	0.00	0	0.00	8,555	7.76	0	0.00	0	0.00
Cutlass Ciera	139,911	55.80	110,825	44.20	0	0.00	0	0.00	0	0.00	0	0.00
Cutlass Supreme (fwd)	0	0.00	91,976	97.10	0	0.00	2,747	2.90	0	0.00	0	0.00
Cutlass Supreme	0	0.00	27,678	100.00	0	0.00	0	0.00	0	0.00	1,550	5.60
88 (fwd)	0	0.00	160,913	100.00	0	0.00	0	0.00	0	0.00	0	0.00
88 (rwd)	0	0.00	11,114	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Olds 98	0	0.00	79,935	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Toronado	0	0.00	16,496	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Pontiac Total	384,447	52.00	289,956	39.22	0	0.00	64,919	8.78	179	0.02	23,265	3.15
Fiero	12,558	47.57	0	0.00	0	0.00	13,844	52.43	0	0.00	0	0.00
Firebird	0	0.00	53,806	86.14	0	0.00	8,659	13.86	0	0.00	23,265	37.24
Sunbird	82,154	87.68	0	0.00	0	0.00	11,540	12.32	0	0.00	0	0.00
Grand Am	208,100	88.41	0	0.00	0	0.00	27,271	11.59	0	0.00	0	0.00
Grand Prix	0	0.00	83,189	96.33	0	0.00	3,168	3.67	0	0.00	0	0.00
Pontiac 6000	81,635	68.00	37,983	31.64	0	0.00	437	0.36	179	0.15	0	0.00
Bonneville	0	0.00	108,580	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Safari/Parisienne	0	0.00	6,397	100.00	0	0.00	0	0.00	0	0.00	0	0.00
HONDA	**0**	**0.00**	**208,217**	**57.20**	**0**	**0.00**	**155,783**	**42.80**	**0**	**0.00**	**364,000**	**100.00**
Civic	0	0.00	47,092	52.48	0	0.00	42,646	47.52	0	0.00	89,738	100.00
Accord	0	0.00	161,125	58.75	0	0.00	113,137	41.25	0	0.00	274,262	100.00
MAZDA	**0**	**0.00**	**34,708**	**57.70**	**0**	**0.00**	**25,448**	**42.30**	**0**	**0.00**	**0**	**0.00**
NISSAN	**0**	**0.00**	**41,613**	**45.59**	**26,491**	**29.02**	**23,177**	**25.39**	**0**	**0.00**	**0**	**0.00**
NUMMI	**77,569**	**69.24**	**1,533**	**1.37**	**0**	**0.00**	**32,932**	**29.39**	**0**	**0.00**	**0**	**0.00**
Corolla	30,503	74.55	193	0.47	0	0.00	10,222	24.98	0	0.00	0	0.00
Nova	47,066	66.18	1,340	1.88	0	0.00	22,710	31.93	0	0.00	0	0.00
VOLKSWAGEN	**14,706**	**37.09**	**0**	**0.00**	**0**	**0.00**	**24,941**	**62.91**	**0**	**0.00**	**0**	**0.00**
Golf/GTI	7,309	28.44	0	0.00	0	0.00	18,388	71.56	0	0.00	0	0.00
Jetta	7,397	53.03	0	0.00	0	0.00	6,553	46.97	0	0.00	0	0.00
Total Cars, U.S.	**3,288,243**	**40.40**	**3,790,907**	**45.50**	**90,288**	**1.10**	**979,272**	**12.00**	**18,128**	**0.22**	**622,748**	**7.65**

OPTIONS/EQUIPMENT

Convenience options on 1988 U.S. models

	Cruise Control	Percent of Output	Tilt Wheel	Percent of Output	Tilt & Telescope	Percent of Output	Air Conditioning	Percent of Output	Intermittent Windshield Wipers	Percent of Output	Rear Window Defroster	Percent of Output
CHRYSLER MOTORS	**530,220**	**46.67**	**583,263**	**51.34**	**0**	**0.00**	**1,006,672**	**88.61**	**1,136,122**	**100.00**	**1,025,448**	**90.26**
Plymouth Total	80,898	23.10	81,998	23.42	0	0.00	291,997	83.39	350,141	100.00	291,425	83.23
Horizon	0	0.00	0	0.00	0	0.00	42,945	64.10	66,997	100.00	66,997	100.00
Sundance	33,171	32.70	32,563	32.10	0	0.00	89,471	88.20	101,441	100.00	91,703	90.40
Reliant	23,565	15.90	23,417	15.80	0	0.00	126,719	85.50	148,209	100.00	101,820	68.70
Caravelle	19,303	87.50	17,317	78.50	0	0.00	21,839	99.00	22,060	100.00	20,913	94.80
Gran Fury	4,859	42.50	8,701	76.10	0	0.00	11,022	96.40	11,434	100.00	9,993	87.40
Chrysler Total	272,070	95.73	271,843	95.65	0	0.00	281,167	98.93	284,220	100.00	283,260	99.66
LeBaron K	27,695	95.20	27,636	95.00	0	0.00	28,858	99.20	29,091	100.00	28,131	96.70
LeBaron J	87,199	92.30	87,199	92.30	0	0.00	91,828	97.20	94,473	100.00	94,473	100.00
LeBaron GTS	17,388	89.60	17,252	88.90	0	0.00	19,231	99.10	19,406	100.00	19,406	100.00
New Yorker E	9,605	100.00	9,605	100.00	0	0.00	9,605	100.00	9,605	100.00	9,605	100.00
New Yorker C	82,038	99.30	81,955	99.20	0	0.00	82,616	100.00	82,616	100.00	82,616	100.00
Fifth Avenue	48,146	98.20	48,196	98.30	0	0.00	49,029	100.00	49,029	100.00	49,029	100.00
Dodge Total	177,251	35.33	229,423	45.72	0	0.00	433,508	86.40	501,761	100.00	450,763	89.84
Daytona	20,435	27.30	67,217	89.80	0	0.00	63,474	84.80	74,852	100.00	74,852	100.00
Omni	0	0.00	0	0.00	0	0.00	41,304	63.80	64,740	100.00	64,740	100.00
Shadow	30,386	28.50	30,386	28.50	0	0.00	93,398	87.60	106,619	100.00	106,619	100.00
Aries	23,170	1[illegible]	23,039	17.50	0	0.00	112,560	85.50	131,649	100.00	87,020	66.10
Dodge 600	16,765	79[illegible]	15,873	74.80	0	0.00	21,051	99.20	21,221	100.00	18,165	85.60
Dynasty	64,531	94.[illegible]	63,509	93.20	0	0.00	68,143	100.00	68,143	100.00	68,143	100.00
Lancer	11,921	86.20	11,838	85.60	0	0.00	13,635	98.60	13,829	100.00	13,829	100.00
Diplomat	10,043	48.50	17,560	84.80	0	0.00	19,942	96.30	20,708	100.00	17,395	84.00
FORD MOTOR CO.	**1,837,504**	**73.57**	**1,848,971**	**74.02**	**336,615**	**13.48**	**2,276,572**	**91.14**	**2,229,039**	**89.24**	**2,128,704**	**85.22**
Ford Division	1,105,093	66.89	1,128,206	68.29	336,615	20.38	1,464,077	88.63	1,395,997	84.50	1,294,999	78.39
Escort	130,831	31.00	137,161	32.50	0	0.00	273,479	64.80	337,628	80.00	324,545	76.90
Mustang	200,030	94.70	155,039	73.40	0	0.00	179,330	84.90	211,225	100.00	98,008	46.40
Probe	23,867	52.50	0	0.00	34,004	74.80	40,323	88.70	34,004	74.80	42,914	94.40
Tempo	139,088	44.40	277,863	88.70	302,611	96.60	313,262	100.00	214,898	68.60	214,898	68.60
Crown Victoria	102,029	81.50	105,534	84.30	0	0.00	125,189	100.00	125,189	100.00	112,795	90.10
Taurus	365,098	94.20	308,899	79.70	0	0.00	385,252	99.40	348,044	89.80	361,222	93.20
Thunderbird	144,151	97.90	143,709	97.60	0	0.00	147,243	100.00	125,009	84.90	140,617	95.50
L-M Division	732,411	86.59	720,765	85.22	0	0.00	812,494	96.06	833,042	98.49	833,704	98.57
Mercury Total	451,752	79.94	440,106	77.88	0	0.00	531,835	94.11	552,383	97.74	553,045	97.86
Tracer/Lynx	39,170	42.70	0	0.00	0	0.00	64,030	69.80	91,733	100.00	91,733	100.00
Topaz	60,195	53.80	102,606	92.60	0	0.00	106,292	95.00	111,886	100.00	107,970	96.50
Grand Marquis	119,130	98.40	118,646	98.00	0	0.00	121,067	100.00	121,067	100.00	119,009	98.30
Cougar	114,276	95.90	114,276	95.90	0	0.00	119,162	100.00	106,412	89.30	115,110	96.60
Sable	118,981	98.10	103,577	85.40	0	0.00	121,285	100.00	121,285	100.00	119,223	98.30
Lincoln Total	280,659	100.00	280,659	100.00	0	0.00	280,659	100.00	280,659	100.00	280,659	100.00
Continental	41,287	100.00	41,287	100.00	0	0.00	41,287	100.00	41,287	100.00	41,287	100.00
Lincoln	201,113	100.00	201,113	100.00	0	0.00	201,113	100.00	201,113	100.00	201,113	100.00
Mark VII	38,259	100.00	38,259	100.00	0	0.00	38,259	100.00	38,259	100.00	38,259	100.00
GENERAL MOTORS	**2,810,327**	**73.22**	**3,033,291**	**79.02**	**25,358**	**0.66**	**3,666,718**	**95.53**	**2,843,884**	**74.09**	**2,747,121**	**71.57**
Buick Total	540,355	93.47	562,641	97.32	0	0.00	572,596	99.04	534,582	92.47	436,619	75.52
Skyhawk	27,036	92.80	27,124	93.10	0	0.00	26,978	92.60	27,036	92.80	23,948	82.20
Century	99,667	88.00	107,029	94.50	0	0.00	111,786	98.70	95,816	84.60	82,339	72.70
Regal (fwd)	119,861	92.20	127,401	98.00	0	0.00	129,351	99.50	116,611	89.70	94,251	72.50
Somerset/Skylark	45,258	82.60	52,381	95.60	0	0.00	53,532	97.70	46,518	84.90	34,848	63.60
LeSabre (fwd)	134,139	98.60	134,139	98.60	0	0.00	136,044	100.00	134,139	98.60	96,727	71.10
LeSabre (rwd)	9,331	96.60	9,504	98.40	0	0.00	9,659	100.00	9,398	97.30	8,085	83.70
Electra (fwd)	91,729	99.80	91,729	99.80	0	0.00	91,913	100.00	91,729	99.80	83,089	90.40
Reatta	4,708	100.00	4,708	100.00	0	0.00	4,708	100.00	4,708	100.00	4,708	100.00
Riviera	8,625	100.00	8,625	100.00	0	0.00	8,625	100.00	8,625	100.00	8,625	100.00
Cadillac Total	269,128	99.37	268,275	99.05	2,569	0.95	270,844	100.00	269,128	99.37	224,316	82.82
Cimarron	6,454	100.00	6,454	100.00	0	0.00	6,454	100.00	6,454	100.00	6,454	100.00
Allante	2,569	100.00	0	0.00	2,569	100.00	2,569	100.00	2,569	100.00	2,569	100.00
Brougham (rwd)	51,414	96.77	53,130	100.00	0	0.00	53,130	100.00	51,414	96.77	43,970	82.76
DeVille (fwd)	152,513	100.00	152,513	100.00	0	0.00	152,513	100.00	152,513	100.00	121,702	79.80
Eldorado	33,210	100.00	33,210	100.00	0	0.00	33,210	100.00	33,210	100.00	28,401	85.52
Seville	22,968	100.00	22,968	100.00	0	0.00	22,968	100.00	22,968	100.00	21,220	92.39
Chevrolet Total	859,690	57.85	914,268	61.53	22,789	1.53	1,349,275	90.80	877,973	59.08	987,822	66.48
Camaro	56,706	58.90	59,402	61.70	0	0.00	88,477	91.90	59,402	61.70	52,951	55.00
Cavalier	99,142	30.70	120,779	37.40	0	0.00	259,966	80.50	117,873	36.50	214,754	66.50
Celebrity	184,538	71.40	178,852	69.20	0	0.00	251,478	97.30	177,818	68.80	188,673	73.00
Corsica	158,393	54.40	184,306	63.30	0	0.00	271,946	93.40	157,228	54.00	183,142	62.90
Beretta	172,211	62.60	188,992	68.70	0	0.00	258,592	94.00	171,386	62.30	173,862	63.20
Monte Carlo	25,799	85.50	26,131	86.60	0	0.00	29,148	96.60	26,070	86.40	22,510	74.60
Caprice	140,113	74.10	155,807	82.40	0	0.00	186,250	98.50	145,407	76.90	137,276	72.60
Corvette	22,789	100.00	0	0.00	22,789	100.00	3,418	15.00	22,789	100.00	14,653	64.30
Oldsmobile Total	646,317	84.58	665,814	87.13	0	0.00	749,554	98.09	632,601	82.79	599,725	78.48
Firenza	6,216	50.70	6,234	50.85	0	0.00	11,208	91.42	6,225	50.78	7,226	58.94
Calais	91,750	83.20	100,308	90.96	0	0.00	106,059	96.18	86,776	78.69	73,129	66.31
Cutlass Ciera	228,671	91.20	231,680	92.40	0	0.00	249,733	99.60	217,388	86.70	193,067	77.00
Cutlass Supreme (fwd)	89,987	95.00	92,260	97.40	0	0.00	94,249	99.50	87,903	92.80	80,136	84.60
Cutlass Supreme	23,914	86.40	25,879	93.50	0	0.00	26,986	97.50	24,855	89.80	19,375	70.00
88 (fwd)	152,033	94.48	155,105	96.39	0	0.00	160,913	100.00	155,105	96.39	130,894	81.34
88 (rwd)	10,893	98.01	10,893	98.01	0	0.00	11,114	100.00	10,893	98.01	10,104	90.91
Olds 98	26,357	32.97	26,959	33.73	0	0.00	72,796	91.07	26,960	33.73	69,299	86.69
Toronado	16,496	100.00	16,496	100.00	0	0.00	16,496	100.00	16,496	100.00	16,496	100.00
Pontiac Total	494,838	66.93	622,293	84.17	0	0.00	724,450	97.99	529,601	71.63	498,639	67.45
Fiero	13,095	49.60	18,640	70.60	0	0.00	23,585	89.33	18,640	70.60	6,249	23.67
Firebird	42,796	68.51	59,181	94.74	0	0.00	61,061	97.75	59,181	94.74	43,315	69.34
Sunbird	29,073	31.03	58,287	62.21	0	0.00	88,063	93.99	57,744	61.63	71,254	76.05
Grand Am	154,780	65.76	215,741	91.66	0	0.00	231,181	98.22	150,025	63.74	128,866	54.75
Grand Prix	77,039	89.21	85,770	99.32	0	0.00	86,115	99.72	74,906	86.74	64,578	74.78
Pontiac 6000	100,150	83.42	102,851	85.67	0	0.00	119,467	99.51	87,208	72.64	90,882	75.70
Bonneville	71,891	66.21	75,930	69.93	0	0.00	108,580	100.00	75,930	69.93	88,286	81.31
Safari/Parisienne	6,013	94.00	5,893	92.12	0	0.00	6,397	100.00	5,966	93.27	5,209	81.43
HONDA	**274,262**	**75.35**	**364,000**	**100.00**	**0**	**0.00**	**208,439**	**57.26**	**40,382**	**11.09**	**364,000**	**100.00**
Civic	0	0.00	89,738	100.00	0	0.00	0	0.00	40,382	45.00	89,738	100.00
Accord	274,262	100.00	274,262	100.00	0	0.00	208,439	76.00	0	0.00	274,262	100.00
MAZDA	**31,281**	**52.00**	**60,156**	**100.00**	**0**	**0.00**	**50,531**	**84.00**	**60,156**	**100.00**	**60,156**	**100.00**
NISSAN	**0**	**0.00**	**64,262**	**70.40**	**0**	**0.00**	**19,352**	**21.20**	**63,440**	**69.50**	**91,281**	**100.00**
NUMMI	**5,128**	**4.58**	**313**	**0.28**	**0**	**0.00**	**75,535**	**67.42**	**592**	**0.53**	**71,116**	**63.48**
Corolla	131	0.32	313	0.77	0	0.00	22,554	55.12	592	1.45	0	0.00
Nova	4,998	7.03	0	0.00	0	0.00	52,981	74.50	0	0.00	71,116	100.00
VOLKSWAGEN	**7,141**	**18.01**	**0**	**0.00**	**0**	**0.00**	**33,218**	**83.78**	**39,647**	**100.00**	**39,647**	**100.00**
Golf/GTI	3,518	13.69	0	0.00	0	0.00	20,202	78.62	25,697	100.00	25,697	100.00
Jetta	3,623	25.97	0	0.00	0	0.00	13,016	93.30	13,950	100.00	13,950	100.00
Total Cars, U.S.	**5,495,864**	**67.52**	**5,954,257**	**73.15**	**361,973**	**4.45**	**7,337,037**	**90.14**	**6,353,106**	**78.05**	**6,467,318**	**79.46**

OPTIONS/EQUIPMENT

Body types and convertible roofs on 1988 U.S. models

	2-Door Coupe	Percent of Output	2-Door Hatchback	Percent of Output	4-Door Sedan	Percent of Output	4-Door Wagon	Percent of Output	4-Door Hatchback	Percent of Output	Convertible Roofs	Percent of Output
CHRYSLER MOTORS	**102,240**	**9.00**	**167,012**	**14.70**	**525,901**	**46.29**	**50,018**	**4.40**	**290,950**	**25.61**	**41,568**	**3.66**
Plymouth Total	0	0.00	50,046	14.29	146,577	41.86	25,047	7.15	128,470	36.69	0	0.00
Horizon	0	0.00	0	0.00	0	0.00	0	0.00	66,997	100.00	0	0.00
Sundance	0	0.00	39,968	39.40	0	0.00	0	0.00	61,473	60.60	0	0.00
Reliant	0	0.00	10,078	6.80	113,083	76.30	25,047	16.90	0	0.00	0	0.00
Caravelle	0	0.00	0	0.00	22,060	100.00	0	0.00	0	0.00	0	0.00
Gran Fury	0	0.00	0	0.00	11,434	100.00	0	0.00	0	0.00	0	0.00
Chrysler Total	94,473	33.24	0	0.00	168,014	59.11	2,327	0.82	19,406	6.83	41,568	14.63
LeBaron K	0	0.00	0	0.00	26,764	92.00	2,327	8.00	0	0.00	0	0.00
LeBaron J	94,473	100.00	0	0.00	0	0.00	0	0.00	0	0.00	41,568	44.00
LeBaron GTS	0	0.00	0	0.00	0	0.00	0	0.00	19,406	100.00	0	0.00
N. Yorker E-Class	0	0.00	0	0.00	9,605	100.00	0	0.00	0	0.00	0	0.00
N. Yorker C-Class	0	0.00	0	0.00	82,616	100.00	0	0.00	0	0.00	0	0.00
Fifth Avenue	0	0.00	0	0.00	49,029	100.00	0	0.00	0	0.00	0	0.00
Dodge Total	7,767	1.55	116,967	23.31	211,310	42.11	22,644	4.51	143,073	28.51	0	0.00
Daytona	0	0.00	74,852	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Omni	0	0.00	0	0.00	0	0.00	0	0.00	64,740	100.00	0	0.00
Shadow	0	0.00	42,115	39.50	0	0.00	0	0.00	64,504	60.50	0	0.00
Aries	7,767	5.90	0	0.00	101,238	76.90	22,644	17.20	0	0.00	0	0.00
Dodge 600	0	0.00	0	0.00	21,221	100.00	0	0.00	0	0.00	0	0.00
Dynasty	0	0.00	0	0.00	68,143	100.00	0	0.00	0	0.00	0	0.00
Lancer	0	0.00	0	0.00	0	0.00	0	0.00	13,829	100.00	0	0.00
Diplomat	0	0.00	0	0.00	20,708	100.00	0	0.00	0	0.00	0	0.00
FORD MOTOR CO.	**471,880**	**18.89**	**441,743**	**17.69**	**1,226,925**	**49.12**	**201,541**	**8.07**	**155,694**	**6.23**	**39,223**	**1.57**
Ford Division	300,047	18.16	403,238	24.41	671,036	40.62	164,463	9.96	113,207	6.85	39,223	2.37
Escort	21,048	4.99	231,104	54.76	0	0.00	56,675	13.43	113,207	26.82	0	0.00
Mustang	84,551	40.03	126,674	59.97	0	0.00	0	0.00	0	0.00	39,223	18.57
Probe	0	0.00	45,460	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Tempo	47,204	15.07	0	0.00	266,058	84.93	0	0.00	0	0.00	0	0.00
Crown Victoria	0	0.00	0	0.00	109,831	87.73	15,358	12.27	0	0.00	0	0.00
Taurus	0	0.00	0	0.00	295,147	76.15	92,430	23.85	0	0.00	0	0.00
Thunderbird	147,243	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
L-M Division	171,833	20.32	38,505	4.55	555,889	65.72	37,078	4.38	42,487	5.02	0	0.00
Mercury Total	133,574	23.64	38,505	6.81	313,489	55.47	37,078	6.56	42,487	7.52	0	0.00
Tracer/Lynx	0	0.00	38,505	41.98	0	0.00	10,741	11.71	42,487	46.32	0	0.00
Topaz	14,412	12.88	0	0.00	97,474	87.12	0	0.00	0	0.00	0	0.00
Grand Marquis	0	0.00	0	0.00	121,067	100.00	0	0.00	0	0.00	0	0.00
Cougar	119,162	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Sable	0	0.00	0	0.00	94,948	78.29	26,337	21.71	0	0.00	0	0.00
Lincoln Total	38,259	13.63	0	0.00	242,400	86.37	0	0.00	0	0.00	0	0.00
Continental	0	0.00	0	0.00	41,287	100.00	0	0.00	0	0.00	0	0.00
Lincoln	0	0.00	0	0.00	201,113	100.00	0	0.00	0	0.00	0	0.00
Mark VII	38,259	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
GENERAL MOTORS	**1,472,124**	**38.35**	**15,382**	**0.40**	**2,161,302**	**56.31**	**179,244**	**4.67**	**0**	**0.00**	**29,044**	**0.76**
Buick Total	194,778	33.69	0	0.00	362,532	62.71	20,824	3.60	0	0.00	0	0.00
Skyhawk	13,156	45.16	0	0.00	14,271	48.98	1,707	5.86	0	0.00	0	0.00
Century	2,449	2.16	0	0.00	101,351	89.49	9,458	8.35	0	0.00	0	0.00
Regal (fwd)	130,001	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Somerset/Skylark	24,536	44.78	0	0.00	30,256	55.22	0	0.00	0	0.00	0	0.00
LeSabre (fwd)	11,303	8.31	0	0.00	124,741	91.69	0	0.00	0	0.00	0	0.00
LeSabre (rwd)	0	0.00	0	0.00	0	0.00	9,659	100.00	0	0.00	0	0.00
Electra (fwd)	0	0.00	0	0.00	91,913	100.00	0	0.00	0	0.00	0	0.00
Reatta	4,708	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Riviera	8,625	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Cadillac Total	65,957	24.35	0	0.00	204,887	75.65	0	0.00	0	0.00	2,569	0.95
Cimarron	0	0.00	0	0.00	6,454	100.00	0	0.00	0	0.00	0	0.00
Allante	2,569	100.00	0	0.00	0	0.00	0	0.00	0	0.00	2,569	100.00
Brougham (rwd)	0	0.00	0	0.00	53,130	100.00	0	0.00	0	0.00	0	0.00
DeVille (fwd)	30,178	19.79	0	0.00	122,335	80.21	0	0.00	0	0.00	0	0.00
Eldorado	33,210	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Seville	0	0.00	0	0.00	22,968	100.00	0	0.00	0	0.00	0	0.00
Chevrolet Total	582,086	39.17	15,382	1.04	771,103	51.89	111,789	7.52	0	0.00	21,736	1.46
Camaro	90,655	94.16	0	0.00	0	0.00	0	0.00	0	0.00	5,584	5.80
Cavalier	166,843	51.66	0	0.00	126,290	39.11	29,806	9.23	0	0.00	8,745	2.71
Celebrity	11,909	4.61	0	0.00	195,205	75.53	51,342	19.86	0	0.00	0	0.00
Corsica	0	0.00	0	0.00	291,163	100.00	0	0.00	0	0.00	0	0.00
Beretta	275,098	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Monte Carlo	30,174	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Caprice	0	0.00	0	0.00	158,445	83.79	30,641	16.21	0	0.00	0	0.00
Corvette	7,407	32.50	15,382	67.50	0	0.00	0	0.00	0	0.00	7,407	32.50
Oldsmobile Total	238,738	31.24	0	0.00	496,179	64.93	29,214	3.82	0	0.00	0	0.00
Firenza	2,725	22.23	0	0.00	8,615	70.27	920	7.51	0	0.00	0	0.00
Calais	66,433	60.24	0	0.00	43,843	39.76	0	0.00	0	0.00	0	0.00
Cutlass Ciera	22,092	8.81	0	0.00	211,464	84.34	17,180	6.85	0	0.00	0	0.00
Cutlass Supreme (fwd)	94,723	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Cutlass Supreme	27,678	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
88 (fwd)	8,591	5.34	0	0.00	152,322	94.66	0	0.00	0	0.00	0	0.00
88 (rwd)	0	0.00	0	0.00	0	0.00	11,114	100.00	0	0.00	0	0.00
Olds 98	0	0.00	0	0.00	79,935	100.00	0	0.00	0	0.00	0	0.00
Toronado	16,496	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Pontiac Total	390,565	52.83	0	0.00	326,602	44.18	17,416	2.36	0	0.00	4,739	0.64
Fiero	26,402	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Firebird	62,467	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Sunbird	56,172	59.95	0	0.00	30,930	33.01	1,853	1.98	0	0.00	4,739	5.06
Grand Am	159,167	67.62	0	0.00	76,204	32.38	0	0.00	0	0.00	0	0.00
Grand Prix	86,357	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Pontiac 6000	0	0.00	0	0.00	110,889	92.37	9,166	7.63	0	0.00	0	0.00
Bonneville	0	0.00	0	0.00	108,580	100.00	0	0.00	0	0.00	0	0.00
Safari/Paris.	0	0.00	0	0.00	0	0.00	6,397	100.00	0	0.00	0	0.00
HONDA	**63,080**	**17.33**	**0**	**0.00**	**300,920**	**82.67**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
Civic	0	0.00	0	0.00	89,738	100.00	0	0.00	0	0.00	0	0.00
Accord	63,080	23.00	0	0.00	211,182	77.00	0	0.00	0	0.00	0	0.00
MAZDA	**60,156**	**100.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
NISSAN	**59,765**	**65.47**	**0**	**0.00**	**31,516**	**34.53**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
NUMMI	**0**	**0.00**	**40,918**	**36.52**	**71,116**	**63.48**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
Corolla	0	0.00	40,918	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Nova	0	0.00	0	0.00	71,116	100.00	0	0.00	0	0.00	0	0.00
VOLKSWAGEN	**0**	**0.00**	**17,679**	**44.59**	**13,950**	**35.19**	**0**	**0.00**	**8,018**	**20.22**	**0**	**0.00**
Golf/GTI	0	0.00	17,679	68.80	0	0.00	0	0.00	8,018	31.20	0	0.00
Jetta	0	0.00	0	0.00	13,950	100.00	0	0.00	0	0.00	0	0.00
Total Cars, U.S.	**2,229,245**	**27.39**	**682,734**	**8.39**	**4,331,630**	**53.22**	**430,803**	**5.29**	**454,662**	**5.59**	**109,835**	**1.35**

OPTIONS/EQUIPMENT

Radio options on 1988 U.S. models

	AM Radio	Percent of Output	AM/FM Stereo	Percent of Output	AM/FM Stereo w/Cassette	Percent of Output	Stereo w/Cassette & Gr. Equalizer	Percent of Output	Stereo w/Cassette & Compact Disc	Percent of Output
CHRYSLER MOTORS	**53,522**	**4.71**	**730,178**	**64.27**	**270,216**	**23.78**	**50,238**	**4.42**	**3,579**	**0.32**
Plymouth Total	27,397	7.82	273,663	78.16	36,895	10.54	0	0.00	0	0.00
Horizon	0	0.00	53,665	80.10	2,747	4.10	0	0.00	0	0.00
Sundance	4,8[illegible]	4.80	74,458	73.40	22,114	21.80	0	0.00	0	0.00
Reliant	22,52[illegible]	15.20	117,678	79.40	8,003	5.40	0	0.00	0	0.00
Caravelle	0	0.00	19,104	86.60	2,956	13.40	0	0.00	0	0.00
Gran Fury	0	0.00	8,758	76.60	1,075	9.40	0	0.00	0	0.00
Chrysler Total	0	0.00	112,832	39.70	132,289	46.54	36,643	12.89	2,456	0.86
LeBaron K	0	0.00	20,422	70.20	8,669	29.80	0	0.00	0	0.00
LeBaron J	0	0.00	38,073	40.30	44,591	47.20	9,353	9.90	2,456	2.60
LeBaron GTS	0	0.00	10,634	54.80	7,025	36.20	1,747	9.00	0	0.00
New Yorker E	0	0.00	1,268	13.20	6,339	66.00	1,998	20.80	0	0.00
New Yorker C	0	0.00	18,754	22.70	40,317	48.80	23,546	28.50	0	0.00
Fifth Avenue	0	0.00	23,681	48.30	25,348	51.70	0	0.00	0	0.00
Dodge Total	26,125	5.21	343,683	68.50	101,031	20.14	13,595	2.71	1,123	0.22
Daytona	0	0.00	35,031	46.80	32,785	43.80	5,913	7.90	1,123	1.50
Omni	0	0.00	50,886	78.60	2,849	4.40	0	0.00	0	0.00
Shadow	4,798	4.50	81,244	76.20	20,577	19.30	0	0.00	0	0.00
Aries	21,327	16.20	103,344	78.50	6,977	5.30	0	0.00	0	0.00
Dodge 600	0	0.00	17,847	84.10	3,374	15.90	0	0.00	0	0.00
Dynasty	0	0.00	36,184	53.10	25,826	37.90	6,133	9.00	0	0.00
Lancer	0	0.00	8,131	58.80	4,149	30.00	1,549	11.20	0	0.00
Diplomat	0	0.00	11,017	53.20	4,494	21.70	0	0.00	0	0.00
FORD MOTOR CO.	**21,515**	**0.86**	**820,348**	**32.84**	**1,233,952**	**49.40**	**347,763**	**13.92**	**13,769**	**0.55**
Ford Division	21,515	1.30	676,682	40.96	844,107	51.10	48,907	2.96	4,013	0.24
Escort	15,266	3.62	215,305	51.02	146,979	34.83	0	0.00	0	0.00
Mustang	0	0.00	8,077	3.82	196,088	92.83	2,886	1.37	0	0.00
Probe	0	0.00	13,403	29.48	27,671	60.87	4,013	8.83	4,013	8.83
Tempo	0	0.00	180,133	57.50	129,205	41.25	0	0.00	0	0.00
Crown Victoria	6,248	4.99	46,598	37.22	67,672	54.06	0	0.00	0	0.00
Taurus	0	0.00	189,485	48.89	195,410	50.42	0	0.00	0	0.00
Thunderbird	0	0.00	23,681	16.08	81,082	55.07	42,008	28.53	0	0.00
L-M Division	0	0.00	143,666	16.99	389,845	46.09	298,856	35.33	9,756	1.15
Mercury Total	0	0.00	143,666	25.42	389,845	68.98	27,954	4.95	0	0.00
Tracer/Lynx	0	0.00	50,107	54.62	39,622	43.19	0	0.00	0	0.00
Topaz	0	0.00	6,331	5.66	105,336	94.15	0	0.00	0	0.00
Grand Marquis	0	0.00	31,698	26.18	88,706	73.27	0	0.00	0	0.00
Cougar	0	0.00	12,750	10.70	78,121	65.56	27,954	23.46	0	0.00
Sable	0	0.00	42,780	35.27	78,060	64.36	0	0.00	0	0.00
Lincoln Total	0	0.00	0	0.00	0	0.00	270,903	96.52	9,756	3.48
Continental	0	0.00	0	0.00	0	0.00	35,851	86.83	5,436	13.17
Lincoln	0	0.00	0	0.00	0	0.00	196,792	97.85	4,321	2.15
Mark VII	0	0.00	0	0.00	0	0.00	38,259	100.00	0	0.00
GENERAL MOTORS	**123**	**0.00**	**1,168,515**	**30.44**	**2,257,840**	**58.82**	**319,378**	**8.32**	**0**	**0.00**
Buick Total	0	0.00	86,059	14.89	436,438	75.49	54,048	9.35	0	0.00
Skyhawk	0	0.00	1,880	6.45	27,254	93.55	0	0.00	0	0.00
Century	0	0.00	22,560	19.92	89,556	79.07	637	0.56	0	0.00
Regal (fwd)	0	0.00	22,115	17.01	100,447	77.27	6,821	5.25	0	0.00
Somerset/Skylark	0	0.00	16,613	30.32	36,528	66.67	1,517	2.77	0	0.00
LeSabre (fwd)	0	0.00	21,022	15.45	101,641	74.71	13,115	9.64	0	0.00
LeSabre (rwd)	0	0.00	755	7.81	7,076	73.25	1,824	18.88	0	0.00
Electra (fwd)	0	0.00	1,115	1.21	72,701	79.10	18,037	19.62	0	0.00
Reatta	0	0.00	0	0.00	0	0.00	4,708	100.00	0	0.00
Riviera	0	0.00	0	0.00	1,236	14.33	7,389	85.67	0	0.00
Cadillac Total	0	0.00	34,249	12.65	236,171	87.20	0	0.00	0	0.00
Cimarron	0	0.00	906	14.03	5,548	85.97	0	0.00	0	0.00
Allante	0	0.00	0	0.00	2,569	100.00	0	0.00	0	0.00
Brougham (rwd)	0	0.00	5,696	10.72	47,434	89.28	0	0.00	0	0.00
DeVille (fwd)	0	0.00	19,004	12.46	133,509	87.54	0	0.00	0	0.00
Eldorado	0	0.00	5,732	17.26	27,346	82.34	0	0.00	0	0.00
Seville	0	0.00	2,911	12.67	19,765	86.06	0	0.00	0	0.00
Chevrolet Total	0	0.00	686,823	46.22	584,552	39.34	129,336	8.70	0	0.00
Camaro	0	0.00	16,046	16.67	57,281	59.50	19,017	19.75	0	0.00
Cavalier	0	0.00	163,945	50.77	106,067	32.84	14,997	4.64	0	0.00
Celebrity	0	0.00	157,302	60.86	93,588	36.21	0	0.00	0	0.00
Corsica	0	0.00	161,910	55.61	103,268	35.47	12,122	4.16	0	0.00
Beretta	0	0.00	108,233	39.34	130,533	47.45	27,931	10.15	0	0.00
Monte Carlo	0	0.00	4,822	15.98	17,810	59.02	6,745	22.35	0	0.00
Caprice	0	0.00	74,565	39.43	53,395	28.24	48,524	25.66	0	0.00
Corvette	0	0.00	0	0.00	22,610	99.21	0	0.00	0	0.00
Oldsmobile Total	123	0.02	129,132	16.90	581,448	76.09	51,328	6.72	0	0.00
Firenza	123	1.00	6,375	52.00	5,272	43.00	0	0.00	0	0.00
Calais	0	0.00	28,193	25.57	81,735	74.12	0	0.00	0	0.00
Cutlass Ciera	0	0.00	35,855	14.30	207,609	82.80	6,519	2.60	0	0.00
Cutlass Supreme (fwd)	0	0.00	11,083	11.70	72,653	76.70	10,893	11.50	0	0.00
Cutlass Supreme	0	0.00	2,712	9.80	23,720	85.70	1,135	4.10	0	0.00
88 (fwd)	0	0.00	39,665	24.65	110,363	68.59	10,608	6.59	0	0.00
88 (rwd)	0	0.00	1,024	9.21	10,081	90.71	0	0.00	0	0.00
Olds 98	0	0.00	4,225	5.29	59,523	74.46	16,169	20.23	0	0.00
Toronado	0	0.00	0	0.00	10,491	63.60	6,005	36.40	0	0.00
Pontiac Total	0	0.00	232,252	31.41	419,231	56.70	84,665	11.45	0	0.00
Fiero	0	0.00	4,087	15.48	18,029	68.29	4,057	15.37	0	0.00
Firebird	0	0.00	7,799	12.49	35,943	57.54	18,239	29.20	0	0.00
Sunbird	0	0.00	42,584	45.45	47,908	51.13	2,807	3.00	0	0.00
Grand Am	0	0.00	69,383	29.48	153,069	65.03	11,826	5.02	0	0.00
Grand Prix	0	0.00	11,893	13.77	56,079	64.94	18,342	21.24	0	0.00
Pontiac 6000	0	0.00	59,326	49.42	55,465	46.20	4,803	4.00	0	0.00
Bonneville	0	0.00	35,954	33.11	48,411	44.59	23,920	22.03	0	0.00
Safari/Parisienne	0	0.00	1,226	19.16	4,328	67.66	671	10.49	0	0.00
HONDA	**0**	**0.00**	**0**	**0.00**	**208,439**	**57.26**	**0**	**0.00**	**0**	**0.00**
Civic	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Accord	0	0.00	0	0.00	208,439	76.00	0	0.00	0	0.00
MAZDA	**0**	**0.00**	**0**	**0.00**	**43,312**	**72.00**	**16,241**	**27.00**	**602**	**1.00**
NISSAN	**0**	**0.00**	**10,507**	**11.51**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
NUMMI	**0**	**0.00**	**100,844**	**90.01**	**506**	**0.45**	**0**	**0.00**	**0**	**0.00**
Corolla	0	0.00	29,728	72.65	506	1.24	0	0.00	0	0.00
Nova	0	0.00	71,116	100.00	0	0.00	0	0.00	0	0.00
VOLKSWAGEN	**0**	**0.00**	**1,620**	**4.09**	**8,158**	**20.58**	**0**	**0.00**	**0**	**0.00**
Golf/GTI	0	0.00	1,620	6.30	2,606	10.14	0	0.00	0	0.00
Jetta	0	0.00	0	0.00	5,552	39.80	0	0.00	0	0.00
Total Cars, U.S.	**75,159**	**0.92**	**2,832,012**	**34.79**	**4,022,423**	**49.42**	**733,620**	**9.01**	**17,348**	**0.21**

OPTIONS/EQUIPMENT

Seat options on 1988 U.S. models

	Bucket Seats	Percent of Output	Split Seats	Percent of Output	Bench Seats	Percent of Output	Reclining Seats	Percent of Output	Power Seats	Percent of Output	Adjustable Lumbar Supports	Percent of Output	Cloth Seats	Percent of Output	Vinyl Seats	Percent of Output	Leather Seats	Percent of Output
CHRYSLER MOTORS	**630,856**	**55.53**	**178,682**	**15.73**	**326,555**	**28.74**	**834,593**	**73.46**	**213,013**	**18.75**	**0**	**0.00**	**997,935**	**87.84**	**28,591**	**2.52**	**109,596**	**9.65**
Plymouth Total	215,568	61.57	9,486	2.71	125,087	35.72	227,568	64.99	1,743	0.50	0	0.00	347,660	99.29	2,481	0.71	0	0.00
Horizon	66,997	100.00	0	0.00	0	0.00	66,997	100.00	0	0.00	0	0.00	66,997	100.00	0	0.00	0	0.00
Sundance	101,441	100.00	0	0.00	0	0.00	101,441	100.00	0	0.00	0	0.00	101,441	100.00	0	0.00	0	0.00
Reliant	47,130	31.80	0	0.00	101,079	68.20	47,130	31.80	0	0.00	0	0.00	148,209	100.00	0	0.00	0	0.00
Caravelle	0	0.00	9,486	43.00	12,574	57.00	9,530	43.20	1,743	7.90	0	0.00	22,060	100.00	0	0.00	0	0.00
Gran Fury	0	0.00	0	0.00	11,434	100.00	2,470	21.60	0	0.00	0	0.00	8,953	78.30	2,481	21.70	0	0.00
Chrysler Total	121,414	42.72	92,628	32.59	70,149	24.68	263,100	92.57	167,791	59.04	0	0.00	157,814	55.53	22,238	7.82	104,169	36.65
LeBaron K	7,535	25.90	407	1.40	21,120	72.60	7,971	27.40	5,615	19.30	0	0.00	28,771	98.90	320	1.10	0	0.00
LeBaron J	94,473	100.00	0	0.00	0	0.00	94,473	100.00	40,245	42.60	0	0.00	47,898	50.70	21,918	23.20	24,657	26.10
LeBaron GTS	19,406	100.00	0	0.00	0	0.00	19,406	100.00	5,628	29.00	0	0.00	17,038	87.80	0	0.00	2,368	12.20
New Yorker E-Class	0	0.00	9,605	100.00	0	0.00	9,605	100.00	7,674	79.90	0	0.00	5,244	54.60	0	0.00	4,361	45.40
New Yorker C-Class	0	0.00	82,616	100.00	0	0.00	82,616	100.00	65,680	79.50	0	0.00	44,447	53.80	0	0.00	38,169	46.20
Fifth Avenue	0	0.00	0	0.00	49,029	100.00	49,029	100.00	42,949	87.60	0	0.00	14,415	29.40	0	0.00	34,614	70.60
Dodge Total	293,874	58.57	76,568	15.26	131,319	26.17	343,925	68.54	43,479	8.67	0	0.00	492,461	98.15	3,872	0.77	5,427	1.08
Daytona	74,852	100.00	0	0.00	0	0.00	74,852	100.00	10,629	14.20	0	0.00	70,960	94.80	0	0.00	3,892	5.20
Omni	64,740	100.00	0	0.00	0	0.00	64,740	100.00	0	0.00	0	0.00	64,740	100.00	0	0.00	0	0.00
Shadow	106,619	100.00	0	0.00	0	0.00	106,619	100.00	0	0.00	0	0.00	106,619	100.00	0	0.00	0	0.00
Aries	33,834	25.70	0	0.00	97,815	74.30	33,834	25.70	0	0.00	0	0.00	131,649	100.00	0	0.00	0	0.00
Dodge 600	0	0.00	8,425	39.70	12,796	60.30	8,425	39.70	2,398	11.30	0	0.00	21,221	100.00	0	0.00	0	0.00
Dynasty	0	0.00	68,143	100.00	0	0.00	35,434	52.00	21,465	31.50	0	0.00	68,143	100.00	0	0.00	0	0.00
Lancer	13,829	100.00	0	0.00	0	0.00	13,829	100.00	3,872	28.00	0	0.00	12,294	88.90	0	0.00	1,535	11.10
Diplomat	0	0.00	0	0.00	20,708	100.00	6,192	29.90	5,115	24.70	0	0.00	16,836	81.30	3,872	18.70	0	0.00
FORD MOTOR CO.	**1,247,109**	**49.93**	**1,234,728**	**49.43**	**15,936**	**0.64**	**1,837,774**	**73.58**	**1,070,341**	**42.85**	**315,974**	**12.65**	**2,158,101**	**86.40**	**58,388**	**2.34**	**281,294**	**11.26**
Ford Division	1,070,143	64.78	565,903	34.26	15,936	0.96	991,982	60.05	483,679	29.28	129,226	7.82	1,551,681	93.93	49,954	3.02	50,357	3.05
Escort	422,035	100.00	0	0.00	0	0.00	422,035	100.00	0	0.00	0	0.00	412,750	97.80	9,285	2.20	0	0.00
Mustang	211,225	100.00	0	0.00	0	0.00	211,225	100.00	75,583	35.78	75,583	35.78	191,428	90.63	8,210	3.89	11,588	5.49
Probe	45,460	100.00	0	0.00	0	0.00	45,460	100.00	11,559	25.43	0	0.00	45,460	100.00	0	0.00	0	0.00
Tempo	313,262	100.00	0	0.00	0	0.00	313,262	100.00	19,263	6.15	0	0.00	301,698	96.31	11,564	3.69	0	0.00
Crown Victoria	0	0.00	109,253	87.27	15,936	12.73	0	0.00	82,148	65.62	0	0.00	104,382	83.38	11,473	9.16	9,335	7.46
Taurus	24,517	6.33	363,060	93.67	0	0.00	0	0.00	173,891	44.87	0	0.00	362,812	93.61	9,423	2.43	15,341	3.96
Thunderbird	53,643	36.43	93,590	63.56	0	0.00	0	0.00	121,235	82.34	53,643	36.43	133,150	90.43	0	0.00	14,093	9.57
L-M Division	176,966	20.92	668,826	79.08	0	0.00	845,792	100.00	586,662	69.36	186,748	22.08	606,420	71.70	8,435	1.00	230,937	27.30
Mercury Total	148,151	26.22	416,982	73.78	0	0.00	565,133	100.00	306,003	54.15	157,933	27.95	508,336	89.95	8,435	1.49	48,362	8.56
Tracer/Lynx	91,733	100.00	0	0.00	0	0.00	91,733	100.00	0	0.00	91,733	100.00	91,733	100.00	0	0.00	0	0.00
Topaz	19,683	17.59	92,203	82.41	0	0.00	111,886	100.00	26,554	23.73	0	0.00	108,294	96.79	3,592	3.21	0	0.00
Grand Marquis	0	0.00	121,067	100.00	0	0.00	121,067	100.00	117,518	97.07	0	0.00	97,275	80.35	1,462	1.21	22,330	18.44
Cougar	26,934	22.60	92,228	77.40	0	0.00	119,162	100.00	95,113	79.82	15,169	12.73	108,043	90.67	0	0.00	11,119	9.33
Sable	9,801	8.08	111,484	91.92	0	0.00	121,285	100.00	66,818	55.09	51,030	42.07	102,991	84.92	3,380	2.79	14,913	12.30
Lincoln Total	28,815	10.27	251,844	89.73	0	0.00	280,659	100.00	280,659	100.00	28,815	10.27	98,084	34.95	0	0.00	182,575	65.05
Continental	0	0.00	41,287	100.00	0	0.00	41,287	100.00	41,287	100.00	0	0.00	7,084	17.16	0	0.00	34,203	82.84
Lincoln	0	0.00	201,113	100.00	0	0.00	201,113	100.00	201,113	100.00	0	0.00	84,732	42.13	0	0.00	116,381	57.87
Mark VII	28,815	75.32	9,444	24.68	0	0.00	38,259	100.00	38,259	100.00	28,815	75.32	6,268	16.38	0	0.00	31,991	83.62
GENERAL MOTORS	**2,166,551**	**56.44**	**1,195,135**	**31.14**	**354,110**	**9.23**	**2,737,405**	**71.32**	**1,189,283**	**30.98**	**80,495**	**2.10**	**2,569,703**	**66.95**	**18,199**	**0.47**	**351,047**	**9.15**
Buick Total	131,500	22.75	419,011	72.48	27,622	4.78	383,088	66.26	309,143	53.47	5,821	1.01	515,458	89.16	0	0.00	62,676	10.84
Skyhawk	29,134	100.00	0	0.00	0	0.00	29,134	100.00	0	0.00	0	0.00	29,134	100.00	0	0.00	0	0.00
Century	1,381	1.22	97,773	86.33	14,104	12.45	21,821	19.27	41,525	36.66	0	0.00	110,489	97.56	0	0.00	2,769	2.44
Regal (fwd)	32,860	25.28	90,007	69.24	7,133	5.49	123,068	94.67	56,404	43.39	0	0.00	117,234	90.18	0	0.00	12,767	9.82
Somerset/Skylark	54,792	100.00	0	0.00	0	0.00	43,459	79.32	6,259	11.42	0	0.00	54,174	98.87	0	0.00	618	1.13
LeSabre (fwd)	0	0.00	129,659	95.31	6,385	4.69	68,058	50.03	90,730	66.69	0	0.00	126,901	93.28	0	0.00	9,143	6.72
LeSabre (rwd)	0	0.00	9,659	100.00	0	0.00	9,659	100.00	8,980	92.97	0	0.00	9,659	100.00	0	0.00	0	0.00
Electra (fwd)	0	0.00	91,913	100.00	0	0.00	74,556	81.12	91,913	100.00	0	0.00	64,416	70.08	0	0.00	27,497	29.92
Reatta	4,708	100.00	0	0.00	0	0.00	4,708	100.00	4,708	100.00	2,713	57.63	25	0.53	0	0.00	4,683	99.47
Riviera	8,625	100.00	0	0.00	0	0.00	8,625	100.00	8,625	100.00	3,108	36.03	3,426	39.72	0	0.00	5,199	60.28
Cadillac Total	270,844	100.00	0	0.00	0	0.00	270,844	100.00	257,901	95.22	25,537	9.43	57,871	21.37	0	0.00	212,973	78.63
Cimarron	6,454	100.00	0	0.00	0	0.00	6,454	100.00	6,454	100.00	0	0.00	639	9.91	0	0.00	5,815	90.09
Allante	2,569	100.00	0	0.00	0	0.00	2,569	100.00	2,569	100.00	2,569	100.00	0	0.00	0	0.00	2,569	100.00
Brougham (rwd)	53,130	100.00	0	0.00	0	0.00	53,130	100.00	40,187	75.64	0	0.00	17,444	32.83	0	0.00	35,686	67.17
DeVille (fwd)	152,513	100.00	0	0.00	0	0.00	152,513	100.00	152,513	100.00	0	0.00	36,431	23.89	0	0.00	116,082	76.11
Eldorado	33,210	100.00	0	0.00	0	0.00	33,210	100.00	33,210	100.00	0	0.00	2,263	6.81	0	0.00	30,947	93.19
Seville	22,968	100.00	0	0.00	0	0.00	22,968	100.00	22,968	100.00	22,968	100.00	1,094	4.76	0	0.00	21,874	95.24
Chevrolet Total	1,033,916	69.58	304,854	20.52	147,210	9.91	1,163,474	78.30	152,671	10.27	12,724	0.86	555,594	37.39	18,199	1.22	12,724	0.86
Camaro	96,275	100.00	0	0.00	0	0.00	96,275	100.00	16,176	16.80	0	0.00	0	0.00	0	0.00	0	0.00
Cavalier	322,939	100.00	0	0.00	0	0.00	322,939	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Celebrity	10,143	3.92	152,269	58.91	96,044	37.16	21,089	8.16	24,932	9.65	0	0.00	258,456	100.005	0	0.00	0	0.00
Corsica	291,163	100.00	0	0.00	0	0.00	291,163	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Beretta	275,098	100.00	0	0.00	0	0.00	275,098	100.00	0	0.00	0	0.00	275,098	100.00	0	0.00	0	0.00
Monte Carlo	15,509	51.40	11,979	39.70	2,685	8.90	0	0.00	4,556	15.10	0	0.00	11,975	39.69	18,199	60.31	0	0.00
Caprice	0	0.00	140,606	74.36	48,480	25.64	134,121	70.93	84,923	44.91	0	0.00	0	0.00	0	0.00	0	0.00
Corvette	22,789	100.00	0	0.00	0	0.00	22,789	100.00	22,084	96.91	12,724	55.83	10,065	44.17	0	0.00	12,724	55.83
Oldsmobile Total	223,647	29.27	285,800	37.40	132,070	17.28	419,449	54.89	333,809	43.68	0	0.00	718,554	94.04	0	0.00	45,577	5.96
Firenza	12,260	100.00	0	0.00	0	0.00	12,260	100.00	0	0.00	0	0.00	12,260	100.00	0	0.00	0	0.00
Calais	110,276	100.00	0	0.00	0	0.00	110,276	100.00	14,830	13.45	0	0.00	107,492	97.48	0	0.00	2,784	2.52
Cutlass Ciera	26,077	10.40	191,562	76.40	33,097	13.20	59,424	23.70	110,825	44.20	0	0.00	248,931	99.28	0	0.00	1,805	0.72
Cutlass Supreme (fwd)	47,646	50.30	41,110	43.40	5,968	6.30	47,646	50.30	28,417	30.00	0	0.00	92,355	97.50	0	0.00	2,368	2.50
Cutlass Supreme	5,314	19.20	20,233	73.10	2,131	7.70	5,314	19.20	9,770	35.30	0	0.00	27,678	100.00	0	0.00	0	0.00
88 (fwd)	0	0.00	21,781	13.54	16,518	10.26	100,046	62.17	94,736	58.87	0	0.00	153,453	95.36	0	0.00	7,460	4.64
88 (rwd)	0	0.00	11,114	100.00	0	0.00	9,836	88.50	9,836	88.50	0	0.00	11,114	100.00	0	0.00	0	0.00
Olds 98	8,531	10.67	0	0.00	71,404	89.33	61,104	76.44	51,588	64.54	0	0.00	52,833	66.09	0	0.00	27,102	33.91
Toronado	13,543	82.10	0	0.00	2,953	17.90	13,543	82.10	13,807	83.70	0	0.00	12,438	75.40	0	0.00	4,058	24.60
Pontiac Total	506,644	68.53	185,470	25.09	47,207	6.39	500,550	67.70	135,758	18.36	36,413	4.93	722,227	97.69	0	0.00	17,096	2.31
Fiero	26,402	100.00	0	0.00	0	0.00	26,402	100.00	0	0.00	1,127	4.27	25,078	94.99	0	0.00	1,324	5.01
Firebird	62,467	100.00	0	0.00	0	0.00	62,467	100.00	0	0.00	11,763	18.83	59,397	95.08	0	0.00	3,070	4.92
Sunbird	93,694	100.00	0	0.00	0	0.00	93,694	100.00	0	0.00	1,103	1.18	93,694	100.00	0	0.00	0	0.00
Grand Am	235,371	100.00	0	0.00	0	0.00	235,371	100.00	16,919	7.19	2,784	1.18	235,371	100.00	0	0.00	0	0.00
Grand Prix	54,849	63.51	28,879	33.44	2,629	3.04	66,959	77.54	36,121	41.83	19,637	22.74	81,141	93.96	0	0.00	5,216	6.04
Pontiac 6000	10,023	8.35	74,216	61.82	35,814	29.83	12,158	10.13	13,342	11.11	0	0.00	120,055	100.00	0	0.00	0	0.00
Bonneville	23,837	21.95	76,667	70.61	8,075	7.44	3,500	3.22	64,618	59.51	0	0.00	101,094	93.11	0	0.00	7,486	6.89
Safari/Parisienne	0	0.00	5,708	89.23	689	10.77	0	0.00	4,757	74.37	0	0.00	6,397	100.00	0	0.00	0	0.00
HONDA	**364,000**	**100.00**	**0**	**0.00**	**0**	**0.00**	**364,000**	**100.00**	**0**	**0.00**	**0**	**0.00**	**364,000**	**100.00**	**0**	**0.00**	**0**	**0.00**
Civic	89,738	100.00	0	0.00	0	0.00	89,738	100.00	0	0.00	0	0.00	89,738	100.00	0	0.00	0	0.00
Accord	274,262	100.00	0	0.00	0	0.00	274,262	100.00	0	0.00	0	0.00	274,262	100.00	0	0.00	0	0.00
MAZDA	**40,446**	**67.24**	**0**	**0.00**	**0**	**0.00**	**60,156**	**100.00**	**0**	**0.00**	**60,156**	**100.00**	**60,156**	**100.005**	**0**	**0.00**	**0**	**0.00**
NISSAN	**91,281**	**100.00**	**0**	**0.00**	**0**	**0.00**	**91,281**	**100.00**	**0**	**0.00**	**0**	**0.00**	**64,633**	**70.81**	**26,648**	**29.19**	**0**	**0.00**
NUMMI	**112,034**	**100.00**	**313**	**0.28**	**0**	**0.00**	**112,034**	**100.00**	**99**	**0.09**	**0**	**0.00**	**112,034**	**100.00**	**0**	**0.00**	**0**	**0.00**
Corolla	40,918	100.00	313	0.77	0	0.00	40,918	100.00	99	0.24	0	0.00	40,918	100.00	0	0.00	0	0.00
Nova	71,116	100.00	0	0.00	0	0.00	71,116	100.00	0	0.00	0	0.00	71,116	100.00	0	0.00	0	0.00
VOLKSWAGEN	**39,647**	**100.00**	**0**	**0.00**	**0**	**0.00**	**39,647**	**100.00**	**0**	**0.00**	**0**	**0.00**	**39,647**	**100.00**	**0**	**0.00**	**0**	**0.00**
Golf/GTI	25,697	100.00	0	0.00	0	0.00	25,697	100.00	0	0.00	0	0.00	25,697	100.00	0	0.00	0	0.00
Jetta	13,950	100.00	0	0.00	0	0.00	13,950	100.00	0	0.00	0	0.00	13,950	100.00	0	0.00	0	0.00
Total Cars, U.S.	**4,691,924**	**57.64**	**2,608,859**	**32.05**	**696,501**	**8.56**	**6,076,890**	**74.66**	**2,472,736**	**30.38**	**456,626**	**5.61**	**6,366,209**	**78.21**	**131,827**	**1.62**	**741,937**	**9.12**

OPTIONS/EQUIPMENT

Power equipment and wheel options on 1988 U.S. models

	Power Steering	Percent of Output	Power Brakes	Percent of Output	Anti-lock Braking System (ABS)	Percent of Output	4-wheel Disc Brakes	Percent of Output	White Sidewalls	Percent of Output	Styled Wheels	Percent of Output	Full Size Spare	Percent of Output
CHRYSLER MOTORS	**1,121,028**	**98.67**	**1,115,478**	**98.18**	**15,519**	**1.37**	**32,211**	**2.84**	**413,967**	**36.44**	**245,690**	**21.63**	**234,757**	**20.66**
Plymouth Total	342,509	97.82	350,141	100.00	0	0.00	0	0.00	83,200	23.76	9,028	2.58	87,896	25.10
Horizon	60,699	90.60	66,997	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Sundance	101,441	100.00	101,441	100.00	0	0.00	0	0.00	0	0.00	9,028	8.90	31,345	30.90
Reliant	146,875	99.10	148,209	100.00	0	0.00	0	0.00	61,507	41.50	0	0.00	43,573	29.40
Caravelle	22,060	100.00	22,060	100.00	0	0.00	0	0.00	16,148	73.20	0	0.00	4,390	19.90
Gran Fury	11,434	100.00	11,434	100.00	0	0.00	0	0.00	5,545	48.50	0	0.00	8,587	75.10
Chrysler Total	284,220	100.00	284,220	100.00	11,566	4.07	11,566	4.07	180,726	63.59	45,193	15.90	54,188	19.07
LeBaron K	29,091	100.00	29,091	100.00	0	0.00	0	0.00	24,233	83.30	0	0.00	8,262	28.40
LeBaron J	94,473	100.00	94,473	100.00	0	0.00	0	0.00	13,982	14.80	34,577	36.60	0	0.00
LeBaron GTS	19,406	100.00	19,406	100.00	0	0.00	0	0.00	1,261	6.50	3,396	17.50	0	0.00
N. Yorker E-Class	9,605	100.00	9,605	100.00	0	0.00	0	0.00	9,605	100.00	528	5.50	3,343	34.80
N. Yorker C-Class	82,616	100.00	82,616	100.00	11,566	14.00	11,566	14.00	82,616	100.00	6,692	8.10	27,924	33.80
Fifth Avenue	49,029	100.00	49,029	100.00	0	0.00	0	0.00	49,029	100.00	0	0.00	14,660	29.90
Dodge Total	494,299	98.51	481,117	95.89	3,952	0.79	20,644	4.11	150,040	29.90	191,469	38.16	92,673	18.47
Daytona	74,852	100.00	58,160	77.70	0	0.00	16,692	22.30	0	0.00	74,852	100.00	1,048	1.40
Omni	58,331	90.10	64,740	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Shadow	106,619	100.00	106,619	100.00	0	0.00	0	0.00	0	0.00	106,619	100.00	22,710	21.30
Aries	130,596	99.20	131,649	100.00	0	0.00	0	0.00	54,239	41.20	0	0.00	32,254	24.50
Dodge 600	21,221	100.00	21,221	100.00	0	0.00	0	0.00	15,873	74.80	467	2.20	3,777	17.80
Dynasty	68,143	100.00	64,191	94.20	3,952	5.80	3,952	5.80	68,143	100.00	5,451	8.00	17,581	25.80
Lancer	13,829	100.00	13,829	100.00	0	0.00	0	0.00	1,037	7.50	4,080	29.50	0	0.00
Diplomat	20,708	100.00	20,708	100.00	0	0.00	0	0.00	10,747	51.90	0	0.00	15,303	73.90
FORD MOTOR CO.	**2,487,760**	**99.60**	**2,431,946**	**97.36**	**116,801**	**4.68**	**126,665**	**5.07**	**834,055**	**33.39**	**793,061**	**31.75**	**434,849**	**17.41**
Ford Division	1,651,991	100.00	1,586,154	96.01	37,255	2.26	47,119	2.85	377,496	22.85	431,158	26.10	111,245	6.73
Escort	422,035	100.00	356,198	84.40	0	0.00	0	0.00	44,094	10.45	69,559	16.48	9,697	2.30
Mustang	211,225	100.00	211,225	100.00	0	0.00	0	0.00	39,315	18.61	103,135	48.83	0	0.00
Probe	45,460	100.00	45,460	100.00	0	0.00	9,865	21.70	0	0.00	15,564	34.24	0	0.00
Tempo	313,262	100.00	313,262	100.00	0	0.00	0	0.00	72,346	23.09	23,630	7.54	0	0.00
Crown Victoria	125,189	100.00	125,189	100.00	0	0.00	0	0.00	104,035	83.10	68,918	55.05	70,883	56.62
Taurus	387,577	100.00	387,577	100.00	0	0.00	0	0.00	82,262	21.22	77,227	19.93	25,665	6.62
Thunderbird	147,243	100.00	147,243	100.00	37,255	25.30	37,255	25.30	35,444	24.07	73,126	49.66	4,999	3.39
L-M Division	835,769	98.81	845,792	100.00	79,546	9.40	79,546	9.40	456,560	53.98	361,902	42.79	323,605	38.26
Mercury Total	555,110	98.23	565,133	100.00	0	0.00	0	0.00	239,225	42.33	157,598	27.89	122,492	21.67
Tracer/Lynx	81,710	89.07	91,733	100.00	0	0.00	0	0.00	0	0.00	15,123	16.49	0	0.00
Topaz	111,886	100.00	111,886	100.00	0	0.00	0	0.00	17,117	15.30	19,676	17.59	0	0.00
Grand Marquis	121,067	100.00	121,067	100.00	0	0.00	0	0.00	121,067	100.00	54,334	44.88	90,438	74.70
Cougar	119,162	100.00	119,162	100.00	0	0.00	0	0.00	93,409	78.39	15,171	12.73	17,278	14.50
Sable	121,285	100.00	121,285	100.00	0	0.00	0	0.00	7,631	6.29	53,294	43.94	14,776	12.18
Lincoln Total	280,659	100.00	280,659	100.00	79,546	28.34	79,546	28.34	217,335	77.44	204,304	72.79	201,113	71.66
Continental	41,287	100.00	41,287	100.00	41,287	100.00	41,287	100.00	6,783	16.43	36,212	87.71	0	0.00
Lincoln	201,113	100.00	201,113	100.00	0	0.00	0	0.00	201,113	100.00	129,833	64.56	201,113	100.00
Mark VII	38,259	100.00	38,259	100.00	38,259	100.00	38,259	100.00	9,440	24.67	38,259	100.00	0	0.00
GENERAL MOTORS	**3,802,306**	**99.06**	**3,811,481**	**99.30**	**84,342**	**2.20**	**283,718**	**7.39**	**1,689,623**	**44.02**	**1,325,902**	**34.54**	**15,849**	**0.41**
Buick Total	578,134	100.00	578,134	100.00	15,548	2.69	143,334	24.79	455,707	78.82	164,284	28.42	0	0.00
Skyhawk	29,134	100.00	29,134	100.00	0	0.00	0	0.00	25,088	86.11	3,780	12.97	0	0.00
Century	113,258	100.00	113,258	100.00	0	0.00	0	0.00	108,245	95.57	13,894	12.27	0	0.00
Regal (fwd)	130,001	100.00	130,001	100.00	176	0.14	130,001	100.00	61,312	47.16	76,973	59.21	0	0.00
Somerset/Skylark	54,792	100.00	54,792	100.00	0	0.00	0	0.00	42,089	76.82	16,373	29.88	0	0.00
LeSabre (fwd)	136,044	100.00	136,044	100.00	2,952	2.17	0	0.00	119,762	88.03	29,193	21.46	0	0.00
LeSabre (rwd)	9,659	100.00	9,659	100.00	0	0.00	0	0.00	9,659	100.00	0	0.00	0	0.00
Electra (fwd)	91,913	100.00	91,913	100.00	6,716	7.31	0	0.00	86,230	93.82	13,737	14.95	0	0.00
Reatta	4,708	100.00	4,708	100.00	4,708	100.00	4,708	100.00	0	0.00	4,708	100.00	0	0.00
Riviera	8,625	100.00	8,625	100.00	996	11.55	8,625	100.00	3,323	38.53	5,627	65.24	0	0.00
Cadillac Total	270,844	100.00	270,844	100.00	14,890	5.50	2,569	0.95	239,859	88.56	65,201	24.07	0	0.00
Cimarron	6,454	100.00	6,454	100.00	0	0.00	0	0.00	0	0.00	6,454	100.00	0	0.00
Allante	2,569	100.00	2,569	100.00	2,569	100.00	2,569	100.00	0	0.00	2,569	100.00	0	0.00
Brougham (rwd)	53,130	100.00	53,130	100.00	0	0.00	0	0.00	53,130	100.00	0	0.00	0	0.00
DeVille (fwd)	152,513	100.00	152,513	100.00	5,198	3.41	0	0.00	152,513	100.00	0	0.00	0	0.00
Eldorado	33,210	100.00	33,210	100.00	3,505	10.56	0	0.00	33,210	100.00	33,210	100.00	0	0.00
Seville	22,968	100.00	22,968	100.00	3,617	15.75	0	0.00	1,006	4.38	22,968	100.00	0	0.00
Chevrolet Total	1,476,986	99.39	1,472,454	99.09	22,789	1.53	36,177	2.43	370,373	24.92	382,251	25.72	15,849	1.07
Camaro	96,275	100.00	82,887	86.09	0	0.00	13,388	13.91	0	0.00	21,803	22.65	0	0.00
Cavalier	313,945	97.21	322,939	100.00	0	0.00	0	0.00	69,456	21.51	16,513	5.11	0	0.00
Celebrity	258,456	100.00	258,456	100.00	0	0.00	0	0.00	131,145	50.74	86,726	33.56	301	0.12
Corsica	291,163	100.00	291,163	100.00	0	0.00	0	0.00	94,300	32.39	91,541	31.44	0	0.00
Beretta	275,098	100.00	275,098	100.00	0	0.00	0	0.00	21,305	7.74	117,728	42.79	0	0.00
Monte Carlo	30,174	100.00	30,174	100.00	0	0.00	0	0.00	13,401	44.41	6,704	22.22	0	0.00
Caprice	189,086	100.00	188,948	99.93	0	0.00	0	0.00	40,766	21.56	18,447	9.76	15,548	8.22
Corvette	22,789	100.00	22,789	100.00	22,789	100.00	22,789	100.00	0	0.00	22,789	100.00	0	0.00
Oldsmobile Total	764,008	99.98	750,726	98.25	15,165	1.98	0	0.00	480,728	62.91	297,790	38.97	0	0.00
Firenza	12,137	99.00	12,134	98.97	0	0.00	0	0.00	5,674	46.28	3,569	29.11	0	0.00
Calais	110,276	100.00	110,276	100.00	0	0.00	0	0.00	54,112	49.07	74,182	67.27	0	0.00
Cutlass Ciera	250,736	100.00	250,736	100.00	0	0.00	0	0.00	200,840	80.10	77,979	31.10	0	0.00
Cutlass Supreme (fwd)	94,723	100.00	94,723	100.00	0	0.00	0	0.00	7,010	7.40	73,221	77.30	0	0.00
Cutlass Supreme	27,678	100.00	27,678	100.00	0	0.00	0	0.00	22,419	81.00	10,877	39.30	0	0.00
88 (fwd)	160,913	100.00	160,913	100.00	1,865	1.16	0	0.00	129,164	80.27	23,533	14.62	0	0.00
88 (rwd)	11,114	100.00	11,114	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Olds 98	79,935	100.00	79,935	100.00	11,535	14.43	0	0.00	61,510	76.95	18,213	22.78	0	0.00
Toronado	16,496	100.00	3,217	19.50	1,765	10.70	0	0.00	0	0.00	16,216	98.30	0	0.00
Pontiac Total	712,334	96.35	739,323	100.00	15,950	2.16	101,638	13.75	142,956	19.34	416,375	56.32	0	0.00
Fiero	0	0.00	26,402	100.00	0	0.00	0	0.00	0	0.00	26,386	99.94	0	0.00
Firebird	62,467	100.00	62,467	100.00	0	0.00	15,281	24.46	0	0.00	62,467	100.00	0	0.00
Sunbird	93,107	99.37	93,694	100.00	0	0.00	0	0.00	11,977	12.78	58,719	62.67	0	0.00
Grand Am	235,371	100.00	235,371	100.00	0	0.00	0	0.00	25,079	10.66	125,588	53.36	0	0.00
Grand Prix	86,357	100.00	86,357	100.00	0	0.00	86,357	100.00	2,689	3.11	40,533	46.94	0	0.00
Pontiac 6000	120,055	100.00	120,055	100.00	2,440	2.03	0	0.00	64,446	53.68	32,915	27.42	0	0.00
Bonneville	108,580	100.00	108,580	100.00	13,510	12.44	0	0.00	32,368	29.81	69,767	64.25	0	0.00
Safari/Paris.	6,397	100.00	6,397	100.00	0	0.00	0	0.00	6,397	100.00	0	0.00	0	0.00
HONDA	**338,873**	**93.10**	**364,000**	**100.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
Civic	64,611	72.00	89,738	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Accord	274,262	100.00	274,262	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
MAZDA	**60,156**	**100.00**	**60,156**	**100.00**	**1,804**	**3.00**	**0**	**0.00**	**0**	**0.00**	**31,064**	**51.64**	**0**	**0.00**
NISSAN	**42,189**	**46.22**	**91,281**	**100.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
NUMMI	**98,268**	**87.71**	**112,034**	**100.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**2,344**	**2.09**	**0**	**0.00**
Corolla	36,397	88.95	40,918	100.00	0	0.00	0	0.00	0	0.00	125	0.30	0	0.00
Nova	61,871	87.00	71,116	100.00	0	0.00	0	0.00	0	0.00	2,219	3.12	0	0.00
VOLKSWAGEN	**16,563**	**41.78**	**39,647**	**100.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**39,647**	**100.00**	**0**	**0.00**
Golf/GTI	13,534	52.67	25,697	100.00	0	0.00	0	0.00	0	0.00	25,697	100.00	0	0.00
Jetta	3,029	21.71	13,950	100.00	0	0.00	0	0.00	0	0.00	13,950	100.00	0	0.00
Total Cars, U.S.	**7,967,143**	**97.88**	**8,026,019**	**98.61**	**218,459**	**2.68**	**442,594**	**5.44**	**2,937,645**	**36.09**	**2,437,701**	**29.95**	**685,451**	**8.42**

Roof and convenience options on 1988 U.S. models

	Vinyl Roofs	Percent of Output	Electric Slide Sunroofs	Percent of Output	Pop-Up Sunroofs	Percent of Output	T-Roofs	Percent of Output	Power Locks	Percent of Output	Power Windows	Percent of Output	Power Side Mirrors	Percent of Output
CHRYSLER MOTORS	**88,335**	**7.78**	**3,890**	**0.34**	**28,031**	**2.47**	**8,758**	**0.77**	**410,842**	**36.16**	**328,523**	**26.92**	**909,439**	**80.05**
Plymouth Total	1,441	0.41	0	0.00	7,405	2.11	0	0.00	50,440	14.41	17,466	4.99	338,707	96.73
Horizon	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	66,997	100.00
Sundance	0	0.00	0	0.00	7,405	7.30	0	0.00	19,680	19.40	7,811	7.70	101,441	100.00
Reliant	0	0.00	0	0.00	0	0.00	0	0.00	20,156	13.60	0	0.00	148,209	100.00
Caravelle	0	0.00	0	0.00	0	0.00	0	0.00	6,419	29.10	6,419	29.10	22,060	100.00
Gran Fury	1,441	12.60	0	0.00	0	0.00	0	0.00	4,185	36.60	3,236	28.30	0	0.00
Chrysler Total	80,103	28.18	2,431	0.86	2,929	1.03	0	0.00	225,791	79.44	215,372	75.78	152,575	53.68
LeBaron K	26,764	92.00	0	0.00	0	0.00	0	0.00	10,880	37.40	10,909	37.50	29,091	100.00
LeBaron J	0	0.00	0	0.00	2,929	3.10	0	0.00	64,336	68.10	68,776	72.80	94,473	100.00
LeBaron GTS	0	0.00	0	0.00	0	0.00	0	0.00	10,208	52.60	8,151	42.00	19,406	100.00
New Yorker E-Class	9,605	100.00	0	0.00	0	0.00	0	0.00	9,605	100.00	9,605	100.00	9,605	100.00
New Yorker C-Class	0	0.00	1,157	1.40	0	0.00	0	0.00	82,616	100.00	68,902	83.40	0	0.00
Fifth Avenue	43,734	89.20	1,275	2.60	0	0.00	0	0.00	48,146	98.20	49,029	100.00	0	0.00
Dodge Total	6,792	1.35	1,458	0.29	17,698	3.53	8,758	1.75	134,611	26.83	95,685	19.07	418,157	83.34
Daytona	0	0.00	0	0.00	10,554	14.10	8,758	11.70	16,467	22.00	22,530	30.10	74,852	100.00
Omni	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	64,740	100.00
Shadow	0	0.00	0	0.00	7,143	6.70	0	0.00	16,099	15.10	9,489	8.90	106,619	100.00
Aries	0	0.00	0	0.00	0	0.00	0	0.00	19,747	15.00	0	0.00	131,649	100.00
Dodge 600	0	0.00	0	0.00	0	0.00	0	0.00	6,515	30.70	6,515	30.70	21,221	100.00
Dynasty	0	0.00	0	0.00	0	0.00	0	0.00	59,012	86.60	42,930	63.00	5,247	7.70
Lancer	0	0.00	1,189	8.60	0	0.00	0	0.00	6,085	44.00	4,882	35.30	13,829	100.00
Diplomat	6,792	32.80	269	1.30	0	0.00	0	0.00	10,685	51.60	9,339	45.10	0	0.00
FORD MOTOR CO.	**402,739**	**16.12**	**97,776**	**3.91**	**50,206**	**2.01**	**4,919**	**0.20**	**1,624,293**	**65.03**	**1,308,080**	**52.37**	**1,172,382**	**46.94**
Ford Division	80,559	4.88	32,451	1.96	38,298	2.32	4,919	0.30	960,934	58.17	646,533	39.14	968,763	58.64
Escort	0	0.00	0	0.00	9,059	2.15	0	0.00	0	0.00	0	0.00	422,035	100.00
Mustang	0	0.00	0	0.00	22,477	10.64	4,919	2.33	203,410	96.30	140,042	66.30	108,147	51.20
Probe	0	0.00	0	0.00	6,762	14.87	0	0.00	19,502	42.90	11,547	25.40	45,460	100.00
Tempo	0	0.00	0	0.00	0	0.00	0	0.00	265,333	84.70	33,519	10.70	313,262	100.00
Crown Victoria	80,559	64.35	0	0.00	0	0.00	0	0.00	97,147	77.60	92,014	73.50	0	0.00
Taurus	0	0.00	13,429	3.46	0	0.00	0	0.00	234,484	60.50	226,733	58.50	42,606	10.99
Thunderbird	0	0.00	19,023	12.92	0	0.00	0	0.00	141,059	95.80	142,678	96.90	37,252	25.30
L-M Division	322,180	38.09	65,325	7.72	11,907	1.41	0	0.00	663,358	78.43	661,547	78.22	203,619	24.07
Mercury Total	121,067	21.42	0	0.00	11,907	2.11	0	0.00	328,699	67.72	380,888	67.40	203,619	36.03
Tracer/Lynx	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	91,733	100.00
Topaz	0	0.00	0	0.00	0	0.00	0	0.00	42,293	37.80	34,797	31.10	111,886	100.00
Grand Marquis	121,067	100.00	0	0.00	0	0.00	0	0.00	118,525	97.90	121,067	100.00	0	0.00
Cougar	0	0.00	0	0.00	8,238	6.91	0	0.00	112,846	94.70	113,442	95.20	0	0.00
Sable	0	0.00	0	0.00	3,670	3.03	0	0.00	109,035	89.90	111,582	92.00	0	0.00
Lincoln Total	201,113	71.66	65,325	23.28	0	0.00	0	0.00	280,659	100.00	280,659	100.00	0	0.00
Continental	0	0.00	12,867	31.16	0	0.00	0	0.00	41,287	100.00	41,287	100.00	0	0.00
Lincoln	201,113	100.00	14,199	7.06	0	0.00	0	0.00	201,113	100.00	201,113	100.00	0	0.00
Mark VII	0	0.00	38,259	100.00	0	0.00	0	0.00	38,259	100.00	38,259	100.00	0	0.00
GENERAL MOTORS	**231,778**	**6.04**	**30,165**	**0.79**	**80,093**	**2.09**	**76,427**	**1.99**	**1,945,450**	**50.68**	**2,064,531**	**53.79**	**1,267,351**	**33.02**
Buick Total	44,177	7.64	5,536	0.96	5,584	0.97	0	0.00	459,449	79.47	410,635	71.03	100,904	17.45
Skyhawk	0	0.00	0	0.00	0	0.00	0	0.00	12,091	41.50	1,020	3.50	29,134	100.00
Century	7,393	6.53	0	0.00	0	0.00	0	0.00	80,753	71.30	61,159	54.00	31,604	27.90
Regal (fwd)	0	0.00	0	0.00	0	0.00	0	0.00	95,031	73.10	101,531	78.10	0	0.00
Somerset/Skylark	0	0.00	0	0.00	5,584	10.19	0	0.00	31,012	56.60	18,081	33.00	40,166	73.31
LeSabre (fwd)	17,862	13.13	0	0.00	0	0.00	0	0.00	125,977	92.60	114,277	84.00	0	0.00
LeSabre (rwd)	0	0.00	0	0.00	0	0.00	0	0.00	9,524	98.60	9,321	96.50	0	0.00
Electra (fwd)	17,046	18.55	4,504	4.90	0	0.00	0	0.00	91,729	99.80	91,913	100.00	0	0.00
Reatta	0	0.00	0	0.00	0	0.00	0	0.00	4,708	100.00	4,708	100.00	0	0.00
Riviera	1,876	21.75	1,032	11.97	0	0.00	0	0.00	8,625	100.00	8,625	100.00	0	0.00
Cadillac Total	7,767	2.87	7,421	2.74	0	0.00	0	0.00	31,331	11.57	270,844	100.00	0	0.00
Cimarron	0	0.00	0	0.00	0	0.00	0	0.00	6,454	100.00	6,454	100.00	0	0.00
Allante	0	0.00	0	0.00	0	0.00	0	0.00	2,569	100.00	2,569	100.00	0	0.00
Brougham (rwd)	4,844	9.12	1,792	3.37	0	0.00	0	0.00	5,170	9.73	53,130	100.00	0	0.00
DeVille (fwd)	0	0.00	2,102	1.38	0	0.00	0	0.00	6,360	4.17	152,513	100.00	0	0.00
Eldorado	1,583	4.77	2,425	7.30	0	0.00	0	0.00	6,031	18.16	33,210	100.00	0	0.00
Seville	1,340	5.83	1,103	4.80	0	0.00	0	0.00	4,747	20.67	22,968	100.00	0	0.00
Chevrolet Total	125,420	8.44	0	0.00	32,043	2.16	49,044	3.30	649,680	43.72	555,546	37.39	578,277	38.92
Camaro	0	0.00	0	0.00	0	0.00	41,005	42.59	43,998	45.70	60,653	63.00	0	0.00
Cavalier	0	0.00	0	0.00	26,104	8.08	0	0.00	107,539	33.30	50,701	15.70	251,863	77.99
Celebrity	0	0.00	0	0.00	0	0.00	0	0.00	112,945	43.70	99,506	38.50	101,292	39.19
Corsica	0	0.00	0	0.00	0	0.00	0	0.00	101,907	35.00	83,855	28.80	144,426	49.60
Beretta	0	0.00	0	0.00	848	0.31	0	0.00	106,188	36.60	100,411	36.50	80,696	29.33
Monte Carlo	4,601	15.25	0	0.00	0	0.00	8,039	26.64	20,820	69.00	20,398	67.60	0	0.00
Caprice	120,819	63.90	0	0.00	0	0.00	0	0.00	133,495	70.60	117,233	62.00	0	0.00
Corvette	0	0.00	0	0.00	5,091	22.34	0	0.00	22,789	100.00	22,789	100.00	0	0.00
Oldsmobile Total	54,415	7.12	8,158	1.07	11,665	1.53	0	0.00	467,125	61.13	516,056	67.54	187,074	24.48
Firenza	0	0.00	0	0.00	0	0.00	0	0.00	2,520	20.55	2,520	20.55	12,260	100.00
Calais	0	0.00	0	0.00	6,348	5.76	0	0.00	44,520	40.37	44,624	40.47	98,340	89.18
Cutlass Ciera	0	0.00	0	0.00	2,006	0.80	0	0.00	169,498	67.60	143,170	57.10	76,474	30.50
Cutlass Supreme (fwd)	0	0.00	0	0.00	0	0.00	0	0.00	64,412	68.00	71,232	75.20	0	0.00
Cutlass Supreme	16,192	58.50	0	0.00	2,325	8.40	0	0.00	16,911	61.10	19,458	70.30	0	0.00
88 (fwd)	21,781	13.54	0	0.00	986	0.61	0	0.00	135,820	84.41	128,166	79.65	0	0.00
88 (rwd)	0	0.00	0	0.00	0	0.00	0	0.00	10,799	97.17	10,456	34.08	0	0.00
Olds 98	16,442	20.57	4,941	6.18	0	0.00	0	0.00	12,518	15.66	79,935	100.00	0	0.00
Toronado	0	0.00	3,217	19.50	0	0.00	0	0.00	10,129	61.40	16,496	100.00	0	0.00
Pontiac Total	0	0.00	9,049	1.22	30,801	4.17	27,383	3.70	337,864	45.70	311,450	42.13	401,096	54.25
Fiero	0	0.00	0	0.00	9,653	36.56	1,306	4.95	8,751	33.15	3,521	13.33	14,323	54.25
Firebird	0	0.00	0	0.00	0	0.00	26,077	41.75	39,413	63.09	43,922	70.31	0	0.00
Sunbird	0	0.00	0	0.00	5,460	5.83	0	0.00	8,708	9.29	6,559	7.00	93,694	100.00
Grand Am	0	0.00	404	0.17	15,687	6.66	0	0.00	66,971	28.45	77,498	32.93	235,371	100.00
Grand Prix	0	0.00	0	0.00	0	0.00	0	0.00	60,780	70.38	65,093	75.38	0	0.00
Pontiac 6000	0	0.00	0	0.00	0	0.00	0	0.00	61,696	51.39	46,118	38.41	57,708	48.07
Bonneville	0	0.00	8,645	7.96	0	0.00	0	0.00	85,897	79.11	63,410	58.40	0	0.00
Paris./Safari	0	0.00	0	0.00	0	0.00	0	0.00	5,647	88.28	5,329	83.31	0	0.00
HONDA	**0**	**0.00**	**98,734**	**27.12**	**0**	**0.00**	**0**	**0.00**	**248,821**	**68.36**	**248,821**	**68.36**	**364,000**	**100.00**
Civic	0	0.00	0	0.00	0	0.00	0	0.00	40,382	45.00	40,382	45.00	89,738	100.00
Accord	0	0.00	98,734	36.00	0	0.00	0	0.00	208,439	76.00	208,439	76.00	274,262	100.00
MAZDA	**0**	**0.00**	**36,235**	**60.24**	**0**	**0.00**	**0**	**0.00**	**31,064**	**51.64**	**31,064**	**51.64**	**60,156**	**100.00**
NISSAN	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**91,281**	**100.00**
NUMMI	**0**	**0.00**	**313**	**0.28**	**0**	**0.00**	**0**	**0.00**	**42,918**	**38.31**	**681**	**0.61**	**112,034**	**100.00**
Corolla	0	0.00	313	0.77	0	0.00	0	0.00	38	0.09	38	0.09	40,918	100.00
Nova	0	0.00	0	0.00	0	0.00	0	0.00	42,880	60.30	643	0.90	71,116	100.00
VOLKSWAGEN	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**984**	**2.48**	**2,683**	**6.77**	**39,647**	**100.00**
Golf/GTI	0	0.00	0	0.00	0	0.00	0	0.00	984	3.83	984	3.83	25,697	100.00
Jetta	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1,699	12.18	13,950	100.00
Total Cars, U.S.	**722,853**	**8.88**	**267,114**	**3.28**	**158,330**	**1.95**	**90,104**	**1.11**	**4,304,371**	**52.88**	**3,984,384**	**48.95**	**4,016,291**	**49.34**

OPTIONS/EQUIPMENT

Miscellaneous options on 1988 U.S. models

	Tinted Glass	Percent of Output	Digital Clocks	Percent of Output	Two-Tone Paint	Percent of Output	Automatic Seatbelts	Percent of Output	Airbags	Percent of Output
CHRYSLER MOTORS	**1,120,005**	**98.58**	**1,107,744**	**97.50**	**31,708**	**2.79**	**64,608**	**5.69**	**58,730**	**5.17**
Plymouth Total	341,397	97.50	337,966	96.52	15,368	4.39	33,476	9.56	3,144	0.90
Horizon	66,997	100.00	56,411	84.20	0	0.00	0	0.00	0	0.00
Sundance	101,441	100.00	101,441	100.00	14,202	14.00	33,476	33.00	0	0.00
Reliant	139,465	94.10	148,209	100.00	0	0.00	0	0.00	0	0.00
Caravelle	22,060	100.00	22,060	100.00	0	0.00	0	0.00	0	0.00
Gran Fury	11,434	100.00	9,845	86.10	1,166	10.20	0	0.00	3,144	27.50
Chrysler Total	284,220	100.00	284,220	100.00	14,265	5.02	0	0.00	27,468	9.66
LeBaron K	29,091	100.00	29,091	100.00	0	0.00	0	0.00	0	0.00
LeBaron J	94,473	100.00	94,473	100.00	14,265	15.10	0	0.00	26,830	28.40
LeBaron GTS	19,406	100.00	19,406	100.00	0	0.00	0	0.00	0	0.00
New Yorker E-Class	9,605	100.00	9,605	100.00	0	0.00	0	0.00	0	0.00
New Yorker C-Class	82,616	100.00	82,616	100.00	0	0.00	0	0.00	0	0.00
Fifth Avenue	49,029	100.00	49,029	100.00	0	0.00	0	0.00	637	1.30
Dodge Total	494,389	98.53	485,557	96.77	2,074	0.41	31,133	6.20	28,118	5.60
Daytona	74,852	100.00	74,852	100.00	0	0.00	0	0.00	25,674	34.30
Omni	64,740	100.00	53,734	83.00	0	0.00	0	0.00	0	0.00
Shadow	106,619	100.00	106,619	100.00	0	0.00	31,133	29.20	0	0.00
Aries	124,277	94.40	131,649	100.00	0	0.00	0	0.00	0	0.00
Dodge 600	21,221	100.00	21,221	100.00	0	0.00	0	0.00	0	0.00
Dynasty	68,143	100.00	68,143	100.00	0	0.00	0	0.00	0	0.00
Lancer	13,829	100.00	13,829	100.00	2,074	15.00	0	0.00	0	0.00
Diplomat	20,708	100.00	15,510	74.90	0	0.00	0	0.00	2,444	11.80
FORD MOTOR CO.	**2,425,373**	**97.10**	**2,147,009**	**85.96**	**160,607**	**6.43**	**111,886**	**4.48**	**13,470**	**0.54**
Ford Division	1,579,581	95.62	1,461,504	88.47	115,500	6.99	0	0.00	10,338	0.63
Escort	359,574	85.20	326,655	77.40	54,443	12.90	0	0.00	0	0.00
Mustang	202,776	96.00	211,225	100.00	32,740	15.50	0	0.00	0	0.00
Probe	43,960	96.70	45,460	100.00	0	0.00	0	0.00	0	0.00
Tempo	313,262	100.00	313,262	100.00	16,603	5.30	0	0.00	10,338	3.30
Crown Victoria	125,189	100.00	77,367	61.80	5,383	4.30	0	0.00	0	0.00
Taurus	387,577	100.00	340,293	87.80	0	0.00	0	0.00	0	0.00
Thunderbird	147,243	100.00	147,243	100.00	6,331	4.30	0	0.00	0	0.00
L-M Division	845,792	100.00	685,505	81.05	45,107	5.33	111,886	13.23	3,133	0.37
Mercury Total	565,133	100.00	565,133	100.00	38,069	6.74	111,886	19.80	3,133	0.55
Tracer/Lynx	91,733	100.00	91,733	100.00	0	0.00	0	0.00	0	0.00
Topaz	111,886	100.00	111,886	100.00	19,692	17.60	111,886	100.00	3,133	2.80
Grand Marquis	121,067	100.00	121,067	100.00	9,201	7.60	0	0.00	0	0.00
Cougar	119,162	100.00	119,162	100.00	9,175	7.70	0	0.00	0	0.00
Sable	121,285	100.00	121,285	100.00	0	0.00	0	0.00	0	0.00
Lincoln Total	280,659	100.00	120,372	42.89	7,039	2.51	0	0.00	0	0.00
Continental	41,287	100.00	41,287	100.00	0	0.00	0	0.00	0	0.00
Lincoln	201,113	100.00	40,826	20.30	7,039	3.50	0	0.00	0	0.00
Mark VII	38,259	100.00	38,259	100.00	0	0.00	0	0.00	0	0.00
GENERAL MOTORS	**3,751,840**	**97.74**	**3,684,116**	**95.98**	**280,581**	**7.31**	**553,963**	**14.43**	**2,896**	**0.08**
Buick Total	578,134	100.00	575,730	99.58	14,497	2.51	123,664	21.39	0	0.00
Skyhawk	29,134	100.00	29,134	100.00	0	0.00	0	0.00	0	0.00
Century	113,258	100.00	112,805	99.60	5,436	4.80	0	0.00	0	0.00
Regal (fwd)	130,001	100.00	129,351	99.50	0	0.00	0	0.00	0	0.00
Somerset/Skylark	54,792	100.00	54,682	99.80	6,301	11.50	0	0.00	0	0.00
LeSabre (fwd)	136,044	100.00	135,772	99.80	0	0.00	123,664	90.90	0	0.00
LeSabre (rwd)	9,659	100.00	9,659	100.00	0	0.00	0	0.00	0	0.00
Electra (fwd)	91,913	100.00	90,994	99.00	0	0.00	0	0.00	0	0.00
Reatta	4,708	100.00	4,708	100.00	0	0.00	0	0.00	0	0.00
Riviera	8,625	100.00	8,625	100.00	2,760	32.00	0	0.00	0	0.00
Cadillac Total	270,844	100.00	270,844	100.00	11,248	4.15	0	0.00	0	0.00
Cimarron	6,454	100.00	6,454	100.00	0	0.00	0	0.00	0	0.00
Allante	2,569	100.00	2,569	100.00	0	0.00	0	0.00	0	0.00
Brougham (rwd)	53,130	100.00	53,130	100.00	0	0.00	0	0.00	0	0.00
DeVille (fwd)	152,513	100.00	152,513	100.00	2,623	1.72	0	0.00	0	0.00
Eldorado	33,210	100.00	33,210	100.00	6,327	19.05	0	0.00	0	0.00
Seville	22,968	100.00	22,968	100.00	2,298	10.01	0	0.00	0	0.00
Chevrolet Total	1,413,880	95.15	1,338,787	90.09	115,263	7.76	0	0.00	0	0.00
Camaro	91,076	94.60	73,265	76.10	0	0.00	0	0.00	0	0.00
Cavalier	267,393	82.80	269,977	83.60	0	0.00	0	0.00	0	0.00
Celebrity	258,456	100.00	250,961	97.10	31,790	12.30	0	0.00	0	0.00
Corsica	279,808	96.10	277,478	95.30	41,345	14.20	0	0.00	0	0.00
Beretta	275,098	100.00	238,510	86.70	27,785	10.10	0	0.00	0	0.00
Monte Carlo	30,174	100.00	29,389	97.40	2,052	6.80	0	0.00	0	0.00
Caprice	189,086	100.00	176,417	93.30	12,291	6.50	0	0.00	0	0.00
Corvette	22,789	100.00	22,789	100.00	0	0.00	0	0.00	0	0.00
Oldsmobile Total	763,885	99.97	762,521	99.79	0	0.00	0	0.00	2,896	0.38
Firenza	12,125	98.90	12,260	100.00	0	0.00	0	0.00	0	0.00
Calais	110,276	100.00	109,928	99.68	0	0.00	0	0.00	0	0.00
Cutlass Ciera	250,736	100.00	249,984	99.70	0	0.00	0	0.00	0	0.00
Cutlass Supreme (fwd)	94,723	100.00	94,628	99.90	0	0.00	0	0.00	0	0.00
Cutlass Supreme	27,567	99.60	27,567	99.60	0	0.00	0	0.00	0	0.00
88 (fwd)	160,913	100.00	160,636	99.83	0	0.00	0	0.00	2,896	1.80
88 (rwd)	11,114	100.00	11,105	99.92	0	0.00	0	0.00	0	0.00
Olds 98	79,935	100.00	79,917	99.98	0	0.00	0	0.00	0	0.00
Toronado	16,496	100.00	16,496	100.00	0	0.00	0	0.00	0	0.00
Pontiac Total	725,097	98.08	736,234	99.58	139,573	18.88	430,299	58.20	0	0.00
Fiero	18,972	71.86	26,175	99.14	0	0.00	0	0.00	0	0.00
Firebird	61,068	97.76	61,986	99.23	17,172	27.49	0	0.00	0	0.00
Sunbird	88,297	94.24	93,188	99.46	4,610	4.92	0	0.00	0	0.00
Grand Am	235,371	100.00	234,265	99.53	38,967	16.56	235,371	100.00	0	0.00
Grand Prix	86,357	100.00	86,314	99.95	24,154	27.97	86,348	99.99	0	0.00
Pontiac 6000	120,055	100.00	119,599	99.62	33,171	27.63	0	0.00	0	0.00
Bonneville	108,580	100.00	108,482	99.91	21,499	19.80	108,580	100.00	0	0.00
Safari/Parisienne	6,397	100.00	6,225	97.31	0	0.00	0	0.00	0	0.00
HONDA	**364,000**	**100.00**	**364,000**	**100.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
Civic	89,738	100.00	89,738	100.00	0	0.00	0	0.00	0	0.00
Accord	274,262	100.00	274,262	100.00	0	0.00	0	0.00	0	0.00
MAZDA	**0**	**0.00**	**60,156**	**100.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
NISSAN	**64,627**	**70.80**	**10,497**	**11.50**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
NUMMI	**112,034**	**100.00**	**71,525**	**63.84**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
Corolla	40,918	100.00	409	1.00	0	0.00	0	0.00	0	0.00
Nova	71,116	100.00	71,116	100.00	0	0.00	0	0.00	0	0.00
VOLKSWAGEN	**39,647**	**100.00**	**39,647**	**100.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
Golf/GTI	25,697	100.00	25,697	100.00	0	0.00	0	0.00	0	0.00
Jetta	13,950	100.00	13,950	100.00	0	0.00	0	0.00	0	0.00
Total Cars, U.S.	**7,877,526**	**96.78**	**7,484,695**	**91.96**	**472,896**	**5.81**	**730,458**	**6.97**	**75,097**	**0.92**

OPTIONS/EQUIPMENT

Engine options on 1988 import models

	V-8 Gasoline	Percent of Installation	6-Cylinder Gasoline	Percent of Installation	4-Cylinder Gasoline	Percent of Installation	Multi-Valve Engine	Percent of Installation	Turbo-charging	Percent of Installation	Fuel Injection	Percent of Installation	Diesel	Percent of Installation
ACURA	**0**	**0.00**	**69,406**	**54.46**	**58,029**	**45.54**	**127,435**	**100.00**	**0**	**0.00**	**127,435**	**100.00**	**0**	**0.00**
Legend	0	0.00	69,406	100.00	0	0.00	69,406	100.00	0	0.00	69,406	100.00	0	0.00
Integra	0	0.00	0	0.00	58,029	100.00	58,029	100.00	0	0.00	58,029	100.00	0	0.00
ALFA ROMEO	**0**	**0.00**	**2,316**	**51.94**	**2,143**	**48.06**	**0**	**0.00**	**0**	**0.00**	**4,459**	**100.00**	**0**	**0.00**
Milano	0	0.00	2,316	100.00	0	0.00	0	0.00	0	0.00	2,316	100.00	0	0.00
Spider	0	0.00	0	0.00	2,143	100.00	0	0.00	0	0.00	2,143	100.00	0	0.00
AUDI	**0**	**0.00**	**0**	**0.00**	**23,899**	**100.00**	**0**	**0.00**	**2,012**	**8.42**	**23,899**	**100.00**	**0**	**0.00**
80/90	NA	0.00	NA	0.00	15,989	100.00	NA	0.00	NA	100.00	15,989	100.00	NA	0.00
5000	NA	0.00	NA	0.00	7,910	100.00	NA	0.00	NA	0.00	7,910	100.00	NA	0.00
BMW	**0**	**0.00**	**68,270**	**92.18**	**2,861**	**3.86**	**0**	**0.00**	**0**	**0.00**	**74,063**	**100.00**	**0**	**0.00**
3-Series	0	0.00	29,120	100.00	0	0.00	0	0.00	0	0.00	29,120	100.00	0	0.00
5-Series	0	0.00	21,410	100.00	0	0.00	0	0.00	0	0.00	21,410	100.00	0	0.00
6-Series	0	0.00	2,468	100.00	0	0.00	0	0.00	0	0.00	2,468	100.00	0	0.00
7-Series	0	0.00	18,133	86.10	0	0.00	0	0.00	0	0.00	21,065	100.00	0	0.00
CHEVROLET	**0**	**0.00**	**0**	**0.00**	**74,166**	**64.71**	**0**	**0.00**	**3,371**	**2.94**	**0**	**0.00**	**0**	**0.00**
Spectrum	0	0.00	0	0.00	59,533	97.00	0	0.00	1,823	3.00	0	0.00	0	0.00
Sprint	0	0.00	0	0.00	14,633	27.50	0	0.00	1,548	2.90	0	0.00	0	0.00
CHRYSLER MOTORS	**0**	**0.00**	**0**	**0.00**	**134,976**	**100.00**	**0**	**0.00**	**11,582**	**8.58**	**63,412**	**46.98**	**0**	**0.00**
Colt	0	0.00	0	0.00	84,606	100.00	0	0.00	1,982	2.30	13,042	15.40	0	0.00
Conquest	0	0.00	0	0.00	9,600	100.00	0	0.00	9,600	100.00	9,600	100.00	0	0.00
Vista	0	0.00	0	0.00	18,524	100.00	0	0.00	0	0.00	18,524	100.00	0	0.00
Medallion	0	0.00	0	0.00	22,246	100.00	0	0.00	0	0.00	22,246	100.00	0	0.00
DAIHATSU*	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
FORD Festiva	**0**	**0.00**	**0**	**0.00**	**98,517**	**100.00**	**98,517**	**100.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
HONDA	**0**	**0.00**	**0**	**0.00**	**649,158**	**100.00**	**637,037**	**98.13**	**0**	**0.00**	**391,935**	**60.38**	**0**	**0.00**
Civic	0	0.00	0	0.00	223,781	100.00	211,660	96.00	0	0.00	223,781	100.00	0	0.00
Accord	0	0.00	0	0.00	362,119	100.00	362,119	100.00	0	0.00	126,680	35.00	0	0.00
Prelude	0	0.00	0	0.00	63,258	100.00	63,258	100.00	0	0.00	41,474	66.00	0	0.00
ISUZU	**0**	**0.00**	**0**	**0.00**	**25,951**	**100.00**	**0**	**0.00**	**3,212**	**12.38**	**9,000**	**34.68**	**0**	**0.00**
I-Mark	0	0.00	0	0.00	18,276	100.00	0	0.00	1,325	7.00	1,325	7.00	0	0.00
Impulse	0	0.00	0	0.00	7,675	100.00	0	0.00	1,887	25.00	7,675	100.00	0	0.00
JAGUAR**	**0**	**0.00**	**15,944**	**76.92**	**0**	**0.00**	**15,944**	**76.92**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
MERCURY	**0**	**0.00**	**16,067**	**71.89**	**6,281**	**28.11**	**0**	**0.00**	**0**	**0.00**	**22,348**	**100.00**	**0**	**0.00**
XR4Ti	0	0.00	0	0.00	6,281	100.00	0	0.00	0	0.00	6,281	100.00	0	0.00
Scorpio	0	0.00	16,067	100.00	0	0.00	0	0.00	0	0.00	16,067	100.00	0	0.00
MERCEDES-BENZ	**27,405**	**35.16**	**36,739**	**47.13**	**13,143**	**16.86**	**0**	**0.00**	**0**	**0.00**	**77,945**	**100.00**	**658**	**0.84**
190	0	0.00	1,649	10.60	13,143	85.10	0	0.00	0	0.00	15,450	100.00	658	4.30
260/300	0	0.00	26,368	100.00	0	0.00	0	0.00	0	0.00	26,368	100.00	0	0.00
300/420/560 SEL	13,329	60.50	8,722	39.60	0	0.00	0	0.00	0	0.00	22,051	100.00	0	0.00
560 SL	12,450	100.00	0	0.00	0	0.00	0	0.00	0	0.00	12,450	100.00	0	0.00
560 SEC	1,626	100.00	0	0.00	0	0.00	0	0.00	0	0.00	1,626	100.00	0	0.00
MITSUBISHI	**0**	**0.00**	**8,591**	**15.13**	**46,441**	**84.40**	**0**	**0.00**	**3,331**	**5.86**	**11,922**	**20.99**	**0**	**0.00**
Starion	0	0.00	0	0.00	3,331	100.00	0	0.00	3,331	100.00	3,331	100.00	0	0.00
Cordia	0	0.00	0	0.00	7,286	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Mirage	0	0.00	0	0.00	10,462	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Tredia	0	0.00	0	0.00	585	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Galant Sigma	0	0.00	8,591	100.00	0	0.00	0	0.00	0	0.00	8,591	100.00	0	0.00
Precis	0	0.00	0	0.00	24,777	100.00	0	0.00	0	0.00	0	0.00	0	0.00
NISSAN	**0**	**0.00**	**97,343**	**42.08**	**134,012**	**57.92**	**29,436**	**12.72**	**3,546**	**1.53**	**231,355**	**100.00**	**0**	**0.00**
Sentra	0	0.00	0	0.00	23,532	100.00	1,813	8.00	0	0.00	23,532	100.00	0	0.00
Pulsar	0	0.00	0	0.00	44,317	100.00	14,321	32.00	0	0.00	44,317	100.00	0	0.00
Stanza	0	0.00	0	0.00	37,798	100.00	0	0.00	0	0.00	37,798	100.00	0	0.00
Maxima	0	0.00	74,451	100.00	0	0.00	0	0.00	0	0.00	74,451	100.00	0	0.00
200SX/240SX	0	0.00	3,535	11.00	28,365	89.00	13,302	42.00	0	0.00	31,900	100.00	0	0.00
300ZX	0	0.00	19,357	100.00	0	0.00	0	0.00	3,546	18.00	19,357	100.00	0	0.00
PEUGEOT	**0**	**0.00**	**684**	**21.62**	**2,480**	**78.38**	**0**	**0.00**	**839**	**26.52**	**2,325**	**73.48**	**0**	**0.00**
PONTIAC LeMans	**0**	**0.00**	**0**	**0.00**	**85,027**	**100.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
PORSCHE	**1,427**	**9.00**	**5,843**	**37.00**	**8,467**	**54.00**	**1,971**	**12.50**	**2,984**	**19.00**	**15,737**	**100.00**	**0**	**0.00**
SAAB	**0**	**0.00**	**0**	**0.00**	**37,965**	**100.00**	**31,066**	**81.83**	**17,092**	**45.02**	**37,965**	**100.00**	**0**	**0.00**
900	0	0.00	0	0.00	6,899	100.00	0	0.00	0	0.00	6,899	100.00	0	0.00
900S	0	0.00	0	0.00	10,366	100.00	10,366	100.00	0	0.00	10,366	100.00	0	0.00
900 Turbo	0	0.00	0	0.00	9,351	100.00	9,351	100.00	9,351	100.00	9,351	100.00	0	0.00
9000S	0	0.00	0	0.00	3,608	100.00	3,608	100.00	0	0.00	3,608	100.00	0	0.00
9000 Turbo	0	0.00	0	0.00	7,741	100.00	7,741	100.00	7,741	100.00	7,741	100.00	0	0.00
STERLING	**0**	**0.00**	**8,901**	**100.00**	**0**	**0.00**	**8,901**	**100.00**	**0**	**0.00**	**8,901**	**100.00**	**0**	**0.00**
SUBARU	**0**	**0.00**	**6,892**	**4.77**	**107,829**	**74.58**	**29,865**	**20.66**	**11,202**	**7.75**	**108,231**	**74.86**	**0**	**0.00**
Hatchback	0	0.00	0	0.00	5,808	100.00	0	0.00	0	0.00	0	0.00	0	0.00
3 dr./4 dr./St. Wagon	0	0.00	0	0.00	95,064	100.00	0	0.00	11,202	11.78	94,382	99.28	0	0.00
XT/XT6	0	0.00	6,892	49.77	6,957	50.23	0	0.00	0	0.00	13,849	100.00	0	0.00
Justy	0	0.00	0	0.00	0	0.00	29,865	100.00	0	0.00	0	0.00	0	0.00
TOYOTA	**0**	**0.00**	**50,468**	**8.70**	**528,348**	**91.30**	**0**	**0.00**	**8,368**	**1.35**	**367,503**	**59.35**	**0**	**0.00**
Corolla	0	0.00	0	0.00	151,921	100.00	0	0.00	0	0.00	8,688	5.70	0	0.00
Tercel	0	0.00	0	0.00	100,108	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Camry	0	0.00	18,857	8.70	197,685	91.30	0	0.00	0	0.00	216,542	100.00	0	0.00
Cressida	0	0.00	11,603	100.00	0	0.00	0	0.00	0	0.00	11,603	100.00	0	0.00
Celica	0	0.00	0	0.00	69,118	100.00	0	0.00	0	0.00	69,118	100.00	0	0.00
Supra	0	0.00	20,008	100.00	0	0.00	0	0.00	8,368	41.80	11,640	58.20	0	0.00
MR2	0	0.00	0	0.00	9,516	100.00	0	0.00	0	0.00	9,516	100.00	0	0.00
VOLKSWAGEN	**0**	**0.00**	**0**	**0.00**	**150,409**	**100.00**	**0**	**0.00**	**0**	**0.00**	**150,409**	**100.00**	**0**	**0.00**
Fox	0	0.00	0	0.00	75,891	100.00	0	0.00	0	0.00	75,981	100.00	0	0.00
Jetta	0	0.00	0	0.00	59,897	100.00	0	0.00	0	0.00	59,897	100.00	0	0.00
Cabriolet	0	0.00	0	0.00	10,931	100.00	0	0.00	0	0.00	10,931	100.00	0	0.00
Scirocco	0	0.00	0	0.00	3,690	100.00	0	0.00	0	0.00	3,690	100.00	0	0.00
VOLVO	**0**	**0.00**	**4,848**	**5.22**	**88,056**	**94.78**	**0**	**0.00**	**21,593**	**23.24**	**92,904**	**100.00**	**0**	**0.00**
200-Series	0	0.00	0	0.00	36,630	100.00	0	0.00	0	0.00	36,630	100.00	0	0.00
700-Series	0	0.00	4,848	8.60	51,246	91.40	0	0.00	21,593	38.30	56,274	100.00	0	0.00
Total Cars, Import	**28,832**	**1.03**	**392,312**	**14.06**	**2,276,158**	**81.67**	**980,172**	**35.14**	**89,132**	**3.20**	**1,821,748**	**65.[illegible]**	**658**	**0.02**

*Daihatsu models have 3-cylinder gasoline engines

**Jaguar XJS —4,783 units or 23.08 percent— have a V-12 engine

Note: Mazda import options were not available at publication time

Import numbers are based on '88 model car sales in '87 and '88 calendar years.

OPTIONS/EQUIPMENT

Transmission options on 1988 import models

	Automatic Transmission	Percent of Installation	4-Speed Manual	Percent of Installation	5-Speed Manual	Percent of Installation	Four Wheel Drive	Percent of Installation	Limited Slip Differential	Percent of Installation
ACURA	**75,144**	**59.00**	**0**	**0.00**	**52,291**	**41.00**	**0**	**0.00**	**0**	**00.0**
Legend	54,698	79.00	0	0.00	14,708	21.00	0	0.00	0	0.00
Integra	20,446	35.00	0	0.00	37,583	65.00	0	0.00	0	0.00
ALFA ROMEO	**555**	**12.50**	**0**	**0.00**	**3,904**	**87.60**	**0**	**0.00**	**3,465**	**77.70**
Milano	555	24.00	0	0.00	1,761	76.00	0	0.00	1,322	57.00
Spider	0	0.00	0	0.00	2,143	100.00	0	0.00	2,143	100.00
AUDI	**11,866**	**49.65**	**0**	**0.00**	**7,701**	**32.22**	**5,383**	**22.52**	**0**	**0.00**
80/90	6,391	40.08	0	0.00	5,758	36.01	3,840	24.02	0	0.00
5000	5,475	69.20	0	0.00	892	13.99	1,543	19.51	0	0.00
BMW	**52,381**	**70.72**	**4,796**	**6.48**	**21,682**	**29.28**	**1,425**	**1.92**	**36,559**	**49.36**
3-Series	14,669	55.90	0	0.00	11,590	44.10	1,425	5.40	15,681	59.[illegible]
5-Series	15,594	72.80	0	0.00	4,796	22.40	0	0.00	10,044	46.90
6-Series	1,563	63.30	0	0.00	905	36.70	0	0.00	1,036	42.00
7-Series	20,555	97.60	0	0.00	510	2.40	0	0.00	9,798	46.50
CHEVROLET	**55,081**	**48.06**	**0**	**0.00**	**59,526**	**51.94**	**0**	**0.00**	**0**	**0.00**
Spectrum	32,717	53.30	0	0.00	28,640	46.70	0	0.00	0	0.00
Sprint	22,364	42.00	0	0.00	30,886	58.00	0	0.00	0	0.00
CHRYSLER MOTORS	**65,572**	**48.58**	**34,165**	**25.31**	**35,239**	**26.11**	**7,214**	**5.34**	**1,684**	**1.25**
Colt	35,223	41.60	34,165	40.40	15,218	18.00	0	0.00	0	0.00
Conquest	4,128	43.00	0	0.00	5,472	57.00	0	0.00	0	0.00
Vista	8,280	44.70	0	0.00	10,244	55.30	7,214	38.90	1,684	9.10
Medallion	17,941	80.60	0	0.00	4,305	19.30	0	0.00	0	0.00
DAIHATSU	**0**	**0.00**	**0**	**0.00**	**11,460**	**100.00**	**0**	**0.00**	**0**	**0.00**
FORD Festiva	**0**	**0.00**	**66,325**	**67.32**	**32,192**	**32.67**	**0**	**0.00**	**0**	**0.00**
HONDA	**321,198**	**49.48**	**19,135**	**2.95**	**308,825**	**47.57**	**5,099**	**0.79**	**0**	**0.00**
Civic	81,121	36.00	19,135	9.00	123,525	55.00	5,099	2.00	0	0.00
Accord	214,107	59.00	0	0.00	148,012	41.00	0	0.00	0	0.00
Prelude	25,970	41.00	0	0.00	37,288	59.00	0	0.00	0	0.00
ISUZU	**14,143**	**54.49**	**0**	**0.00**	**11,808**	**45.50**	**0**	**0.00**	**1,887**	**7.27**
I-Mark	11,334	62.00	0	0.00	6,942	38.00	0	0.00	0	0.00
Impulse	2,809	37.00	0	0.00	4,866	63.00	0	0.00	1,887	25.00
JAGUAR	**4,783**	**100.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**4,783**	**23.08**
MERCURY	**19,189**	**85.87**	**0**	**0.00**	**3,159**	**14.13**	**0**	**0.00**	**0**	**0.00**
XR4Ti	3,202	51.00	0	0.00	3,079	49.00	0	0.00	0	0.00
Scorpio	15,987	99.50	0	0.00	80	0.50	0	0.00	0	0.00
MERCEDES-BENZ	**77,600**	**99.56**	**0**	**0.00**	**345**	**0.44**	**0**	**0.00**	**19,439**	**24.94**
190	15,243	98.66	0	0.00	207	1.34	0	0.00	0	0.00
260/300	26,230	99.50	0	0.00	138	0.50	0	0.00	0	0.00
300/420/560 SEL	22,051	100.00	0	0.00	0	0.00	0	0.00	5,363	24.30
560SL	12,450	100.00	0	0.00	0	0.00	0	0.00	12,450	100.00
560SEC	1,626	100.00	0	0.00	0	0.00	0	0.00	1,626	100.00
MITSUBISHI	**29,024**	**51.59**	**6,754**	**11.89**	**19,254**	**33.90**	**0**	**0.00**	**0**	**0.00**
Starion	1,366	41.00	0	0.00	1,965	59.00	0	0.00	0	0.00
Cordia	3,855	53.00	0	0.00	3,431	47.00	0	0.00	0	0.00
Mirage	7,623	73.00	0	0.00	2,839	27.00	0	0.00	0	0.00
Tredia	519	89.00	0	0.00	66	11.00	0	0.00	0	0.00
Galant Sigma	8,070	94.00	0	0.00	521	6.00	0	0.00	0	0.00
Precis	7,591	31.00	6,754	27.00	10,432	42.00	0	0.00	0	0.00
NISSAN	**122,634**	**53.01**	**0**	**0.00**	**90,496**	**39.12**	**2,408**	**1.04**	**3,506**	**1.52**
Sentra	11,484	49.00	0	0.00	12,048	51.00	2,408	10.00	0	0.00
Pulsar	18,225	41.12	0	0.00	26,092	59.88	0	0.00	0	0.00
Stanza	27,007	71.00	0	0.00	10,791	29.00	0	0.00	0	0.00
Maxima	59,957	81.00	0	0.00	14,494	19.00	0	0.00	0	0.00
200SX/240SX	15,808	50.00	0	0.00	16,092	50.00	0	0.00	0	0.00
300ZX	8,378	43.00	0	0.00	10,979	57.00	0	0.00	3,506	18.00
PEUGEOT	**2,472**	**78.13**	**0**	**0.00**	**692**	**21.87**	**0**	**0.00**	**2,011**	**63.56**
PONTIAC LeMans	**49,909**	**58.70**	**9,270**	**10.90**	**25,848**	**30.40**	**0**	**0.00**	**0**	**0.00**
PORSCHE	**2,249**	**14.30**	**1,104**	**7.00**	**12,385**	**78.70**	**0**	**0.00**	**6,766**	**43.00**
SAAB	**17,842**	**47.00**	**0**	**0.00**	**20,123**	**53.00**	**0**	**0.00**	**0**	**0.00**
900	2,739	40.00	0	0.00	4,160	60.00	0	0.00	0	0.00
900S	4,647	45.00	0	0.00	5,719	55.00	0	0.00	0	0.00
900 Turbo	3,525	38.00	0	0.00	5,826	62.00	0	0.00	0	0.00
9000S	2,405	67.00	0	0.00	1,203	33.00	0	0.00	0	0.00
9000 Turbo	4,526	58.00	0	0.00	3,215	42.00	0	0.00	0	0.00
STERLING	**8,051**	**90.45**	**0**	**0.00**	**850**	**9.55**	**0**	**0.00**	**0**	**0.00**
SUBARU	**56,159**	**38.84**	**2,851**	**1.97**	**85,596**	**59.20**	**64,829**	**44.84**	**3,534**	**2.44**
Hatchback	1,886	32.47	2,851	49.09	1,071	18.44	2,851	49.09	0	0.00
3 dr./4 dr./St. Wagon	47,321	49.78	0	0.00	47,763	50.24	45,158	47.50	3.534	3.72
XT/XT6	6,952	50.20	0	0.00	6,897	49.80	5,497	39.69	0	0.00
Justy	0	0.00	0	0.00	29,865	100.00	11,323	37.91	0	0.00
TOYOTA	**383,628**	**66.30**	**21,803**	**3.52**	**172,256**	**29.80**	**10,294**	**1.78**	**4,493**	**0.73**
Corolla	100,422	66.10	0	0.00	51,499	33.90	2,516	1.70	0	0.00
Tercel	46,359	46.30	21,803	21.80	30,817	30.80	1,600	1.60	0	0.00
Camry	180,727	83.50	0	0.00	35,815	16.5	4,132	1.90	0	0.00
Cressida	11,603	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Celica	32,602	47.20	0	0.00	36,516	52.80	2,046	3.00	0	0.00
Supra	9,587	47.90	0	0.00	10,421	52.10	0	0.00	4,493	22.50
MR2	2,328	24.50	0	0.00	7,188	75.50	0	0.00	0	0.00
VOLKSWAGEN	**28,112**	**18.74**	**82,658**	**54.86**	**39,639**	**26.44**	**0**	**0.00**	**0**	**0.00**
Fox	0	0.00	75,891	100.00	0	0.00	0	0.00	0	0.00
Jetta	23,948	40.00	0	0.00	35,949	60.00	0	0.00	0	0.00
Cabriolet	4,164	38.10	6,767	61.90	0	0.00	0	0.00	0	0.00
Scirroco	0	0.00	0	0.00	3,690	100.00	0	0.00	0	0.00
VOLVO	**82,382**	**88.67**	**0**	**0.00**	**10,522**	**11.33**	**0**	**0.00**	**0**	**0.00**
200-Series	29,761	81.20	0	0.00	6,860	18.80	0	0.00	0	0.00
700-Series	52,621	93.50	0	0.00	3,653	6.50	0	0.00	0	0.00
Total Cars, Import	**1,479,974**	**53.06**	**248,861**	**8.92**	**1,026,793**	**30.77**	**181,417**	**3.64**	**88,127**	**3.16**

Note: Mazda import options were not available at publication time

Radio options on 1988 import models

	AM Only	Percent of Installation	AM/FM Stereo	Percent of Installation	AM/FM Stereo w/Cassette	Percent of Installation	AM/FM Stereo w/Cassette Graphic Equalizer	Percent of Installation	AM/FM Stereo w/Compact Disc Player	Percent of Installation
ACURA	**0**	**0.00**	**0**	**0.00**	**49,767**	**39.05**	**61,734**	**48.44**	**0**	**0.00**
Legend	0	0.00	0	0.00	7,672	11.00	61,734	89.00	0	0.00
Integra	0	0.00	0	0.00	42,095	73.00	0	0.00	0	0.00
ALFA ROMEO	**0**	**0.00**	**0**	**0.00**	**3,695**	**82.87**	**0**	**0.00**	**0**	**0.00**
Milano	0	0.00	0	0.00	2,316	100.00	0	0.00	0	0.00
Spider	0	0.00	0	0.00	1,379	64.00	0	0.00	0	0.00
AUDI	**0**	**0.00**	**0**	**0.00**	**22,653**	**94.79**	**0**	**0.00**	**0**	**0.00**
80/90	0	0.00	0	0.00	15,989	100.00	0	0.00	0	0.00
5000	0	0.00	0	0.00	6,664	84.20	0	0.00	0	0.00
BMW	**0**	**0.00**	**0**	**0.00**	**74,063**	**100.00**	**0**	**0.00**	**0**	**0.00**
3-Series	0	0.00	0	0.00	29,120	100.00	0	0.00	0	0.00
5-Series	0	0.00	0	0.00	21,410	100.00	0	0.00	0	0.00
6-Series	0	0.00	0	0.00	2,468	100.00	0	0.00	0	0.00
7-Series	0	0.00	0	0.00	21,065	100.00	0	0.00	0	0.00
CHEVROLET	**0**	**0.00**	**5,723**	**4.99**	**12,083**	**10.54**	**0**	**0.00**	**0**	**0.00**
Spectrum	0	0.00	1,753	52.40	6,899	11.20	0	0.00	0	0.00
Sprint	0	0.00	3,970	7.50	5,184	9.70	0	0.00	0	0.00
CHRYSLER MOTORS	**0**	**0.00**	**57,710**	**42.76**	**24,682**	**18.29**	**14,839**	**10.99**	**0**	**0.00**
Colt	0	0.00	26,577	31.40	17,572	20.80	2,712	3.20	0	0.00
Conquest	0	0.00	0	0.00	0	0.00	9,600	100.00	0	0.00
Vista	0	0.00	16,250	87.70	2,274	12.30	0	0.00	0	0.00
Medallion	0	0.00	14,883	67.00	4,836	21.70	2,527	11.30	0	0.00
DAIHATSU	**0**	**0.00**	**0**	**0.00**	**2,727**	**23.80**	**0**	**0.00**	**0**	**0.00**
FORD Festiva	**16,716**	**16.97**	**45,767**	**45.46**	**24,719**	**25.09**	**0**	**0.00**	**0**	**0.00**
HONDA	**0**	**0.00**	**0**	**0.00**	**338,601**	**52.16**	**0**	**0.00**	**0**	**0.00**
Civic	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Accord	0	0.00	0	0.00	275,343	76.00	0	0.00	0	0.00
Prelude	0	0.00	0	0.00	63,258	100.00	0	0.00	0	0.00
ISUZU	**0**	**0.00**	**13,341**	**51.41**	**8,712**	**33.57**	**2,618**	**10.09**	**0**	**0.00**
I-Mark	0	0.00	13,341	73.00	2,924	16.00	731	4.00	0	0.00
Impulse	0	0.00	0	0.00	5,788	75.00	1,887	25.00	0	0.00
JAGUAR	**0**	**0.00**	**0**	**0.00**	**20,727**	**100.00**	**0**	**0.00**	**0**	**0.00**
MERCURY	**0**	**0.00**	**0**	**0.00**	**22,348**	**100.00**	**0**	**0.00**	**0**	**0.00**
XR4Ti	0	0.00	0	0.00	6,281	100.00	0	0.00	0	0.00
Scorpio	0	0.00	0	0.00	16,067	100.00	0	0.00	0	0.00
MERCEDES-BENZ	**0**	**0.00**	**0**	**0.00**	**77,945**	**100.00**	**0**	**0.00**	**0**	**0.00**
190	0	0.00	0	0.00	15,450	100.00	0	0.00	0	0.00
260/300	0	0.00	0	0.00	26,368	100.00	0	0.00	0	0.00
300/420/560 SEL	0	0.00	0	0.00	22,051	100.00	0	0.00	0	0.00
560 SL	0	0.00	0	0.00	12,450	100.00	0	0.00	0	0.00
560 SEC	0	0.00	0	0.00	1,626	100.00	0	0.00	0	0.00
MITSUBISHI	**0**	**0.00**	**6,038**	**10.63**	**21,568**	**39.20**	**12,783**	**22.51**	**0**	**0.00**
Starion	0	0.00	0	0.00	250	8.00	3,081	92.00	0	0.00
Cordia	0	0.00	0	0.00	4,372	60.00	2,914	40.00	0	0.00
Mirage	0	0.00	6,038	58.00	4,424	42.00	0	0.00	0	0.00
Tredia	0	0.00	0	0.00	479	82.00	0	0.00	0	0.00
Galant Sigma	0	0.00	0	0.00	1,803	21.00	6,788	79.00	0	0.00
Precis	0	0.00	0	0.00	10,240	41.00	0	0.00	0	0.00
NISSAN	**0**	**0.00**	**89,129**	**38.52**	**114,044**	**49.29**	**19,357**	**8.37**	**0**	**0.00**
Sentra	0	0.00	14,707	62.00	0	0.00	0	0.00	0	0.00
Pulsar	0	0.00	44,317	100.00	0	0.00	0	0.00	0	0.00
Stanza	0	0.00	10,008	27.00	27,790	73.00	0	0.00	0	0.00
Maxima	0	0.00	0	0.00	74,451	100.00	0	0.00	0	0.00
200SX/240SX	0	0.00	20,097	63.00	11,803	37.00	0	0.00	0	0.00
300ZX	0	0.00	0	0.00	0	0.00	19,357	100.00	0	0.00
PEUGEOT	**0**	**0.00**	**0**	**0.00**	**3,164**	**100.00**	**0**	**0.00**	**0**	**0.00**
PONTIAC LeMans	**0**	**0.00**	**48,989**	**57.62**	**28,988**	**34.09**	**0**	**0.00**	**0**	**0.00**
PORSCHE	**0**	**0.00**	**0**	**0.00**	**15,737**	**100.00**	**NA**	**0.00**	**NA**	**0.00**
SAAB	**0**	**0.00**	**0**	**0.00**	**20,873**	**54.98**	**17,092**	**45.02**	**0**	**0.00**
900	0	0.00	0	0.00	6,899	100.00	0	0.00	0	0.00
900S	0	0.00	0	0.00	10,366	100.00	0	0.00	0	0.00
900 Turbo	0	0.00	0	0.00	0	0.00	9,351	100.00	0	0.00
9000S	0	0.00	0	0.00	3,608	100.00	0	0.00	0	0.00
9000 Turbo	0	0.00	0	0.00	0	0.00	7,741	100.00	0	0.00
STERLING	**0**	**0.00**	**0**	**0.00**	**8,901**	**100.00**	**0**	**0.00**	**0**	**0.00**
SUBARU	**0**	**0.00**	**103,656**	**71.69**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
Hatchback	0	0.00	5,808	100.00	0	0.00	0	0.00	0	0.00
3 dr./4 dr./St. Wagon	0	0.00	66,719	70.18	0	0.00	0	0.00	0	0.00
XT/XT6	0	0.00	12,388	89.45	0	0.00	0	0.00	0	0.00
Justy	0	0.00	18,741	62.75	0	0.00	0	0.00	0	0.00
TOYOTA	**0**	**0.00**	**198,588**	**34.30**	**104,380**	**18.00**	**43,557**	**7.53**	**318**	**0.05**
Corolla	0	0.00	49,643	32.70	8,223	5.40	0	0.00	0	0.00
Tercel	0	0.00	8,935	8.90	230	0.20	0	0.00	0	0.00
Camry	0	0.00	94,262	43.50	65,802	30.40	10,907	5.00	0	0.00
Cressida	0	0.00	0	0.00	0	0.00	11,285	97.30	318	2.70
Celica	0	0.00	41,318	59.80	26,396	38.20	0	0.00	0	0.00
Supra	0	0.00	0	0.00	0	0.00	20,008	100.00	0	0.00
MR2	0	0.00	4,430	46.50	3,729	39.20	1,357	14.30	0	0.00
VOLKSWAGEN	**0**	**0.00**	**0**	**0.00**	**60,500**	**40.28**	**0**	**0.00**	**0**	**0.00**
Fox	0	0.00	0	0.00	26,789	35.30	0	0.00	0	0.00
Jetta	0	0.00	0	0.00	21,524	35.90	0	0.00	0	0.00
Cabriolet	0	0.00	0	0.00	10,931	100.00	0	0.00	0	0.00
Scirocco	0	0.00	0	0.00	1,256	34.00	0	0.00	0	0.00
VOLVO	**0**	**0.00**	**0**	**0.00**	**78,077**	**84.04**	**14,827**	**15.96**	**0**	**0.00**
200-Series	0	0.00	0	0.00	36,630	100.00	0	0.00	0	0.00
700-Series	0	0.00	0	0.00	41,447	73.70	14,827	26.30	0	0.00
Total Cars, Import	**16,716**	**0.86**	**568,941**	**29.40**	**1,138,954**	**40.83**	**188,021**	**6.74**	**318**	**0.01**

Note: Mazda import options were not available at publication time

Power steering, brake options on 1988 import models

	Power Steering	Percent of Installation	Power Brakes	Percent of Installation	Anti-Lock Braking System (ABS)	Percent of Installation	4-Wheel Disc Brakes	Percent of Installation
ACURA	**127,435**	**100.00**	**127,435**	**100.00**	**44,206**	**34.69**	**127,435**	**100.00**
Legend	69,406	100.00	69,406	100.00	44,206	64.00	69,406	100.00
Integra	58,029	100.00	58,029	100.00	0	0.00	58,029	100.00
ALFA ROMEO	**2,316**	**51.94**	**4,459**	**100.00**	**1,322**	**29.65**	**4,459**	**100.00**
Milano	2,316	100.00	2,316	100.00	1,322	57.00	2,316	100.00
Spider	0	0.00	2,143	100.00	0	0.00	2,143	100.00
AUDI	**23,899**	**100.00**	**23,899**	**100.00**	**10,471**	**43.81**	**23,899**	**100.00**
80/90	15,989	100.00	15,989	100.00	8,393	52.50	15,989	100.00
5000	7,910	100.00	7,910	100.00	66	0.80	7,910	100.00
BMW	**74,063**	**100.00**	**74,063**	**100.00**	**74,063**	**100.00**	**74,063**	**100.00**
3-Series	29,120	100.00	29,120	100.00	29,120	100.00	29,120	100.00
5-Series	21,410	100.00	21,410	100.00	21,410	100.00	21,410	100.00
6-Series	2,468	100.00	2,468	10.00	2,468	100.00	2,468	100.00
7-Series	21,065	100.00	21,065	100.00	21,065	100.00	21,065	100.00
CHEVROLET	**30,166**	**26.32**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
Spectrum	30,166	49.20	0	0.00	0	0.00	0	0.00
Sprint	0	0.00	0	0.00	0	0.00	0	0.00
CHRYSLER MOTORS	**84,145**	**62.34**	**134,976**	**100.00**	**9,600**	**7.11**	**9,600**	**7.11**
Colt	40,989	48.40	84,606	100.00	0	0.00	0	0.00
Conquest	9,600	100.00	9,600	100.00	9,600	100.00	9,600	100.00
Vista	11,310	61.10	18,524	100.00	0	0.00	0	0.00
Medallion	22,246	100.00	22,246	100.00	0	0.00	0	0.00
DAIHATSU	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
FORD Festiva	**0**	**0.00**	**98,517**	**100.00**	**0**	**0.00**	**0**	**0.00**
HONDA	**514,053**	**79.19**	**649,158**	**100.00**	**0**	**0.00**	**63,258**	**9.74**
Civic	88,676	40.00	223,781	100.00	0	0.00	0	0.00
Accord	362,119	100.00	362,119	100.00	0	0.00	0	0.00
Prelude	63,258	100.00	63,258	100.00	0	0.00	63,258	100.00
ISUZU	**20,468**	**78.87**	**25,951**	**100.00**	**0**	**0.00**	**7,675**	**29.57**
I-Mark	12,793	70.00	18,276	100.00	0	0.00	0	0.00
Impulse	7,675	100.00	7,675	100.00	0	0.00	7,675	100.00
JAGUAR	**20,727**	**100.00**	**20,727**	**100.00**	**15,944**	**76.92**	**20,727**	**100.00**
MERCURY	**23,348**	**100.00**	**22,348**	**100.00**	**16,067**	**71.89**	**16,067**	**71.89**
XR4Ti	6,281	100.00	6,281	100.00	NA	0.00	NA	0.00
Scorpio	16,067	100.00	16,067	100.00	16,067	100.00	16,067	100.00
MERCEDES-BENZ	**77,945**	**100.00**	**77,945**	**100.00**	**65,060**	**83.47**	**77,945**	**100.00**
190	15,450	100.00	15,450	100.00	2,565	16.60	15,450	100.00
260/300	26,368	100.00	26,368	100.00	26,368	100.00	26,368	100.00
300/420/560 SEL	22,051	100.00	22,051	100.00	22,051	100.00	22,051	100.00
560SL	12,450	100.00	12,450	100.00	12,450	100.00	12,450	100.00
560SEC	1,626	100.00	1,626	100.00	1,626	100.00	1,626	100.00
MITSUBISHI	**27,436**	**49.90**	**55,032**	**100.00**	**2,618**	**4.61**	**11,922**	**20.99**
Starion	3,331	100.00	3,331	100.00	0	0.00	3,331	100.00
Cordia	7,286	100.00	7,286	100.00	0	0.00	0	0.00
Mirage	7,643	73.00	10,462	100.00	0	0.00	0	0.00
Tredia	585	100.00	585	100.00	0	0.00	0	0.00
Galant Sigma	8,591	100.00	8,591	100.00	2,618	30.00	8,591	100.00
Precis	0	0.00	24,777	100.00	0	0.00	0	0.00
NISSAN	**228,646**	**98.83**	**231,355**	**100.00**	**0**	**0.00**	**85,880**	**37.12**
Sentra	20,823	88.00	23,532	100.00	0	0.00	0	0.00
Pulsar	44,317	100.00	44,317	100.00	0	0.00	0	0.00
Stanza	37,798	100.00	37,798	100.00	0	0.00	0	0.00
Maxima	74,451	100.00	74,451	100.00	0	0.00	66,523	89.00
200SX/240SX	31,900	100.00	31,900	100.00	0	0.00	0	0.00
300ZX	19,357	100.00	19,357	100.00	0	0.00	19,357	100.00
PEUGEOT	**3,164**	**100.00**	**1,028**	**32.52**	**1,153**	**36.49**	**982**	**31.04**
PONTIAC LeMans	**61,552**	**72.39**	**85,027**	**100.00**	**0**	**0.00**	**0**	**0.00**
PORSCHE	**9,894**	**63.00**	**15,737**	**100.00**	**3,851**	**24.00**	**15,737**	**100.00**
SAAB	**37,965**	**100.00**	**37,965**	**100.00**	**11,349**	**29.89**	**37,965**	**100.00**
900	6,899	100.00	6,899	100.00	0	0.00	6,899	100.00
900S	10,366	100.00	10,366	100.00	NA	0.00	10,366	100.00
900 Turbo	9,351	100.00	9,351	100.00	0	0.00	9,351	100.00
9000S	3,608	100.00	3,608	100.00	3,608	100.00	3,608	100.00
9000 Turbo	7,741	100.00	7,741	100.00	7,741	100.00	7,741	100.00
STERLING	**8,901**	**100.00**	**8,901**	**100.00**	**5,220**	**58.65**	**8,901**	**100.00**
SUBARU	**108,913**	**75.33**	**144,586**	**100.00**	**0**	**0.00**	**19,465**	**13.46**
Hatchback	0	0.00	5,808	100.00	0	0.00	0	0.00
3 dr./4 dr./St. Wagon	95,064	100.00	95,064	100.00	0	0.00	11,202	11.78
XT/XT6	13,849	100.00	13,849	100.00	0	0.00	8,263	59.66
Justy	0	0.00	29,865	100.00	0	0.00	0	0.00
TOYOTA	**545,502**	**94.20**	**566,766**	**97.90**	**14,638**	**2.36**	**31,123**	**5.03**
Corolla	148,805	97.80	151,921	100.00	0	0.00	0	0.00
Tercel	69,910	69.80	100,108	100.00	0	0.00	0	0.00
Camry	216,542	100.00	216,542	100.00	663	0.30	0	0.00
Cressida	11,603	100.00	11,603	100.00	0	0.00	11,603	100.00
Celica	69,118	100.00	69,118	100.00	1,925	2.80	2,046	3.00
Supra	20,008	100.00	7,958	39.80	12,050	60.20	7,958	39.80
MR2	9,516	100.00	9,516	100.00	0	0.00	9,516	100.00
VOLKSWAGEN	**46,358**	**30.80**	**74,518**	**49.50**	**0**	**0.00**	**0**	**0.00**
Fox	0	0.00	0	0.00	0	0.00	0	0.00
Jetta	33,808	56.40	59,897	100.00	0	0.00	0	0.00
Cabriolet	8,921	81.70	10,931	100.00	NA	0.00	0	0.00
Scirocco	3,629	98.30	3,690	100.00	0	0.00	0	0.00
VOLVO	**92,904**	**100.00**	**92,904**	**100.00**	**29,254**	**31.49**	**92,904**	**100.00**
200-Series	36,630	100.00	36,630	100.00	0	0.00	36,630	100.00
700-Series	56,274	100.00	56,274	100.00	29,254	51.98	56,274	100.00
Total Cars, Import	**2,169,900**	**77.79**	**2,573,297**	**92.25**	**304,816**	**10.92**	**730,007**	**26.17**

Note: Mazda import options were not available at publication time

OPTIONS/EQUIPMENT

Body types, air bag options on 1988 import models

	Automatic Seatbelts	Percent of Installation	Airbags	Percent of Installation	2-door Coupe	Percent of Installation	2-door Hatchback	Percent of Installation	4-door Sedan	Percent of Installation	4-door Wagon	Percent of Installation	4-door Hatchback	Percent of Installation	Convertible	Percent of Installation
ACURA	**0**	**0.00**	**7,672**	**6.02**	**22,393**	**17.57**	**42,690**	**33.50**	**47,013**	**36.89**	**0**	**0.00**	**15,339**	**12.04**	**0**	**0.00**
Legend	0	0.00	7,672	11.00	22,393	32	0	0.00	47,013	68.00	0	0.00	0	0.00	0	0.00
Integra	0	0.00	0	0.00	0	0.00	42,690	74.00	0	0.00	0	0.00	15,339	26.00	0	0.00
ALFA ROMEO	**214**	**4.80**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**2,316**	**51.94**	**0**	**0.00**	**0**	**0.00**	**2,143**	**48.06**
Milano	0	0.00	0	0.00	0	0.00	0	0.00	2,316	100.00	0	0.00	0	0.00	0	0.00
Spider	214	10.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	2,143	100.00
AUDI	**23,899**	**100.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**23,316**	**97.56**	**583**	**2.44**	**0**	**0.00**	**0**	**0.00**
80/90	15,989	100.00	NA	0.00	NA	0.00	NA	0.00	15,989	100.00	NA	0.00	NA	0.00	NA	0.00
5000	7,910	100.00	NA	0.00	NA	0.00	NA	0.00	7,327	92.60	392	5.00	NA	0.00	NA	0.00
BMW	**0**	**0.00**	**23,533**	**31.77**	**17,049**	**23.02**	**0**	**0.00**	**46,274**	**62.48**	**0**	**0.00**	**0**	**0.00**	**10,740**	**14.50**
3-Series	0	0.00	0	0.00	9,275	31.90	0	0.00	2,749	9.40	0	0.00	0	0.00	10,740	36.90
5-Series	0	0.00	0	0.00	1,020	4.80	0	0.00	20,390	95.20	0	0.00	0	0.00	0	0.00
6-Series	0	0.00	2,468	100.00	2,468	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
7-Series	0	0.00	21,065	100.00	0	0.00	0	0.00	21,065	100.00	0	0.00	0	0.00	0	0.00
CHEVROLET	**0**	**0.00**	**0**	**0.00**	**58,807**	**51.31**	**0**	**0.00**	**55,800**	**48.69**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
Spectrum	0	0.00	0	0.00	25,799	42.00	0	0.00	35,558	58.00	0	0.00	0	0.00	0	0.00
Sprint	0	0.00	0	0.00	33,008	62.00	0	0.00	20,242	38.00	0	0.00	0	0.00	0	0.00
CHRYSLER MOTO	**9,600**	**7.11**	**0**	**0.00**	**9,600**	**7.11**	**42,150**	**31.23**	**48,119**	**35.65**	**35,107**	**26.01**	**0**	**0.00**	**0**	**0.00**
Colt	0	0.00	0	0.00	0	0.00	42,150	49.80	31,396	37.10	11,060	13.10	0	0.00	0	0.00
Conquest	9,600	100.00	0	0.00	9,600	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Vista	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	18,524	100.00	0	0.00	0	0.00
Medallion	0	0.00	0	0.00	0	0.00	0	0.00	16,723	75.10	5,523	24.80	0	0.00	0	0.00
DAIHATSU	**470**	**4.10**	**0**	**0.00**	**0**	**0.00**	**11,460**	**100.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
FORD Festiva	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**98,517**	**100.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
HONDA	**142,231**	**21.91**	**0**	**0.00**	**163,033**	**2.52**	**78,089**	**12.03**	**390,516**	**60.16**	**17,520**	**2.70**	**0**	**0.00**	**0**	**0.00**
Civic	0	0.00	0	0.00	49,542	22.00	49,349	22.00	107,370	48.00	17,520	8.00	0	0.00	0	0.00
Accord	78,973	22.00	0	0.00	50,233	14.00	28,740	8.00	283,146	78.00	0	0.00	0	0.00	0	0.00
Prelude	63,258	100.00	0	0.00	53,258	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
ISUZU	**7,675**	**29.57**	**0**	**0.00**	**0**	**0.00**	**11,483**	**44.25**	**14,468**	**55.75**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
I-Mark	0	0.00	0	0.00	0	0.00	3,808	21.00	14,468	79.00	0	0.00	0	0.00	0	0.00
Impulse	7,675	100.00	0	0.00	0	0.00	7,675	100.00	0	0.00	0	0.00	0	0.00	0	0.00
JAGUAR	**2,770**	**13.36**	**0**	**0.00**	**2,770**	**13.36**	**0**	**0.00**	**15,944**	**76.92**	**0**	**0.00**	**0**	**0.00**	**2,013**	**9.71**
MERCURY	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**6,281**	**28.11**	**0**	**0.00**	**0**	**0.00**	**16,067**	**71.89**	**0**	**0.00**
XR4Ti	0	NA	0	NA	0	0.00	6,281	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Scorpio	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	16,067	100.00	0	0.00
MERCEDES-BENZ	**0**	**0.00**	**77,945**	**100.00**	**2,734**	**3.51**	**0**	**0.00**	**60,020**	**77.00**	**2,741**	**3.52**	**0**	**0.00**	**12,450**	**15.97**
190	0	0.00	15,450	100.00	0	0.00	0	0.00	15,450	100.00	0	0.00	0	0.00	0	0.00
260/300	0	0.00	26,368	100.00	2,734	10.40	0	0.00	20,893	79.20	2,741	10.40	0	0.00	0	0.00
300/420/560 SEL	0	0.00	22,057	100.00	0	0.00	0	0.00	22,057	100.00	0	0.00	0	0.00	0	0.00
560SL	0	0.00	12,450	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	12,450	100.00
560SEC	0	0.00	1,626	100.00	0	0.00	0	0.00	1,626	100.00	0	0.00	0	0.00	0	0.00
MITSUBISHI	**5,600**	**9.86**	**0**	**0.00**	**0**	**0.00**	**30,427**	**53.57**	**19,005**	**33.46**	**0**	**0.00**	**5,600**	**9.86**	**0**	**0.00**
Starion	0	0.00	0	0.00	0	0.00	3,331	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Cordia	0	0.00	0	0.00	0	0.00	7,286	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Mirage	0	0.00	0	0.00	0	0.00	633	6.00	9,829	94.00	0	0.00	0	0.00	0	0.00
Tredia	0	0.00	0	0.00	0	0.00	0	0.00	585	100.00	0	0.00	0	0.00	0	0.00
Galant Sigma	0	0.00	0	0.00	0	0.00	0	0.00	8,591	100.00	0	0.00	0	0.00	0	0.00
Precis	5,600	23.00	0	0.00	0	0.00	19,177	77.00	0	0.00	0	0.00	5,600	23.00	0	0.00
NISSAN	**74,451**	**32.18**	**0**	**0.00**	**13,456**	**5.82**	**98,086**	**42.40**	**108,519**	**46.91**	**3,730**	**1.61**	**7,564**	**3.27**	**0**	**0.00**
Sentra	0	0.00	0	0.00	0	0.00	15,968	67.00	0	0.00	0	0.00	7,564	33.00	0	0.00
Pulsar	0	0.00	0	0.00	0	0.00	44,317	100.00	0	0.00	0	0.00	0	0.00	0	0.00
Stanza	0	0.00	0	0.00	0	0.00	0	0.00	37,798	100.00	0	0.00	0	0.00	0	0.00
Maxima	74,451	100.00	0	0.00	0	0.00	0	0.00	70,721	95.00	3,730	5.00	0	0.00	0	0.00
200SX/240SX	0	0.00	0	0.00	13,456	42.00	18,444	58.00	0	0.00	0	0.00	0	0.00	0	0.00
300ZX	0	0.00	0	0.00	0	0.00	19,357	100.00	0	0.00	0	0.00	0	0.00	0	0.00
PEUGEOT	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**2,135**	**67.48**	**1,029**	**32.52**	**0**	**0.00**	**0**	**0.00**
PONTIAC LeMans	**0**	**0.00**	**0**	**0.00**	**42,424**	**49.89**	**0**	**0.00**	**42,063**	**49.47**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
PORSCHE	**0**	**0.00**	**2,424**	**15.00**	**3,621**	**23.00**	**9,894**	**63.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**2,222**	**14.00**
SAAB	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**15,010**	**39.54**	**8,562**	**22.56**	**0**	**0.00**	**11,349**	**29.89**	**3,044**	**8.02**
900	0	0.00	0	0.00	0	0.00	3,310	48.00	3,589	NA	0	0.00	0	0.00	0	0.00
900S	0	0.00	0	0.00	0	0.00	5,393	52.00	4,973	48.00	0	0.00	0	0.00	0	0.00
900 Turbo	0	0.00	0	0.00	0	0.00	6,307	67.00	0	0.00	0	0.00	0	0.00	3,044	33.00
9000S	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	3,608	100.00	0	0.00
9000 Turbo	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	7,741	100.00	0	0.00
STERLING	**3,560**	**40.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**8,901**	**100.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
SUBARU	**15,771**	**10.91**	**0**	**0.00**	**13,849**	**9.58**	**43,215**	**29.89**	**26,733**	**18.49**	**60,789**	**42.04**	**0**	**0.00**	**0**	**0.00**
Hatchback	0	0.00	0	0.00	0	0.00	5,808	100.00	0	0.00	0	0.00	0	0.00	0	0.00
3 dr./4 dr./St. Wagon	1,922	2.02	0	0.00	0	0.00	7,542	7.93	26,733	28.12	60,789	63.95	0	0.00	0	0.00
XT/XT6	13,849	100.00	0	0.00	13,849	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Justy	0	0.00	0	0.00	0	0.00	29,865	100.00	0	0.00	0	0.00	0	0.00	0	0.00
TOYOTA	**0**	**0.00**	**0**	**0.00**	**153,011**	**24.71**	**64,836**	**10.47**	**313,917**	**50.70**	**34,801**	**6.00**	**6,146**	**0.99**	**6,105**	**0.98**
Corolla	0	0.00	0	0.00	31,348	20.60	0	0.00	106,953	70.40	13,620	8.90	0	0.00	0	0.00
Tercel	0	0.00	0	0.00	64,517	64.50	29,445	29.40	0	0.00	0	0.00	6,146	6.10	0	0.00
Camry	0	0.00	0	0.00	0	0.00	0	0.00	195,631	90.2	21,181	9.80	0	0.00	0	0.00
Cressida	0	0.00	0	0.00	0	0.00	0	0.00	11,603	100.00	0	0.00	0	0.00	0	0.00
Celica	0	0.00	0	0.00	47,630	68.90	15,383	22.30	0	0.00	0	0.00	0	0.00	6,105	8.80
Supra	0	0.00	0	0.00	0	0.00	20,008	100.00	0	0.00	0	0.00	0	0.00	0	0.00
MR2	0	0.00	0	0.00	9,516	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
VOLKSWAGEN	**0**	**0.00**	**0**	**0.00**	**33,730**	**21.88**	**3,690**	**2.39**	**97,097**	**62.99**	**112,989**	**73.30**	**0**	**0.00**	**0**	**0.00**
Fox	0	0.00	0	0.00	19,061	25.10	0	0.00	40,938	54.00	15,892	20.90	0	0.00	0	0.00
Jetta	0	0.00	0	0.00	3,738	62.00	0	0.00	56,159	93.80	0	0.00	0	0.00	0	0.00
Cabriolet	0	0.00	0	0.00	10,931	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Scirocco	0	0.00	0	0.00	0	0.00	3,690	100.00	0	0.00	0	0.00	0	0.00	0	0.00
VOLVO	**0**	**0.00**	**25,890**	**27.87**	**1,640**	**1.77**	**0**	**0.00**	**62,970**	**67.70**	**28,294**	**30.46**	**0**	**0.00**	**0**	**0.00**
200-Series	0	0.00	0	0.00	0	0.00	0	0.00	24,517	66.90	12,113	33.10	0	0.00	0	0.00
700-Series	0	0.00	25,890	46.00	0	0.00	0	0.00	38,453	68.30	16,181	28.80	0	0.00	0	0.00
Total Cars, Import	**286,241**	**10.29**	**137,464**	**4.93**	**538,117**	**19.29**	**555,828**	**19.93**	**1,361,818**	**48.82**	**297,583**	**10.67**	**62,065**	**2.22**	**38,717**	**1.32**

Note: Mazda import options were not available at publication time

Convenience options on 1988 import models

	Power Windows	Percent of installation	Power Locks	Percent of installation	Power Seats	Percent of installation	Sunroofs	Percent of installation	Cruise Control	Percent of installation	Tilt Wheel	Percent of installation	Tilt & Telescope	Percent of installation	Air Conditioning	Percent of installation	Intermittent Windshield Wipers	Percent of installation
ACURA	**84,486**	**66.30**	**80,362**	**63.06**	**44,206**	**0.00**	**96,914**	**76.05**	**111,501**	**87.50**	**119,763**	**93.98**	**0**	**0.00**	**69,406**	**54.46**	**127,435**	**100.00**
Legend	69,406	100.00	69,406	100.00	44,206	64.00	65,775	95.00	69,406	100.00	61,734	89.00	0	0.00	69,406	100.00	69,406	100.00
Integra	15,080	26.00	10,956	19.00	0	0.00	31,139	54.00	42,095	73.00	58,029	100.00	0	0.00	0	0.00	58,029	100.00
ALFA ROMEO	**3,695**	**82.87**	**[illegible],316**	**51.94**	**1,559**	**34.96**	**1,749**	**39.22**	**1,749**	**39.22**	**0**	**0.00**	**2,316**	**51.94**	**2,316**	**51.94**	**4,459**	**100.00**
Milano	2,316	100.00	2,316	100.00	1,559	67.00	1,749	76.00	1,749	76.00	0	0.00	2,316	100.00	2,316	100.00	2,316	100.00
Spider	1,379	64.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	2,143	100.00
AUDI	**23,899**	**100.00**	**23,899**	**100.00**	**3,941**	**16.49**	**17,829**	**74.60**	**23,899**	**100.00**	**0**	**0.00**	**0**	**0.00**	**23,899**	**100.00**	**23,899**	**100.00**
80/90	15,989	100.00	15,989	100.00	9	0.10	13,429	84.00	15,989	100.00	NA	0.00	NA	0.00	15,989	100.00	15,989	100.00
5000	7,910	100.00	7,910	100.00	3,941	49.70	4,400	55.60	7,910	100.00	NA	0.00	NA	0.00	7,910	100.00	7,910	100.00
BMW	**74,063**	**100.00**	**74,063**	**100.00**	**42,662**	**57.60**	**63,323**	**85.50**	**74,063**	**100.00**	**21,410**	**28.91**	**0**	**0.00**	**74,063**	**100.00**	**74,063**	**100.00**
3-series	29,120	100.00	29,120	100.00	0	0.00	18,[illegible]	63.10	29,120	100.00	0	0.00	0	0.00	29,120	100.00	29,120	100.00
5-Series	21,410	100.00	21,410	100.00	19,129	89.30	21,410	100.00	21,410	100.00	21,410	100.00	0	0.00	21,410	100.00	21,410	100.00
6-Series	2,468	100.00	2,468	100.00	2,468	100.00	2,468	100.00	2,468	100.00	0	0.00	0	0.00	2,468	100.00	2,468	100.00
7-Series	21,065	100.00	21,065	100.00	21,065	100.00	21,065	100.00	21,065	100.00	0	0.00	0	0.00	21,065	100.00	21,065	100.00
CHEVROLET	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**1,519**	**1.33**	**2,238**	**1.95**	**5,280**	**4.61**	**0**	**0.00**	**33,239**	**29.00**	**6,429**	**5.61**
Spectrum	0	0.00	0	0.00	0	0.00	68	0.10	1,398	2.30	5,280	8.60	0	0.00	15,811	25.80	6,429	10.50
Sprint	0	0.00	0	0.00	0	0.00	1,451	2.70	840	1.60	0	0.00	0	0.00	17,428	32.70	0	0.00
CHRYSLER MOTORS	**15,773**	**11.69**	**18,082**	**13.40**	**0**	**0.00**	**3,216**	**2.38**	**29,896**	**22.15**	**31,846**	**23.59**	**0**	**0.00**	**76,999**	**57.05**	**64,447**	**47.75**
Colt	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	35,401	41.80	14,077	16.60
Conquest	9,600	100.00	9,600	100.00	0	0.00	3,216	33.50	4,128	43.00	9,600	100.00	0	0.00	9,600	100.00	9,600	100.00
Vista	3,646	19.70	3,646	19.70	0	0.00	0	0.00	5,873	31.70	0	0.00	0	0.00	12,103	65.30	18,524	100.00
Medallion	2,527	11.60	4,836	21.70	0	0.00	0	0.00	19,895	89.40	22,246	100.00	0	0.00	19,895	89.40	22,246	100.00
DAIHATSU	**779**	**6.80**	**779**	**6.80**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**5,822**	**50.[illegible]**	**11,460**	**100.00**
FORD Festiva	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**32,192**	**32.68**	**0**	**0.00**	**31,218**	**31.69**	**32,192**	**32.68**
HONDA	**363,627**	**56.02**	**292,673**	**45.09**	**0**	**0.00**	**165,068**	**25.43**	**389,205**	**59.96**	**492,601**	**75.88**	**0**	**0.00**	**316,817**	**48.80**	**569,463**	**87.72**
Civic	46,810	21.00	46,810	21.00	0	0.00	17,931	8.00	0	0.00	67,224	30.00	0	0.00	0	0.00	144,086	64.00
Accord	275,343	76.00	232,542	64.00	0	0.00	83,879	23.00	325,947	90.00	362,119	100.00	0	0.00	275,343	76.00	362,119	100.00
Prelude	41,474	66.00	13,321	21.00	0	0.00	63,258	100.00	63,258	100.00	63,258	100.00	0	0.00	41,474	66.00	63,258	100.00
ISUZU	**7,675**	**29.57**	**7,675**	**29.57**	**0**	**0.00**	**9,320**	**35.91**	**9,320**	**35.91**	**12,862**	**49.56**	**0**	**0.00**	**20,102**	**77.46**	**12,862**	**49.56**
I-Mark	0	0.00	0	0.00	0	0.00	1,645	9.00	1,645	9.00	5,187	28.00	0	0.00	12,427	68.00	5,187	28.00
Impulse	7,675	100.00	7,675	100.00	0	0.00	7,675	100.00	7,675	100.00	7,675	100.00	0	0.00	7,675	100.00	7,675	100.00
JAGUAR	**20,727**	**100.00**	**20,727**	**100.00**	**15,944**	**76.92**	**15,944**	**76.92**	**20,727**	**100.00**	**0**	**0.00**	**20,727**	**100.00**	**20,727**	**100.00**	**20,727**	**100.00**
MERCURY	**22,348**	**100.00**	**22,348**	**100.00**	**16,067**	**71.89**	**21,664**	**96.94**	**19,155**	**85.71**	**0**	**0.00**	**16,067**	**71.89**	**22,348**	**100.00**	**22,348**	**100.00**
XR4Ti	6,281	100.00	6,281	100.00	0	0.00	5,939	94.60	3,088	49.20	0	0.00	0	0.00	6,281	100.00	6,281	100.00
Scorpio	16,067	100.00	16,067	100.00	16,067	100.00	15,725	97.90	16,067	100.100	0	0.00	16,067	100.00	16,067	100.00	16,067	100.00
MERCEDES-BENZ	**77,945**	**100.00**	**77,945**	**100.00**	**51,695**	**66.32**	**65,495**	**84.03**	**77,945**	**100.00**	**0**	**0.00**	**43,848**	**56.26**	**77,945**	**100.00**	**77,945**	**100.00**
190	15,450	100.00	15,450	100.00	5,144	33.30	15,450	100.00	15,450	100.00	0	0.00	0	0.00	15,450	100.00	15,450	100.00
260/300	26,368	100.00	26,368	100.00	22,874	86.70	26,368	100.00	26,368	100.00	0	0.00	20,171	76.50	26,368	100.00	26,368	100.00
300/420/560 SEL	22,051	100.00	22,051	100.00	22,051	100.00	22,051	100.00	22,051	100.00	0	0.00	22,051	100.00	22,051	100.00	22,051	100.00
560 SL	12,450	100.00	12,450	100.00	0	0.00	0	0.00	12,450	100.00	0	0.00	0	0.00	12,450	100.00	12,450	100.00
560 SEC	1,626	100.00	1,626	100.00	1,626	100.00	1,626	100.00	1,626	100.00	0	0.00	1,626	100.00	1,626	100.00	1,626	100.00
MITSUBISHI	**12,636**	**22.25**	**11,922**	**21.70**	**0**	**0.00**	**13,975**	**24.61**	**13,156**	**23.16**	**19,208**	**33.82**	**0**	**0.00**	**26,895**	**47.35**	**45,203**	**79.59**
Starion	3,331	100.00	3,331	100.00	0	0.00	944	28.00	3,331	100.00	3,331	100.00	0	0.00	3,331	100.00	3,331	100.00
Cordia	714	10.00	0	0.00	0	0.00	2,740	38.00	1,234	17.00	7,286	100.00	0	0.00	3,815	52.00	7,286	100.00
Mirage	0	0.00	0	0.00	0	0.00	436	4.00	0	0.00	0	0.00	0	0.00	6,932	66.00	633	6.00
Tredia	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	305	52.00	585	100.00
Galant Sigma	8,591	100.00	8,591	100.00	0	0.00	6,788	79.00	8,591	100.00	8,591	100.00	0	0.00	8,591	100.00	8,591	100.00
Precis	0	0.00	0	0.00	0	0.00	3,067	12.00	0	0.00	0	0.00	0	0.00	3,921	16.00	24,777	100.00
NISSAN	**133,401**	**57.66**	**133,401**	**57.66**	**62,959**	**27.21**	**169,091**	**73.09**	**139,462**	**60.28**	**228,646**	**98.83**	**0**	**0.00**	**172,851**	**74.71**	**231,355**	**100.00**
Sentra	0	0.00	0	0.00	0	0.00	2,995	13.00	0	0.00	20,823	88.00	0	0.00	14,119	60.00	23,532	100.00
Pulsar	0	0.00	0	0.00	0	0.00	44,317	100.00	0	0.00	44,317	100.00	0	0.00	26,590	60.00	44,317	100.00
Stanza	27,790	73.00	27,790	73.00	0	0.00	14,363	38.00	27,790	73.00	37,798	100.00	0	0.00	20,789	55.00	37,798	100.00
Maxima	74,451	100.00	74,451	100.00	43,602	58.00	62,539	84.00	74,451	100.00	74,451	100.00	0	0.00	74,451	100.00	74,451	100.00
200SX/240SX	11,803	37.00	11,803	37.00	0	0.00	25,520	80.00	17,864	56.00	31,900	100.00	0	0.00	17,545	55.00	31,900	100.00
300ZX	19,357	100.00	19,357	100.00	19,357	100.00	19,357	100.00	19,357	100.00	19,357	100.00	0	0.00	19,357	100.00	19,357	100.00
PEUGEOT	**2,897**	**91.56**	**3,164**	**100.00**	**0**	**0.00**	**2,070**	**65.42**	**2,897**	**91.56**	**0**	**0.00**	**0**	**0.00**	**3,164**	**100.00**	**3,164**	**100.00**
PONTIAC LeMans	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**7**	**0.01**	**0**	**0.00**	**31,530**	**37.08**	**0**	**0.00**	**61,552**	**72.39**	**0**	**0.00**
PORSCHE	**15,689**	**99.70**	**15,689**	**99.70**	**NA**	**0.00**	**13,515**	**86.00**	**NA**	**0.00**	**1,427**	**9.00**	**0**	**0.00**	**15,689**	**99.70**	**15,689**	**99.70**
SAAB	**31,066**	**81.83**	**37,965**	**100.00**	**31,066**	**81.83**	**31,066**	**81.83**	**31,066**	**81.83**	**31,066**	**81.83**	**31,066**	**81.83**	**37,965**	**100.00**	**37,965**	**100.00**
900	0	0.00	6,899	100.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	6,899	100.00	6,899	100.00
900S	10,366	100.00	10,366	100.00	10,366	100.00	10,366	100.00	10,366	100.00	0	0.00	0	0.00	10,366	100.00	10,366	100.00
900 Turbo	9,351	100.00	9,351	100.00	9,351	100.00	9,351	100.00	9,351	100.00	0	0.00	0	0.00	9,351	100.00	9,351	100.00
9000S	3,608	100.00	3,608	100.00	3,608	100.00	3,608	100.00	3,608	100.00	0	0.00	0	0.00	3,608	100.00	3,608	100.00
9000 Turbo	7,741	100.00	7,741	100.00	7,741	100.00	7,741	100.00	7,741	100.00	0	0.00	0	0.00	7,741	100.00	7,741	100.00
STERLING	**8,901**	**100.00**	**8,901**	**100.00**	**6,367**	**71.53**	**8,901**	**100.00**	**8,901**	**100.00**	**8,901**	**100.00**	**0**	**0.00**	**8,901**	**100.00**	**8,901**	**100.00**
SUBARU	**81,700**	**56.51**	**79,107**	**54.71**	**0**	**0.00**	**11,597**	**8.02**	**18,489**	**12.79**	**86,376**	**59.74**	**0**	**0.00**	**14,026**	**9.70**	**103,892**	**71.85**
Hatchback	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	5,808	100.00	0	0.00	0	0.00		
3 dr./4 dr./St. Wagon	69,312	72.91	66,719	70.18	0	0.00	11,597	12.20	11,597	12.20	66,719	70.18	0	0.00	7,134	7.50	66,719	70.18
XT/XT6	12,388	89.45	12,388	89.45	0	0.00	0	0.00	6,892	49.77	13,849	100.00	0	0.00	6,892	49.77	13,849	100.00
Justy	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	17,516	58.65
TOYOTA	**209,063**	**36.10**	**203,038**	**35.10**	**31,049**	**5.01**	**124,947**	**21.59**	**231,943**	**40.10**	**325,150**	**56.18**	**0**	**0.00**	**291,358**	**50.30**	**360,915**	**62.40**
Corolla	6,740	4.40	6,740	4.40	0	0.00	17,288	11.40	20,441	13.50	44,892	29.50	0	0.00	58,560	38.50	29,478	19.40
Tercel	0	0.00	0	0.00	0	0.00	126	0.10	551	0.60	4,650	4.60	0	0.00	17,898	17.90	4,650	4.60
Camry	138,778	64.10	138,778	64.10	2,222	1.00	46,020	21.30	145,892	67.40	197,237	91.10	0	0.00	135,797	62.70	216,542	100.00
Cressida	11,603	100.00	11,603	100.00	11,603	100.00	9,009	77.60	11,603	100.00	11,603	100.00	0	0.00	11,603	100.00	11,603	100.00
Celica	24,973	36.10	18,948	27.40	0	0.00	25,368	36.70	28,551	41.30	37,244	53.90	0	0.00	39,552	57.30	69,118	100.00
Supra	20,008	100.00	20,008	100.00	17,224	86.10	20,008	100.00	20,008	100.00	20,008	100.00	0	0.00	20,008	100.00	20,008	100.00
MR2	6,961	73.20	6,961	73.20	0	0.00	7,128	74.90	4,897	51.50	9,516	100.00	0	0.00	7,940	83.40	9,516	100.00
VOLKSWAGEN	**11,627**	**7.70**	**11,627**	**7.70**	**0**	**0.00**	**0**	**0.00**	**20,402**	**13.60**	**0**	**0.00**	**0**	**0.00**	**124,545**	**82.80**	**59,897**	**39.80**
Fox	NA	0.00	NA	0.00	NA	0.00	0	0.00	NA	0.00	0	0.00	0	0.00	55,897	73.70	0	0.00
Jetta	10,188	17.00	10,188	17.00	NA	0.00	0	0.00	12,502	20.90	NA	0.00	NA	0.00	54,726	91.40	59,897	100.005
Cabriolet	0	0.00	NA	0.00	NA	0.00	NA	0.00	7,900	72.30	0	0.00	0	0.00	10,293	94.20	0	0.00
Scirocco	1,439	39.00	1,439	39.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	3,629	98.30	0	0.00
VOLVO	**62,211**	**66.96**	**92,904**	**100.00**	**14,827**	**15.96**	**81,401**	**88.09**	**14,827**	**15.96**	**13,187**	**14.19**	**0**	**0.00**	**92,904**	**100.00**	**92,904**	**100.00**
200-Series	5,937	16.20	36,630	100.00	0	0.00	5,127	14.00	0	0.00	0	0.00	0	0.00	36,630	100.00	36,630	100.00
700-Series	56,274	100.00	56,274	100.00	14,827	26.30	56,274	100.00	14,827	26.30	13,187	23.40	0	0.00	56,274	100.00	56,274	100.00
Total Cars, Import	**1,264,208**	**45.32**	**1,204,644**	**43.15**	**322,342**	**11.56**	**898,604**	**32.21**	**1,240,841**	**44.48**	**1,461,445**	**52.38**	**200,400**	**7.18**	**1,624,751**	**58.25**	**2,007,814**	**71.97**

Note: Mazda import options were not available at publication time

DEALERS

The hottest-selling U.S. dealers of 1988

Two Ford franchises join Chevrolet store to capture top three spots

The 1988 Automotive News list of America's Largest Auto Dealers — the ranking of top-producing dealerships for the respective domestic and import franchises — includes a diverse group of businesses that excelled in one or more areas

The ranking is based on total new-unit deliveries — car and truck, fleet and retail — by individual franchise makes for calendar 1988

Many of the top-selling individual franchises — particularly among the domestic makes traditionally favored by America's fleet buyers — relied heavily on fleet sales to attain lofty rankings

Others, like the Penske organization's Longo Toyota dealership in El Monte, Calif., relied on good, old-fashioned one-at-a-time retail sales of a popular make to individual customers

The highest-volume individual franchise in the United States last year, for the second consecutive year, was Ed Morse Chevrolet, Lauderhill, Fla Dealer Edward J. Morse Jr. sold a total of 29,408 new cars and trucks last year, including 26,579 fleet deliveries and 2,829 retail deliveries The dealership also retailed 1,396 used vehicles and reported total 1988 sales of $331.2 million for all departments

In 1987, the three top total-unit producers were Chevrolet franchises, but not last year, as two Ford franchises slid in behind Ed Morse Chevrolet

In 1988, the second-highest-volume franchise was Jordan Ford of Mishawaka, Ind Last year, Jordan Ford, with big van business, reported total new-unit sales of 24,766 new Ford cars and trucks Included in that total were 13,355 fleet units and 11,411 retail units

The dealership also reported that it retailed 1,541 used units Total calendar 1988 sales for all departments at Jordan Ford were $341.6 million

The third-best-selling franchise last year was Fairway Ford of Latrobe, Pa Fairway Ford, part of the dealership chain controlled by Arnold Palmer and James O'Neal Jr., reported total new-unit sales of 23,714 Ford cars and trucks in 1988, including 23,360 fleet deliveries and 354 retail deliveries The dealership retailed 5,693 used units and rang up total sales of $317.2 million in 1988

Overall, this year's listing — the third annual — is very similar to earlier rosters Many of the perennial leaders are still at the top of the respective lists But a shifting retail landscape in the United States has affected even the largest dealerships

Since the last listing one year ago, some of the very biggest dealerships have reorganized; some have changed hands, and one stopped selling cars to go into a type of marketing hibernation as an inactive franchise until it can complete construction of new facilities

In all, 14 of the franchises that were top producers for their respective domestic divisions and importers were winners for the second consecutive year.

One dealership — Dale Oldsmobile, Bronx, N.Y., finished at the top of its make in 1986, but slipped from the Top 10 Oldsmobile dealers in 1987 only to re-emerge at the top of the Oldsmobile list for 1988

The ranks of the Top 10 producers for each of the 35 makes surveyed actually include 351 listings, including two dealerships that tied for the final "Top 10" spot for Saab In addition, one Peugeot dealer is in Puerto Rico and one Alfa Romeo dealership included in the list is located in the Canadian province of Ontario.

So there are 351 winners on this year's list, although some of the dealerships are multiple winners because they have more than one franchise that finished among the leaders for its make.

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America's largest auto dealers—by franchise

(ALL DOLLAR FIGURES IN MILLIONS)	Principal or top official	Years in business	Employees	Other makes, same location	Best selling model	Total 1988 $ sales all franchises, depts. at location	Parts & service $ volume	Retail used units	Retail new units	1988 fleet sales	Total 1988 new units
ACURA											
Tustin Acura Tustin, CA	Al Sheng	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	1,910*	0	1,910*
Val Strough Acura Pleasanton, CA	James F. MacDonald	3	28		Legend	N.A.	N.A.	6	1,800	90	1,890
Radley Acura Falls Church, VA	Vincent Radley	[illegible]	55		Legend	5.4	2.2	830	1,495	0	1,495
Acura of Westchester Larchmont, NY	John D'Elia	3	60		Legend	34.1	2.8	203	1,336	114	1,450
Cerritos Acura Cerritos, CA	Kent Browning	3	48		Legend	33.9	2.8	229	1,382	55	1,437
Acura 101 West Calabasas, CA	Lee Frochlich	2	53		Legend	35.1	2.3	184	1,399	0	1,399
Stevens Creek Acura Santa Clara, CA	Hank Torian	10	53		Legend	34.2	1.9	415	1,261	109	1,370
Rosenthal Acura Gaithersburg, MD	Bob Rosenthal	3	55		Legend	36.5	1.1	387	1,205	0	1,205
Acura of Seattle Seattle, WA	Al Courter	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	1,200*	0	1,200*
Ed Voyles Acura Chamblee, GA	Ed Voyles Dick Bobbit	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	1,150*	0	1,150*
ALFA ROMEO											
Suburban Auto Imports Maywood, IL	Sam Tomaino Anthony Scalzo	10	34	VW	Milano	10.0	N.A.	360	169	0	169
Beach Imports Newport Beach, CA	James Parkinson	34	35	Saab, Maserati	Spider	16.4	4.1	150	98	20	118
Beverly Hills Alfa Los Angeles, CA	Avo Kalaydjian	3	16		Spider	3.8	1.9	25	95	0	95
Colonial Dodge Kensington, MD	John Fitzgerald Jr.	5	100	Dodge, Peugeot	Milano	N.A.	N.A.	N.A.	94	0	94
Maranello Motors Woodbridge, Ontario	Remo Ferri	5	20	Saab	Milano	10.6	1.5	90	93	0	93
Robert Ruehman BMW-Pontiac Hollywood, CA	Robert Ruehman	18	102	Pontiac, BMW	Milano	13.3	3.0	320	78	0	78
Loeber Motors Chicago, IL	George Loeber	52	115	Mercedes, Rolls Royce, VW, Infiniti	Milano	45.0	7.4	491	77	0	77
Forest Lane Porsche-Audi Dallas, TX	Kirk Franceschini	10	60	Porsche, Audi	Spider	21.2	6.5	72	65	0	65
Contemporary Imports Miami, FL	Angel Dominguez	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	63*	0	63*
Bobcor Motors Englewood, NJ	Dan Farrell	3	18		Milano	3.1	1.6	20	62	0	62

*Estimate

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DEALERS

(ALL DOLLAR FIGURES IN MILLIONS)	Principal or top official	Years in business	Employees	Other makes, same location	Best selling model	Total 1988 $ sales all franchises, depts. at location	Parts & service $ volume	Retail used units	Retail new units	1988 fleet sales	Total 1988 new units
AUDI											
Auto Plaza Porsche-Audi Pittsburgh, PA	Ed Walker	8	41	Porsche	80/90	12.0	2.5	250	350	0	350
The Annis Corporation Natick, MA	E. Keene Annis	33	58	VW, Porsche, Laforza, Lotus	5000S	26.0	5.7	107	299	0	299
Jack Daniels Motors Fairlawn, NJ	John J. Daniels	17	49	Porsche	80/90	22.6	5.3	231	277	0	277
Semersky Enterprises Highland Park, IL	Bruce Semersky	13	N.A.	Porsche	N.A.	N.A.	N.A.	N.A.	264	0	264
Lynch Imports Chicago, IL	Richard V. Lynch Jr.	7	90	Porsche, Saab, VW	90	33.4	7.9	421	244	0	244
Hinsdale Motor Cars Hinsdale, IL	Bill Boyd	N.A.	60	Porsche	80	25.1	3.9	662	235	0	235
Jim Ellis Atlanta Atlanta, GA	Jim Ellis	18	80	Porsche, Sterling, Lotus	5000S	31.5	7.6	350	231	0	231
Pray Audi Greenwich, CT	Malcolm Pray	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	228	0	228
Rietzl Corporation Norwell, MA	Wolfgang Rietzl	19	41	Porsche	5000	12.0	2.6	114	227	0	227
Clair Audi West Roxbury, MA	James E. Clair Sr.	16	128		5000	0.0	0.0	476	226	0	226
BMW											
Crevier BMW Santa Ana, CA	Robert B. Crevier	19	97		325	54.8	5.7	290	1,109	0	1,109
BMW Concord Concord, CA	Myron R. Day	18	60		325 Convertible	41.9	4.3	245	926	0	926
Century Motor Sales Alhambra, CA	Leon Peskin	35	N.A.		N.A.	N.A.	N.A.	N.A.	864	0	864
Braman Motors Miami, FL	Norman Braman	19	87	Rolls-Royce	325 Convertible	49.2	7.4	275	863	0	863
Saddleback BMW Irvine, CA	Klaus Lischer	16	N.A.		N.A.	N.A.	N.A.	N.A.	826	0	826
Morristown BMW Morristown, NJ	John Lieser	7	60		3-series	35.0	2.0	400	825	0	825
Weatherford Motors Emeryville, CA	Harry Yasukochi	2	70		3-series	37.5	6.0	315	766	0	766
Pacific BMW Glendale, CA	David L. Ho Jr.	7	N.A.	Mitsubishi, Suzuki	N.A.	N.A.	N.A.	N.A.	757*	0	757*
South Motors of Dade County Miami, FL	Charles Dascal Jim Winterick	10	187	Honda, VW	3-series	63.4	7.3	840	719	0	719
Braman Motor Cars West Palm Beach, CA	Norman Braman	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	642	0	642
BUICK											
Pelkowitz Motors Perth Amboy, NJ	Regis P. McGuire	2	50	Cadillac	Century	227.1	3.3	311	423	2,811	3,234
Wilkins Buick Glen Burnie, MD	Maury Wilkins	20	65	Isuzu	Century	67.0	2.8	200	457	4,000	4,457
Lupient Buick Minneapolis, MN	James W. Lupient	4	N.A.		N.A.	N.A.	N.A.	N.A.	750*	3,502*	4,252*
Orange Buick-GMC Orlando, FL	B. H. King III	15	N.A.	GMC	N.A.	N.A.	N.A.	N.A.	1,250*	2,552*	3,802*
Loren Buick Glenview, IL	Irving N. Segal	28	70		LeSabre	54.0	4.1	419	919	2,066	2,985
Reef Buick Fort Lauderdale, FL	Jack Kelley	16	103		Century	58.4	6.7	675	1,213	1,768	2,981
Boulevard Buick-GMC-Saab Long Beach, CA	James A. Willingham	28	70	GMC, Saab, Sterling	Regal	48.9	5.5	256	358	2,617	2,975
Bob Brest Buick Lynn, MA	Robert Brest	27	130	Nissan	LeSabre	75.4	2.8	1,193	727	2,129	2,856
William Lehman Buick Miami, FL	William Lehman Jr.	23	124	Saab	Regal	58.9	6.9	1,315	901	1,489	2,390
Prospect Motors Jackson, CA	W. E. Halvorson	15	54	Chevrolet, Pontiac, Cadillac	Regal	365.5	2.5	0	50	2,257	2,307

*Estimate

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DEALERS

(ALL DOLLAR FIGURES IN MILLIONS)	Principal or top official	Years in business	Employees	Other makes, same location	Best selling model	Total 1988 $ sales all franchises, depts. at location	Parts & service $ volume	Retail used units	Retail new units	1988 fleet sales	Total 1988 new units
CADILLAC											
Polkowitz Motors Perth Amboy, NJ	Regis P. McGuire	2	53	Buick	DeVille	227.1	3.2	311	257	7,203	7,460
Bayview Cadillac Fort Lauderdale, FL	Edward J. Morse	28	181		DeVille	207.7	9.2	1,519	2,038	5,157	7,195
Roger Penske Cadillac Downey, CA	William Piercey	10	169		DeVille	N.A.	N.A.	632	1,770	1,286	3,056
Rodger Meier Cadillac Dallas TX	Todd Meier	8	135	Sterling	DeVille	87.3	4.2	728	1,207	1,252	2,459
Martin Cadillac Company Los Angeles, CA	Dana R. Martin	12	200	Sterling	DeVille	98.4	16.7	512	1,358	934	2,292
Central Cadillac Cleveland, OH	George Porter	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	665*	1,265*	1,930*
Premier Cadillac Kansas City, MO	John J. Roach Jr.	29	110	Sterling, Jaguar	DeVille	71.7	5.1	1,092	723	1,084	1,807
Don Massey Cadillac Plymouth, MI	Don Massey	28	147	Rolls-Royce, Sterling	DeVille	93.4	11.7	1,728	1,365	275	1,640
Coral Cadillac Pompano Beach, FL	Norman E. Wiese	40	140		DeVille	72.6	8.9	1,026	1,611	0	1,611
Prospect Motors Jackson, CA	W. E. Halvorson	15	54	Chevrolet, Buick, Pontiac, Olds	DeVille	355.5	2.5	171	37	1,471	1,508
CHEVROLET											
Ed Morse Chevrolet Lauderhill, FL	Edward J. Morse Jr.	10	160		Cavalier	331.2	11.1	1,396	2,829	26,579	29,408
Friendly Chevrolet Dallas, TX	Mark A. Eddins	10	225	Geo		89.9	19.9	2,154	4,333	15,192	19,525
Bill Wink Chevrolet Dearborn, MI	William J. Wink	33	81		Celebrity	199.0	4.2	686	879	15,629	16,508
Prospect Motors Jackson, CA	W. E. Halvorson	15	54	Cadillac, Buick, Pontiac, Olds	Corsica	355.5	2.5	171	297	14,836	15,133
"Z" Frank Chevrolet Chicago, IL	John L. Sayer	53	115	Geo	Cavalier	119.3	4.6	810	2,890	8,122	11,012
Delorme Chevrolet Inglewood, CA	John K. De l'Orme	9	80		Corsica/Beretta	116.9	4.5	354	739	9,915	10,654
Curry Chevrolet Sales & Service Scarsdale, NY	B. F. Curry Jr.	25	65	Geo	Cavalier	110.8	3.3	222	779	9,696	10,474
Bob Brest Chevrolet Lynn, MA	Bob Brest	27	123		S-10 Pickup	117.2	21.0	0	1,670	8,251	9,921
Bast Chevrolet Seaford, NY	Charles W. Bact	38	92		Cavalier	117.9	4.8	773	2,021	7,072	9,093
Legum Chevrolet-Nissan Baltimore, MD	Jeffrey A. Legum	67	195	Nissan	N.A.	114.9	13.6	1,231	2,465	4,008	6,473
CHRYSLER-PLYMOUTH											
Lake Forest Chrysler-Plymouth Gaithersburg, MD	William Cash	N.A.	40		N.A.	N.A.	N.A.	N.A.	2,735*	8,421*	11,156*
South Bay Chrysler-Plymouth Torrance, CA	James B. Clark	4	130	Jeep, Eagle	Voyager	162.8	3.9	1,382	1,062	8,491	9,553
Galeana Chrysler-Plymouth Fort Myers, FL	Frank Galeana	15	91	Peugeot	Voyager	122.5	4.2	1,353	1,416	6,442	7,858
Agency Chrysler-Plymouth West Salem, OH	Sam Frankino	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	1,850*	5,444*	7,294*
Ed Barwick Chrysler-Plymouth Napa, CA	Ed Barwick	34	30	Volvo	Voyager	61.7	1.3	178	259	5,472	5,731
Weir Auto Sales Raynham, MA	Robert M. Barboza	22	85	Jeep, Eagle	LeBaron Coupe	N.A.	N.A.	N.A.	2,250*	3,193*	5,443*
Hollywood Chrysler-Plymouth Hollywood, FL	Russ Everatt	N.A.	79		N.A.	N.A.	N.A.	N.A.	1,150*	3,560*	4,710*
Allen Cubbage C-P-D Stanley, VA	Allen J. Cubbage	8	26	Dodge	LeBaron	83.0	0.6	1,050	148	3,100	3,248
Russ Darrow Waukesha Waukesha, WI	Russell M. Darrow Jr	22	80		Voyager	42.6	2.6	876	825	1,870	2,695
Don Warnock Chrysler-Plymouth Livingston, NJ	Donald W. Warnock	8	23		Voyager	20.2	N.A.	204	818	492	1,310

*Estimate

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DEALERS

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DODGE											
Luke Potter Dodge Winter Park, FL	Luther D. Potter	26	75		Caravan	327.0	3.0	689	826	16,437	17,263
Forest Lake C-P-D Forest Lake, MN	Dennis Hecker Walter Busch	N.A.	40	Chrysler, Plymouth	N.A.	N.A.	N.A.	N.A.	1,440*	12,491*	13,931*
Tate Dodge Glen Burnie, MD	Creston Tate	28	N.A.		N.A.	N.A.	N.A.	N.A.	1,450*	11,247*	12,697*
Colonial Dodge Kensington, MD	John Fitzgerald Jr.	5	100	Peugeot, Alfa Romeo	Caravan	N.A.	N.A.	N.A.	2,350	8,757	11,107
Freeway Dodge Bloomington, MN	Thane Hawkins	24	53		Caravan	N.A.	N.A.	783	804	9,173	9,977
Bel Aire Dodge Torrance, CA	James B. Clark	14	91		Caravan	110.6	3.2	768	1,168	7,406	8,574
Warnock Dodge East Hanover, NJ	Donald W. Warnock	13	145		Caravan	84.6	5.9	396	2,460	3,716	6,176
Pryority Motors Pryor, OK	Bruce W. Jacobs	3	14	Chrysler, Plymouth, Jeep, Eagle, Shelby	Caravan	87.3	0.2	106	217	3,214	3,431
Dodge World Kissimmee, FL	Tom Palme	10	75		Dakota	37.7	2.3	793	598	1,810	2,408
Precision Dodge Tampa, FL	Frank L. Morsani	18	58		Caravan	24.5	4.3	561	897	215	1,112
FORD											
Jordan Ford Mishawaka, IN	Jordan H. Kapson Craig A. Kapson	40	195	Toyota, Volvo	Taurus	341.6	8.5	1,541	11,411	13,355	24,766
Fairway Ford Latrobe, PA	James O'Neal Jr	11	30		Taurus	317.2	0.6	5,693	354	23,360	23,714
McInerney Ford Orlando, FL	Richard L. Smith	14	120		Mustang	254.2	4.8	678	2,232	18,343	20,575
Arnold Palmer Ford-L-M Bluffton, SC	James O'Neal Jr	11	38	Lincoln, Mercury	Tempo	420.7	0.5	164	244	13,698	13,942
Ricart Ford Columbus, OH	Rhett C. Ricart Paul F. Ricart Jr.	34	497		Escort	232.7	6.3	11,084	11,618	0	11,618
Rice and Holman Ford Mt. Laurel, NJ	Joseph P. Glowacki	65	237	Kenworth	Escort	208.0	12.5	1,196	4,717	5,420	10,137
Al Piemonte Ford Melrose Park, IL	Al Piemonte	24	145		Escort	126.4	4.4	1,523	3,123	6,601	9,724
Pacifico Ford Philadelphia, PA	Kerry T. Pacifico	35	167		Tempo	125.0	5.6	1,182	2,187	6,873	9,060
Santa Monica Ford Santa Monica, CA	Bob Karlin Wayne Harding	25	88		Taurus	128.2	8.2	530	1,976	6,554	8,530
Town & Country Ford Charlotte, NC	Bruton Smith	20	250		Escort	130.4	10.6	3,217	7,617	159	7,776
GMC											
Courtesy Pontiac-GMC Tampa, FL	G. Howell Lary Jeff Wooley	15	164	Pontiac	Light truck	67.8	11.8	915	523	1,534	2,057
Jim Causley Pontiac-GMC Mt. Clemens, MI	James F. Causley	32	135	Pontiac	N.A.	87.6	7.6	1,721	1,473	206	1,679
Ferguson GMC Norman, OK	Tommy Ferguson	15	120	Pontiac, Yugo	Pickups	51.4	4.9	1,191	1,122	56	1,178
Art Moran Pontiac-GMC Southfield, MI	Art Moran	16	136	Pontiac	Jimmy	7.1	6.6	660	700	250	950
Showcase Pontiac-GMC Phoenix, AZ	Larry Lee Van Tuyl	10	130	Pontiac	S-15 Pickup	54.4	5.9	906	612	231	843
Somerset Pontiac-GMC Troy, MI	John P. Fowler John B. McMullen	14	83	Pontiac	Vans	60.2	7.4	1,367	786	0	786
Sherwood Pontiac-GMC Delray Beach, FL	Sherwood Sheehan Jr.	12	70	Pontiac, Daihatsu	Sierra Pickup	36.7	3.5	336	236	307	543
Larry Faul Oldsmobile-GMC Schaumburg, IL	Frederick J. Frazier	40	137	Olds, Peugeot	Jimmy	93.7	10.4	756	414	112	526
Gay Pontiac & GMC Dickinson, TX	Carl Gay	39	65	Pontiac	N.A.	45.0	3.0	0	500	12	512
Bill Farley Pontiac-GMC Birmingham, AL	Bill D. Farley	7	104	Pontiac	Sierra Pickup	36.5	2.9	901	372	112	484

*Estimate

continued →

DEALERS

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HONDA											
Gardena Honda Gardena, CA	Al Sheng	10	N.A.		N.A.	N.A.	N.A.	N.A.	5,490*	0	5,490*
Robertson Honda North Hollywood, CA	Jack B. Robertson	N.A.	N.A.	N.A.		N.A.	N.A.	N.A.	4,150*	0	4,150*
Honda of Beaverton Beaverton, OR	Robert D. Lanphere	15	75		Accord	N.A.	N.A.	N.A.	3,350*	0	3,350*
Showcase Honda Phoenix, AZ	Larry Lee Van Tuyl	18	78		Accord	52.6	5.3	690	2,231	667	2,898
Penske Honda Downey, CA	George Lucas	3	57	N.A.	Accord	41.6	3.5	357	2,444	279	2,723
Plaza Honda Brooklyn, NY	John Rosatti Roger Paris	12	65	Olds	Accord	39.4	5.5	300	2,540	140	2,680
Rosenthal Honda Vienna, VA	Robert M. Rosenthal	17	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	2,550*	0	2,550*
Schaumburg Honda Automobiles Schaumburg, IL	Robert V. Rohrman	26	89		Accord	6.1	1.8	875	2,522	0	2,522
Pflueger Honda Honolulu, HI	James Pflueger Michael Keppel	20	111		Accord	51.0	5.7	1,403	2,455	0	2,455
Honda of Lisle Lisle, IL	Horst Korallus	11	102		Accord	40.0	3.0	1,028	2,321	0	2,321
HYUNDAI											
Cormier Hyundai Long Beach, CA	John Peterson Sr. Len Cormier III	3	66		Excel	34.3	2.6	296	3,397	0	3,397
Kim-Hankey Hyundai Los Angeles, CA	Richard Kim	3	76		GL	30.9	3.0	160	2,800	0	2,800
Lee Hyundai Fayetteville, NC	John F. Lee	2	65		Excel	26.3	1.6	200	2,739	0	2,739
Galpin Hyundai Sepulveda, CA	H. F. Boeckmann III	27	60		Excel	28.0	2.3	0	2,602	0	2,602
Sauer Hyundai Tinley Park, IL	Gordon Walker	2	44		Excel	24.3	1.0	170	2,542	0	[illegible]542
Escondido Hyundai Escondido, CA	C. R. Ellinwood III	7	N.A.		N.A.	N.A.	N.A.	N.A.	2,064*	403*	2,467*
Bay Ridge Hyundai Brooklyn, NY	Carmilo Giuffre	4	40		Excel	24.4	2.5	N.A.	2,232	0	2,232
Savage Hyundai Monroula, CA	Dennis Assael	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	2,153	0	2,153
Bob Ciasulli Hyundai Little Falls, NJ	Robert Ciasulli Jr.	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	2,152	0	2,152
Tate Hyundai Claremont, CA	Jack Head	20	63		Excel	26.5	2.6	667	2,072	67*	2,139*
ISUZU											
Isuzu of Hillside Hillside, NJ	Gaetano Marianino	6	41	N.A.	Trooper	17.4	1.9	29	1,144	0	1,144
Sam White Isuzu Houston, TX	Sam H. White	18	250	Olds, Sterling	Q-16 Pickup	93.1	1.5	209	950	93	1,043
Fountain Isuzu Orlando, FL	Louis King	N.A.	N.A.	Olds, GMC, Mitsubishi	N.A.	N.A.	N.A.	N.A.	N.A.	342*	684*
Fresno Isuzu Fresno, CA	Antonio Rodriguez	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	951	0	951
Fletcher Jones Isuzu Las Vegas, NV	Fletcher Jones Jr.	8	20		2-wd truck	10.5	0.9	70	846	0	846
King Motor Company Fort Lauderdale, FL	W. Clay King	8	242	Olds, GMC, Suzuki, Daihatsu	I-Mark	108.6	1.0	1,529	802	37	839
Atlantic Isuzu West Islip, NY	John Staluppi	15	200	Hyundai, Jeep, Eagle, Olds	Trooper	102.5	1.0	700	804	20	824
Martin Isuzu Marietta, GA	Cornelius Martin	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	731	0	731
Rountree Isuzu Shreveport, LA	Kevin Reinschmidt	N.A.	140	Olds, Yugo	N.A.	60.4	5.6	2,788	731	0	731
Biddulph Chevrolet Santa Rosa, CA	Barry Biddulph	5	105	Isuzu, Geo, Daihatsu	Trooper	36.9	3.8	702	704	0	704

*Estimate

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DEALERS

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JAGUAR											
Hempstead Auto Company Hempstead, NY	Hugh J. Weidinger	25	77		XJ6	50.9	10.1	240	726	0	726
Hornburg Jaguar Los Angeles, CA	William Gaby	43	96	Range Rover	XJ6	40.9	9.0	60	568	26	594
Newport Imports Newport Beach, CA	Lee West	N.A.	N.A.	Range Rover	N.A.	N.A.	N.A.	N.A.	492	0	492
Dominion Motor Cars Houston, TX	Roy I. Bennion Stewart A. Feldman	3	120	Volvo, Subaru	XJ6	48.2	8.6	347	411	61	472
The Jaguar Collection Coral Gables, FL	Joseph DeMaria	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	443	0	443
Rallye Motors Paramus, NJ	Manny Sicari	29	N.A.		N.A.	N.A.	N.A.	N.A.	426	0	426
Bauer Jaguar Anaheim, CA	Richard Bauer	10	57		XJ6	26.7	4.3	58	406	6	412
Sovereign Jaguar Hicksville, NY	Alan Feldman	23	33		XJ6	23.0	4.5	26	370	0	370
Rosenthal Jaguar Vienna, VA		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	369	0	369
Terry York Motor Cars Encino, CA	Terry York	20	N.A.		N.A.	N.A.	N.A.	N.A.	342	0	342
JEEP-EAGLE											
Jasper Jeep-Eagle Jasper, GA	Michael W. Lowe	13	48		Cherokee	55.3	1.8	536	2,173	664	2,837
Manhattan Jeep-Eagle New York, NY	John Monninger	2	61		Cherokee	49.4	3.2	117	2,379	123	2,502
Buerge Jeep-Eagle Los Angeles, CA	John R. Buerge	6	103	Ford	Cherokee	42.6	4.2	184	1,320	678	1,998
Atlantic Jeep-Eagle West Islip, NY	John Staluppi	15	200	Olds, Isuzu, Hyundai	Cherokee	102.5	2.0	700	1,662	278	1,940
Don-A-Vee Jeep-Eagle Bellflower, CA	Clive Skilton	3	60		Cherokee	40.0	2.2	510	1,826	96	1,922
Roswell Jeep-Eagle Roswell, GA	Gary M. Grim	3	62		Cherokee	37.7	3.2	394	1,201	340	1,541
Broadway Jeep-Eagle Littleton, CO	Gerald Morris	12	75		Cherokee	40.0	2.8	932	1,135	353	1,488
Huntington Jeep-Eagle Huntington Beach, CA	Gary C. Gray	4	70		Cherokee	31.0	3.1	435	1,181	161	1,342
Royal Jeep-Eagle Fern Park, FL	Ray M. Tatum	15	78		Cherokee	31.9	3.6	624	1,285	N.A.	1,285*
Orange Coast Jeep-Eagle Costa Mesa, CA	Gary C. Gray	8	75		Cherokee	31.0	1.7	443	1,255	0	1,255
LINCOLN-MERCURY											
Libertyville L-M Sales Libertyville, IL	Julius Marks	17	90		Cougar	296.4	3.6	710	2,029	17,698	19,727
Arnold Palmer Ford L-M Bluffton, SC	James O'Neal Jr.	11	38	Ford	Sable	420.7	0.5	164	122	15,784	15,906
Central Florida L-M Orlando, FL	David McAbee	26	98		Grand Marquis	123.0	3.4	629	1,124	4,467	5,591
Northgate L-M Tampa, FL	Jack Parks	14	180		Grand Marquis	86.9	5.4	1,063	2,419	1,568	3,987
Reedman L-M Langhorne, PA	Ralph Reedman	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	3,791	0	3,791
Elmhurst L-M Elmhurst, IL	David G. Mears	77	76		Topaz	64.8	2.9	420	1,022	2,653	3,675
Pompano L-M Pompano Beach, FL	Joseph Chiavaroli	15	114		Grand Marquis	73.5	6.4	986	1,930	1,589	3,519
Stu Evans L-M Garden City, MI	Stewart Evans John Evans	44	N.A.		N.A.	N.A.	N.A.	N.A.	3,450	0	3,450
Holman L-M Maple Shade, NJ	John M. Todd	50	147		Cougar	81.4	6.8	1,014	3,020	350	3,370
Tasca L-M Seekonk, MA	Robert F. Tasca Sr.	18	101		Grand Marquis	72.4	4.8	859	3,343	0	3,343

*Estimate

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MAZDA											
Puente Hills Mazda City of Industry, CA	Fritz Hitchcock	7	81		2wd truck	39.6	3.3	630	2,407	283	2,690
Maple Shade Mazda Maple Shade, NJ	Bob Dimmerman	16	N.A.		N.A.	N.A.	N.A.	N.A.	2,176	0	2,176
Gunther Mazda Fort Lauderdale, FL	Joe Gunther	19	150	VW	626	53.0	6.3	1,188	2,134	0	2,134
Ted Britt of Fairfax Fairfax, VA	M. G. Britt	30	91		323	32.3	6.5	250	2,114	0	2,114
Billy Barrett Mazda Dallas, TX	Billy Barrett	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	1,961	0	1,961
Oak Tree Mazda San Jose, CA	Enide Allison David A. Allison	19	79		B2200	31.2	5.1	342	1,817	42	1,859
128 Mazda Wakefield, MA	Thomas McManus Sr.	17	N.A.	Olds, Isuzu	N.A.	N.A.	N.A.	N.A.	1,740	0	1,740
Freeman Oldsmobile-Mazda Irving, TX	J. W. Freeman	31	N.A.	Hyundai, Daihatsu, Olds	N.A.	N.A.	N.A.	N.A.	1,734	0	1,734
Rosenthal Mazda Vienna, VA	Robert M. Rosenthal	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	1,668	0	1,668
Derollo Mazda Stockton, CA	Paul Umdenstock	3	50	N.A.	N.A.	23.3	1.5	234	1,573	91	1,664
MERCEDES-BENZ											
Ray Catena Motor Car Edison, NJ	Raymond Catena	8	90	N.A.	300E	79.9	7.5	137	1,314	0	1,314
Jim Slemons Imports Newport Beach, CA	Jim Slemons	28	175		420SEL	107.9	25.2	462	1,312	0	1,312
Benzel-Busch Motors Inglewood, NJ	Joseph A. Agresta	10	105		300E	88.0	8.5	105	1,286	0	1,286
Rallye Motors Roslyn, NY	Peter G. Terian	30	150	BMW, Rolls-Royce	300E	81.7	10.0	120	1,169	40	1,209
Mercedes-Benz Manhattan New York, NY	John Churan	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	1,050*	0	1,050*
RBM of Atlanta Atlanta, GA	John Ellis	19	130	N.A.	300E	98.4	11.9	298	941	0	941
Park Place Motorcars Dallas, TX	Kenneth Schnitzer Jr.	2	120		300E	59.7	10.0	308	803	0	803
Smythe European San Jose, CA	William D. Smythe	40	150	Volvo	300E	82.1	13.1	569	796	0	796
Prestige Motors Paramus, NJ	Joseph T. Dockery	20	100	Range Rover	560SL	65.0	8.8	210	780	0	780
Euro Motorcars Bethesda Bethesda, MD	Patrick Douglas	10	147		300E	54.7	8.8	208	680	0	680
MITSUBISHI											
Michael Mitsubishi Fresno, CA	Larry Lee Van Tuyl Michael Rosvold	3	22	N.A.	Mighty Max Pickup	33.3	1.8	864	2,563	0	2,563
Century Mitsubishi Warwick, RI	Kenneth L. Hagen	3	30		Precis	26.7	1.1	90	1,123	1,027	2,150
Bob Ciasulli Mitsubishi Little Falls, NJ	Robert Ciasulli	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	1,909	0	1,909
Crabtree-Haas Mitsubishi Shelton, CT	Fred Haas David Shafman	2	N.A.		N.A.	N.A.	N.A.	N.A.	1,840	0	1,840
West Covina Mitsubishi West Covina, CA	Tarek Alhassen	4	N.A.		N.A.	N.A.	N.A.	N.A.	1,340*	250*	1,590*
Bob King Mitsubishi Winston-Salem, NC	Bob King	3	35		Mighty Max Pickup	14.4	0.7	498	1,395	0	1,395
Ramsey Mitsubishi Ramsey, NJ	Ray Van Duren	2	38		Galant	N.A.	N.A.	160	1,360	10	1,370
Puente Hills Mitsubishi City of Industry, CA	Nicholas N. Shammas	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	1,336	0	1,336
Potamkin Mitsubishi North Plainfield, NJ	Robert Potamkin Robert Nitabach	N.A.	N.A.	Sterling, Yugo, Hyundai, Chevrolet	N.A.	N.A.	N.A.	N.A.	1,207	0	1,207
Potamkin Mitsubishi Warwick, RI	Robert M. Potamkin	18	60	Chevrolet, Hyundai Jeep-Eagle	Galant	77.0	5.7	1,265	1,197	0	1,197

*Estimate

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NISSAN											
Action Nissan Kissimmee, FL	Joe Williamson Dennis Hecker	3	72		Sentra	78.0	6.7	729	583	9,719	10,302
Northtown Nissan Fridley, MN	Dennis E. Hecker	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	396	5,761	6,157
Nissan of Downey Downey, CA	Carmen Koosa	6	108		Sentra	70.6	3.3	818	4,129	916	5,045
Autoplaza Nissan Westbury, NY	Anthony Panebianco John Branham	10	140		Sentra	60.7	6.5	594	4,492	0	4,492
ABC Nissan Phoenix, AZ	Lárry Lee Van Tuyl	18	250	N.A.	Sentra	87.3	10.4	2,653	3,200	572	3,772
Rosenthal Nissan Vienna, VA	Robert M. Rosenthal Paul Smith	35	205	Mazda	Sentra	100.1	10.1	1,464	3,354	87	3,441
Kelly-Kean Nissan Oak Lawn, IL	Arthur W. Kelly W. Ralliegh Kean	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	795	2,331	3,126
Universal City Nissan Los Angeles, CA	Morris Schrage	18	125		Sentra	50.6	7.8	497	2,732	209	2,941
Mossy Nissan National City, CA	Philip E. Mossy	7	157		Sentra	49.4	5.1	1,450	2,936	0	2,936
Performance Nissan San Diego, CA	Jim Blanton	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	2,655	49	2,704
OLDSMOBILE											
Dale Oldsmobile Bronx, NY	Mark Rosenstock Jr.	40	99	Pontiac, Jeep, Eagle	Cutlass Ciera	226.7	3.0	N.A.	1,465	15,650	17,115
Jim Lupient Minneapolis, MN	James W. Lupient	20	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	2,230*	3,850*	6,080*
Anderson Oldsmobile Baltimore, MD	William R. Mortimer	19	124	Sterling	Cutlass Ciera	106.2	6.9	664	1,632	4,407	6,039
Larry Faul Oldsmobile-GMC Schaumburg, IL	Frederick J. Frazier	40	137	GMC, Peugeot	Cutlass Ciera	93.7	10.4	756	1,102	4,388	5,490
Henry Faulkner Philadelphia, PA	Henry Faulkner Jr. Joseph Faulkner	30	200	—	Cutlass Ciera	58.6	9.0	708	1,994	3,099	5,093
Sam White Oldsmobile Houston, TX	Sam H. White	40	250	Isuzu, Sterling	Cutlass Ciera	N.A.	N.A.	N.A.	3,010*	1,880*	4,890*
"Z" Frank Oldsmobile Des Plaines	John L. Sayer	5	84		Cutlass Ciera	70.1	4.0	640	1,450	3,560	5,010
Browning Oldsmobile-Subaru Cerritos, CA	Kent Browning	16	N.A.	Subaru	N.A.	N.A.	N.A.	N.A.	1,660*	2,370*	4,030*
King Motor Fort Lauderdale, FL	W. Clay King	3	242	Isuzu, GMC, Suzuki, Daihatsu	Cutlass Ciera	108.6	11.9	1,529	1,796	2,175	3,971
Moore-Hudson Olds-GMC Columbia, SC	James E. Hudson	8	127	GMC	Cutlass Ciera	78.0	6.6	906	1,118	2,660	3,778
PEUGEOT											
Maplewood Peugeot Maplewood, NJ	Alan Castroll	8	N.A.		N.A.	N.A.	N.A.	N.A.	141	0	141
Autos Vega San Juan, PR	Ramon Vega	48	82	Ford, Lincoln, Mercury, Hino	505	18.0	2.2	584	113	10	123
Peugeot of Westfield Westfield, NJ	Joseph Geyer	3	20	Bertone	505	8.0	0.8	327	104	0	104
Doran Chevrolet-Peugeot Dallas, TX	Ed Doran	9	N.A.	Chevrolet	N.A.	N.A.	N.A.	N.A.	102	0	102
Bill's Jeep-Eagle-Peugeot Stratham, NH	Dennis T. Galfoyle	20	16	Jeep, Eagle	505	7.0	0.8	275	100	0	100
Foreign Motors West Natick, MA	Thomas R. Mix	15	150	Mercedes, Range Rover, BMW, Rolls-Royce	405	96.2	11.9	201	99	0	99
Tenafly Foreign & Domestic Cars Tenafly, NJ	Robert Engel	27	16		505 Turbo	3.3	1.3	60	90	0	90
Overseas Auto Hastings on Hudson, NY	Franz Bommert	7	19		405S	3.3	1.7	25	85	0	85
Fred's Peugeot Philadelphia, PA	David Fellner	20	18		505 Station Wagon	N.A.	N.A.	60	84	0	84
Stadium Motors Anaheim, CA	Gerald Grace	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	74	0	74

*Estimate

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PONTIAC											
Stephen Pontiac-Cadillac Bristol, CT	Stephen Barberino Sr Stephen Barberino Jr	32	170	Jaguar, Cadillac, Toyota, GMC	Grand Am	193.6	7.1	1,039	505	13,813	14,318
J. M. Pontiac Hollywood, FL	John McNally Jack Bark	20	193		Grand Am	186.3	9.2	3,612	3,116	9,546	12,662
Prospect Motors Jackson, CA	W. E. Halvorson	15	54	Chevrolet, Buick, Cadillac, Olds	Bonneville	355.5	2.5	0	36	9,509	9,545
Penn Pontiac Baltimore, MD	Stanley Z. Penn	19	56		Grand Am	34.2	3.3	185	693	7,851	8,544
Dave Gill Pontiac-GMC Columbus, OH	Dave Gill	7	95	GMC	Grand Am	70.1	6.3	959	1,740	2,744	4,484
Cochran Pontiac Monroeville, PA	R. W. Cochran	25	272	GMC, Cadillac, Isuzu, Olds, Suzuki	Sunbird	138.0	13.7	2,439	3,375	147	3,522
Art Moran Pontiac-GMC Southfield, MI	Art Moran	16	130	GMC	Bonneville	70.9	8.8	600	2,250	1,050	3,300
Arnold Palmer Motors Latrobe, PA	James O'Neal Jr	11	46	Buick, Cadillac, Olds	Bonneville	77.4	0.9	200	107	3,102	3,209
Jim Causley Pontiac-GMC Mt. Clemens, MI	James F. Causley	32	135	GMC	Sunbird	87.6	7.4	1,721	2,228	496	2,724
Ridge Motors Pontiac Des Plaines, IL	Edward M. Mize	26	87		Grand Am	39.7	3.7	288	1,079	1,636	2,715
PORSCHE											
Champion Motors Pompano Beach, FL	John Lonergan	1	275	Audi	911	23.7	4.6	193	275	0	275
Semersky Enterprises Highland Park, IL	Bruce Semersky	13	N.A.	Audi	N.A.	N.A.	N.A.	N.A.	215	0	215
Jim Ellis Atlanta Atlanta, GA	Jim Ellis	18	80	Audi, Sterling, Lotus	944	31.5	7.6	350	189	0	189
Jack Daniels Motors Fairlawn, NJ	John T. Daniels	17	49	Audi	944	22.6	5.3	231	187	0	187
Schneider - Nelson West Long Branch, NJ	Philip Schneider Jr. R. Jerry Nelson	12	41	Audi, Sterling, Range Rover	911	20.7	3.7	172	181	0	181
Forest Lane Porsche-Audi Dallas, TX	Kirk Franceschini	10	60	Audi, Alfa Romeo	911	21.2	6.5	72	180	0	180
Zipper Porsche Beverly Hills, CA	Sarah Gregory	26	N.A.		911	N.A.	N.A.	46	177	0	177
The Porsche Collection Miami, FL	Joseph DeMaria	32	N.A.	Audi	N.A.	N.A.	N.A.	N.A.	175	0	175
Braman Porsche-Audi Miami, FL	Norman Braman	7	60	Audi	911	27.0	N.A.	565	171	0	171
Brumos Atlanta Porsche-Audi Smryna, GA	Deborah Gregg	10	72	Audi	911	25.3	6.9	482	142	0	142
RANGE ROVER											
Foreign Motors West Natick, MA	Thomas R. Mix	2	150	Mercedes, BMW, Peugeot, Rolls-Royce		56.2	11.9	201	176	N.A.	176
Range Rover Land Massapequa, NY	Bryan Lazarus Michael Lazarus	2	9			6.8	0.8	48	170	0	170
Prestige Motors Paramus, NJ	Joseph T. Dockery	20	*100	Mercedes		65.0	8.8	210	139	0	139
Miller Automobile Darien, CT	Frank A. Miller William Steinmetz	31	63	Jaguar, VW		34.0	5.0	63	121	0	121
Scottsdale Jaguar Scottsdale, AZ	Steven Knappenberger	N.A.	N.A.			N.A.	N.A.	N.A.	120	0	120
HBL Incorporated Vienna, VA	George C. Andreas	18	125	Mercedes, Audi, Porsche		46.9	9.7	226	110	0	110
Paul Miller Incorporated Parsippany, NJ	Paul T. Miller II	11	60	Porsche, Audi		22.3	5.7	25	104	0	104
Newport Imports Newport Beach, CA	Lee West	N.A.	N.A.	Jaguar		N.A.	N.A.	N.A.	85	0	85
Terry York Motor Cars Encino, CA	Terry York	20	N.A.	Rolls-Royce, Jaguar		N.A.	N.A.	N.A.	85	0	85
Hennessy Cadillac Atlanta, GA	Robert D. Hennessy	N.A.	N.A.	Cadillac		N.A.	N.A.	N.A.	82	0	82

*Estimate

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DEALERS

(ALL DOLLAR FIGURES IN MILLIONS)	Principal or top official	Years in business	Employees	Other makes, same location	Best selling model	Total 1988 $ sales all franchises, depts. at location	Parts & service $ volume	Retail used units	Retail new units	1988 fleet sales	Total 1988 new units
ROLLS-ROYCE											
Carriage House Motor Car New York, NY	Michael Schudroff	5	N.A.		N.A.	N.A.	N.A.	N.A.	151*	0	151*
Gregg Motors Rolls-Royce Beverly Hills, CA	Howard Schneider	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	120*	0	120*
Terry York Motor Cars Encino, CA	Terry York	20	N.A.	Jaguar, Range Rover	N.A.	N.A.	N.A.	N.A.	115*	0	115*
Newport Auto Center Newport Beach, CA	Steve Bren Roger Fletcher	3	108	Porsche, Audi, Chevrolet, Bentley	Silver Spur	N.A.	N.A.	37	110	0	110
Braman Motor Cars West Palm Beach, FL	Richard Hallowell Norman Braman	4	90	BMW, Sterling, Maserati	Silver Spur	N.A.	N.A.	600	65	10	75
Lauderdale Imports Fort Lauderdale, FL	Larry K. Oden	3	13		Silver Spur	12.5	1.1	64	50	0	50
F.C. Kerbeck & Sons Palmyra, NJ	Frank R. Kerbeck	21	N.A.	Saab	N.A.	N.A.	N.A.	N.A.	45*	0	45*
Rusnak/Pasadena Pasadena, CA	Paul Rusnak	29	N.A.	Porsche, Audi, Jaguar, Sterling	N.A.	N.A.	N.A.	N.A.	35*	0	35*
Carriage House Motor Car Greenwich, CT	Michael Schudroff	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	34	0	34
Braman Motors Miami, FL	Norman Braman	19	87	BMW	Silver Spur	49.2	7.4	5	33	0	33
SAAB											
Ramsey Saab Ramsey, NJ	Raymond Van Duren	11	40		9000	20.9	3.0	156	642	10	652
Patrick Motors Worcester, MA	Merle Patrick Neil P. Patrick	19	58	Subaru, Suzuki	900S	3.7	0.8	621	497	47	544
Chapman Motors Westport, CT	Ralph Frascatore	19	30		9000 Turbo	16.2	2.6	126	469	0	469
Zumbach Sports Cars New York, NY	Werner G. Maeder Jr.	16	N.A.	Alfa Romeo, Peugeot, Range Rover	N.A.	N.A.	N.A.	N.A.	430	0	430
Lindquist Saab Culver City, CA	John Buerge	5	30		Convertible	N.A.	N.A.	96	384	0	384
Beach Imports Newport Beach, CA	James Parkinson	34	35	Alfa Romeo, Maserati	900 Turbo	16.4	4.1	150	348	0	348
Wigwam Providence, RI	Thomas J. Casey	30	33		900S	10.3	2.1	171	347	0	347
Clews & Strawbridge Frazer, PA	Harry B. Zimmerman	26	28		900S	14.2	2.5	197	344	0	344
Patrick BMW-Saab Schaumburg, IL	Hanley Dawson III	N.A.	N.A.	BMW	N.A.	N.A.	N.A.	N.A.	317	0	317
Gauthier Saab Salem, MA	Daniel H. Gauthier	15	68	Subaru, Mercedes	900S	N.A.	N.A.	N.A.	310	0	310
STERLING											
Penske Cadillac Sterling Bakersfield, CA	Greg Penske	4	67	Cadillac	N.A.	N.A.	N.A.	325	350	32	382
Badger Meier Cadillac Dallas, TX	Todd Meier	8	135	Cadillac	N.A.	87.3	4.2	726	120	100	220
Lou Ehlers Cadillac-Sterling Los Angeles, CA	L. W. Ehlers	2	135	Cadillac	825 SL	45.9	11.1	253	167	0	167
Lindsay Cadillac-Sterling Alexandria, VA	Charles T. Lindsay Jr.	26	140	Cadillac	825 SL	54.7	8.4	0	54	99	153
Martin Cadillac Los Angeles, CA	Dana R. Martin	12	200	Cadillac	N.A.	98.4	16.7	512	101	25	126
Motor Werks of Barrington Barrington, IL	Paul Tamraz	15	150	Mercedes, Cadillac, Porsche, Suzuki, BMW	825 SL	93.3	9.5	525	125	0	125
Douglas Motors Summit, NJ	Peter T. Liebman	24	62	VW	825 SL	38.2	4.3	76	97	19	116
Don Massey Cadillac Plymouth, MI	Don Massey	28	147	Rolls-Royce, Cadillac	N.A.	93.4	11.7	1,726	114	0	114
Mainline Sterling Ardmore, PA	Martin Lustgarten	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	106	0	106
Fanning Sterling Chicago, IL	James R. Reilly	3	N.A.	Cadillac, Buick	825 SL	2[illegible]	0.4	54	86	0	86

*Estimate

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DEALERS

(ALL DOLLAR FIGURES IN MILLIONS)	Principal or top official	Years in business	Employees	Other makes, same location	Best selling model	Total 1988 $ sales all franchises, depts. at location	Parts & service $ volume	Retail used units	Retail new units	1988 fleet sales	Total 1988 new units
SUBARU											
Southlake Subaru Morrow, GA	Steve Dannemann	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	153	2,764	2,917
Browning Oldsmobile-Subaru Cerritos, CA	Kent Browning	16	N.A.	Olds	N.A.	N.A.	N.A.	N.A.	508	2,154	2,662
David McDavid Subaru Houston, TX	David McDavid	N.A.	105	Nissan	DL	58.6	9.5	564	233	2,359	2,592
Hamilton Subaru Morristown, NJ	Malcolm Hamilton	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	144	2,290	2,434
Burt Subaru Englewood, CO	Lloyd Chavez	17	N.A.		N.A.	N.A.	N.A.	N.A.	1,119	288	1,407
Continental Motor Ancorage, AL	Wayne Drumm	14	86	Mazda, Volvo	4wd Wagon	26.9	3.8	669	956	15	971
Shortline Subaru Aurora, CO	Donald P. Hicks	2	54		4wd Wagon	17.2	2.1	553	731	226	957
Patrick Subaru Schaumburg, IL	Hanley Dawson III	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	449	470	919
Potamkin of Broward Plantation, FL	Raymond Strack	4	46		Justy	19.5	0.7	995	804	10	814
Mark-Chris Subaru Ontario, CA	Charles Leggio	15	40		Station Wagon	14.4	1.6	283	697	100	797
SUZUKI											
John Chezik Suzuki St. Charles, MO	John Chezik Mark Muller	20	29		Samurai	11.3	0.8	405	872	0	872
Earnhardt Suzuki Glendale, AZ	Hal J. Earnhardt III Roger Berg	3	40		Samurai	9.5	0.5	500	800	0	800
Bob Ciasulli Suzuki Little Falls, NJ	Robert G. Ciasulli Jr.	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	774	0	774
Minyard Suzuki Greenville, SC	Judson T. Minyard Jr.	2	12		Samurai	1.2	0.1	N.A.	691	0	691
Mark Singleton Suzuki Marietta, GA	Mark Singleton	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	638	0	636
True Suzuki National City, CA	T. N. Brown Jr.	3	35		Samurai	8.0	0.7	165	614	0	614
Beaman Suzuki Nashville, TN	Lee A. Beaman Larry Hufford	2	35		Samurai	7.6	1.0	108	562	29	591
Prince Suzuki Hawthorne, CA	Jack Prince	4	15		Samurai	6.0	N.A.	100	575	0	575
Henry Butts Suzuki Carrollton, TX	Henry Butts	3	22		Samurai	6.1	0.9	150	554	0	554
Suzuki Northeast Columbus, OH	Michael L. Dever	2	9		Samurai	8.3	0.5	189	550	0	550
TOYOTA											
Longo Toyota El Monte, CA	Roger Penske John Clark	25	344		Camry	280.4	18.3	2,424	14,959	5,088	20,047
Covington Pike Toyota Memphis, TN	John A. Reddell	10	190		Corolla	125.0	7.9	1,903	8,178	0	8,178
Downey Toyota Downey, CA	Tom Watts Jr	26	185		2wd truck	103.6	7.0	1,751	4,636	2,280	6,916
Toyota of Hollywood Hollywood, FL	Craig Zinn	9	168		Camry	102.3	8.4	2,423	5,786	1,000	6,786
Expressway Toyota Miami, FL	Richard Goldberg	5	175		Corolla	18.0	6.5	1,850	4,600	1,500	6,100
Gateway Toyota Toms River, NJ	Kenneth L. Hagen	16	120		Camry	86.2	4.7	955	3,206	2,723	5,929
Toyota of Orange Orange, CA	David Wilson	5	130		Camry	91.1	7.2	1,628	5,103	576	5,679
Toyota of Cerritos Cerritos, CA	Lewis M. Webb	12	140		Camry	85.5	4.9	1,815	4,058	250	4,308
Sterling McCall Toyota Houston, TX	Sterling B. McCall Jr	20	120		Corolla	72.1	6.8	2,314	2,602	1,703	4,305
Century Toyota Wallingford, CT	Kenneth L. Hagen	12	69		Camry	37.3	3.1	806	2,209	0	2,209

*Estimate

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DEALERS

(ALL DOLLAR FIGURES IN MILLIONS)	Principal or top official	Years in business	Employees	Other makes, same location	Best selling model	Total 1988 $ sales all franchises, depts. at location	Parts & service $ volume	Retail used units	Retail new units	1988 fleet sales	Total 1988 new units
VOLKSWAGEN											
Jim Ellis Volkswagen Atlanta, GA	Jim Ellis	18	90		Fox	31.5	6.7	887	1,378	30	1,408
South County Motors Huntington Beach, CA	Daniel J. McKenna III	6	65	Isuzu	Fox	31.9	4.3	256	1,322	0	1,322
Volkswagen Santa Monica Santa Monica, CA	W. H. Sullivan Mike Sullivan	20	120	Hyundai	Jetta	34.4	8.7	386	1,149	0	1,149
Douglas Motors Summit, NJ	Peter T. Liebman	24	62	Sterling	Fox	28.2	4.3	78	854	136	990
Stohlman VW and Subaru Tysons Corner, VA	Richard H. Stohlman	17	107	Subaru	Fox	26.3	5.8	291	944	0	944
Autobahn Tischer Laurel, MD	Christian Von Berg	18	85	Saab, Honda, Range Rover	Jetta	35.0	6.8	300	862	10	872
DiFeo Volkswagen Jersey City, NJ	Joseph DiFeo	7	N.A.		N.A.	N.A.	N.A.	N.A.	856	0	856
VW of Downtown Los Angeles Los Angeles, CA	Nickolas N. Shammas	21	44	N.A.	Jetta	13.0	2.5	65	827	0	827
Ray Burnette Volkswagen Alexandria, VA	Ray Burnette	17	60		Jetta	N.A.	N.A	290	710	33	743
Donaldson Volkswagen Sayville, NY	John C. Donaldson	3	45	Audi, Peugeot, Sterling	Jetta	16.2	3.3	260	586	138	724
VOLVO											
Volvoville, USA Massapequa, NY	Bryan Lazarus Michael Lazarus	26	105		240DL	55.6	8.5	459	1,480	0	1,480
San Diego Volvo San Diego, CA	Wes Hindle	13	98		744 GL	39.9	6.2	477	1,280	0	1,280
Warren Henry Volvo Miami, FL	Warren H. Zinn	13	120		740GL	46.3	7.5	640	1,207	35	1,242
The Volvo Collection Miami, FL	Joseph DeMaria	26	N.A.		N.A.	N.A.	N.A.	N.A.	870*	321*	1,191*
Dyer & Dyer Chamblee, GA	Richard S. Dyer	10	N.A.	Yugo	N.A.	N.A.	N.A.	N.A.	1,043	0	1,043
Kramer Motors Santa Monica, CA	Robert Kramer	38	N.A.		N.A.	N.A.	N.A.	N.A.	820	0	820
Martin Motor Sales New York, NY	Martin Schlanger	27	150	BMW	N.A.	N.A.	N.A.	N.A.	806	0	806
Volvo of Lisle Lisle, IL	Guenter Korallus	27	71		240DL/GL	20.7	6.4	393	748	39	787
Orange County Volvo Garden Grove, CA	Charles K. Patterson	27	71		740	24.4	5.2	173	673	31	704
Karp Volvo Rockville Center, NY	Irving Karp	N.A.	N.A.		N.A.	N.A.	N.A.	N.A.	700	0	700
YUGO											
Caviness Motor Co. Ocala, FL	Rupert Caviness	44	N.A.	Buick	GV	N.A.	N.A.	N.A.	491	0	491
Joe Morgan Yugo Little Rock, AR	Joe Morgan	2	8		GV	N.A.	N.A.	N.A.	488	0	488
Westway Ford Irving, TX	Joe Tigue	8	210	Ford	GVL	68.4	10.9	1,305	423	0	423
Gary Mathews North Clarksville, TN	Gary Mathews	N.A.	N.A.		GV	N.A.	N.A.	N.A.	318	0	318
[illegible] Oldsmobile-Isuzu Shreveport, LA	Frank Stinson	16	140	Olds, Isuzu	GV	80.4	5.6	2,788	300	0	300
Charles Levy Motor Company Columbus, GA	Charles M. Levy	3	30		GV	6.9	0.4	400	275	0	275
Steven Imports Wichita, KS	Mike Steven Eddy Steven	20	10	Rolls-Royce, Bertone, Maserati	GV	5.2	0.4	125	257	0	257
Kayser Yugo Madison, WI	P. J. Baxter K. R. Kimport	25	250	Ford, Jeep, Eagle, Suzuki, Isuzu, Iveco	GV	70.5	10.4	1,001	298	0	298
[illegible] Nissan-Yugo Columbus, OH	Phil [illegible]	11	N.A.	Nissan	GV	N.A.	N.A.	N.A.	254	0	254
[illegible] Buick-GMC Fort Pierce, FL	Richard B. Reed	N.A.	N.A.	Buick, GMC	GV	N.A.	N.A.	N.A.	246	0	246

*Estimate

Perennial leaders still at the top—after three years

Big-volume auto dealers blossom on both coasts

The epoch of the megadealer has brought a new interest in bigness. Suppliers, manufacturers and other dealers all have an interest in identifying megadealer operations for their own business purposes, as well as charting the successes and failures of megadealers and other top-performing franchises.

In 1988, some of the highest-volume dealerships — including some that were on previous lists of top-selling franchises — flopped belly-up into U.S. Bankruptcy Court. Those dealerships, even if reorganized as going concerns, generally slipped from the ranks of the volume leaders — at least temporarily.

The failure of high-volume dealerships, even megadealer operations, demonstrates that even a superior sales performance was not necessarily enough to ensure survival in 1988.

Although there are many multi-make, chain and megadealer organizations with franchises on the 1988 Automotive News list of America's Largest Dealers, there also are small operations — some quite literally "mom and pop" operations — selling a single make in a single dealership.

The purpose of ranking dealerships by total new-unit sales — car and truck, fleet and retail — by individual franchises is to ensure that the single-make, single-point dealers can compete on level ground with megadealer operations that control multiple dealerships with multiple franchises.

In that way, the sole criterion is superior sales effort in competition with same-make dealers.

Geography and regional socio-economic factors were again important 1988, and there were no major shifts from the previous year.

Dealerships in areas with economies tied to the petroleum industry continued to face troublesome markets in the early part of the year, although in the waning months of 1988 dealers in some of the distressed areas reported some improvement.

As in 1987, there were many top-volume dealers in California and Florida as well as in the Northeast and the Washington hub on the Eastern seaboard. The top-volume franchises tended to be concentrated in the major metropolitan areas of Los Angeles, New York City, Miami, Chicago, Boston and Dallas.

The biggest import franchises tended to be heavily concentrated on the West Coast, East Coast and Gulf Coast. Top-selling domestic-make franchises generally tended to be more highly concentrated in the North and Midwest.

As in 1987, there were many top-volume dealers in California and Florida as well as in the Northeast and the Washington hub on the Eastern seaboard.

Most of the Top 25 fleet-sales leaders do business in or near areas where there is a lot of daily rental business, either for vacationers or business travelers.

Although many traditionalist new-car dealers complain that automobiles should be sold one at a time to individuals — and that the high-volume, low-gross fleet dealers are beneficiaries of factory policies that grant special pricing breaks to entice their big fleet customers — the area of the fleet deal is as intense as ever.

Among the biggest of the fleet biggies are a number of organizations that control a good portion of the business.

TOPS IN NEW-UNIT SALES 88

Rank	Dealership	Location	Total 1988 New Units
1	**Ed Morse Chevrolet**	Lauderhill, FL	**29,408**
2	**Jordan Ford**	Mishawaka, IN	**24,766**
3	**Fairway Ford**	Latrobe, PA	**23,714**
4	**McInerney Ford**	Orlando, FL	**20,575**
5	**Longo Toyota**	El Monte, CA	**20,047**
6	**Libertyville Lincoln-Mercury**	Libertyville, IL	**19,727**
7	**Friendly Chevrolet**	Dallas, TX	**19,525**
8	**Luke Potter Dodge**	Winter Park, FL	**17,263**
9	**Dale Oldsmobile**	Bronx, NY	**17,115**
10	**Bill Wink Chevrolet**	Dearborn, MI	**16,508**
11	**Arnold Palmer Ford-L-M (L-M)**	Bluffton, SC	**15,906**
12	**Prospect Motors (Chevrolet)**	Jackson, CA	**15,133**
13	**Stephen Pontiac-Cadillac (Pontiac)**	Bristol, CT	**14,318**
14	**Arnold Palmer Ford-L-M (Ford)**	Bluffton, SC	**13,942**
15	**Forest Lake Chrysler-Plymouth**	Forest Lake, MN	**13,931**
16	**Tate Dodge**	Glen Burnie, MD	**12,697**
17	**J.M. Pontiac**	Hollywood, FL	**12,662**
18	**Ricart Ford**	Columbus, OH	**11,618**
19	**Lake Forest Chrysler-Plymouth**	Gaithersburg, MD	**11,156**
20	**Colonial Dodge**	Kensington, MD	**11,107**
21	**"Z" Frank Chevrolet**	Chicago, IL	**11,012**
22	**Delorme Chevrolet**	Inglewood, CA	**10,654**
23	**Curry Chevrolet Sales & Service**	Scarsdale, NY	**10,474**
24	**Action Nissan**	Kissimmee, FL	**10,302**
25	**Rice and Holman Ford**	Mt. Laurel, NJ	**10,137**

88 TOPS IN DOLLAR SALES

Rank	Dealership	Location	1988 Sales (In Millions $)
1	**Arnold Palmer/Ford-L-M**	Bluffton, SC	**420.7**
2	**Prospect Motors (Buick)**	Jackson, CA	**355.5**
3	**Jordan Ford**	Mishawaka, IN	**341.6**
4	**Ed Morse Chevrolet**	Lauderhill, FL	**331.2**
5	**Luke Potter/Dodge**	Winter Park, FL	**327.0**
6	**Fairway Ford**	Latrobe, PA	**317.2**
7	**Libertyville Lincoln-Mercury**	Libertyville, IL	**296.4**
8	**Longo Toyota**	El Monte, CA	**280.4**
9	**McInerney Ford**	Orlando, FL	**254.2**
10	**Ricart Ford**	Columbus, OH	**232.7**
11	**Polkowitz Motors**	Perth Amboy, NJ	**227.1**
12	**Dale Oldsmobile**	Bronx, NY	**226.7**
13	**Rice and Holman Ford**	Mt. Laurel, NJ	**208.0**
14	**Bayview Cadillac**	Fort Lauderdale, FL	**207.7**
15	**Bill Wink Chevrolet**	Dearborn, MI	**199.0**
16	**Stephen Pontiac-Cadillac**	Briston, CT	**193.6**
17	**J.M. Pontiac**	Hollywood, FL	**186.3**
18	**South Bay Chrysler-Plymouth**	Torrance, CA	**162.8**
19	**Cochran Pontiac**	Monroeville, PA	**138.0**
20	**Galpin Ford**	Sepulveda, CA	**135.7**
21	**Town & Country Ford**	Charlotte, NC	**130.4**
22	**Santa Monica Ford**	Santa Monica, CA	**128.2**
23	**Al Piemonte Ford Sales**	Melrose Park, IL	**126.4**
24	**Covington Pike Toyota**	Memphis, TN	**125.0**
25	**Pacifico Ford**	Philadelphia, PA	**125.0**

RETAIL LEADERS 88

Rank	Franchise	Location	1988 Retail New Units
1	**Longo Toyota**	El Monte, CA	**14,595**
2	**Ricart Ford**	Columbus, OH	**11,618**
3	**Jordan Ford**	Mishawaka, IN	**11,411**
4	**Covington Pike Toyota**	Memphis, TN	**8,178**
5	**Town & Country Ford**	Charlotte, NC	**7,617**
6	**Frontier Ford**	Santa Clara, CA	**6,481**
7	**Reedman Chevrolet**	Langhorne, PA	**6,400**
8	**Galpin Ford**	Sepulveda, CA	**6,337**
9	**Dave Sinclair Ford**	St. Louis, MO	**5,986**
10	**Toyota of Hollywood**	Hollywood, FL	**5,786**
11	**Gardena Honda**	Gardena, CA	**5,490**
12	**Fox Chevrolet**	Baltimore, MD	**5,257**
13	**Ed Mullinax Ford**	Amherst, OH	**5,153**
14	**Toyota of Orange**	Orange, CA	**5,103**
15	**Landmark Chevrolet**	Houston, TX	**5,000**
16	**Arrow Chevrolet**	Midlothian, IL	**4,902**
17	**Pinebelt Chevrolet**	Lakewood, NJ	**4,745**
18	**Richmond Motor**	Richmond, VA	**4,722**
19	**Rice and Holman Ford**	Mt. Laural, NJ	**4,717**
20	**Cefozzi-Ettleson Chevrolet**	Elmhurst, IL	**4,666**
21	**Downey Toyota**	Downey, CA	**4,636**
22	**Expressway Toyota**	Miami, FL	**4,600**
23	**Don Knott Ford**	Carson, CA	**4,598**
24	**Pat Milliken Ford**	Redford, Mi	**4,593**
25	**Autoplaza Nissan**	Westbury, NY	**4,492**

The Arnold Palmer organization, for example, placed three separate franchises — two of them in the same location — on the list of the Top 25 fleet sales leaders. The Ford and Lincon-Mercury franchises at the Bluffton, S.C., store both made the list, as did the Fairway Ford franchise in Latrobe, Pa.

Together, those three franchises owned and operated by Arnold Palmer and James O'Neal Jr. accounted for 38,642 cars and trucks. Other Arnold Palmer operations also traditionally emphasize fleet sales.

Prospect Motors of Jackson, Calif., which placed three General Motors franchises among the Top 10 volume leaders for their respective divsions, had two of those franchises on the Top 25 fleet list. Chevrolet and Pontiac franchises — both among the Top 25 fleet franchises — at dealer William E. Halvorson's store delivered a total of 24,345 car and truck fleet units last year.

The 25 highest retail-volume franchises included 17 domestic franchises and eight import franchises.

Colonial Dodge in Kensington, Md., and Lake Forest Chrysler-Plymouth in Gaithersburg, Md., both on the Top 25 fleet list, grew to fleet prominence under the guidance of dealer John Fitzgerald Jr.

Ed Morse Chevrolet, Lauderhill, Fla., reported the most fleet units in 1988 and not coincidentally was also the top new-unit franchise.

Dealer Edward J. Morse Jr. and his father, the second-highest-volume Cadillac dealer, also focus on fleet sales in the profitable south Florida market. Although none of the senior Morse's dealerships made the Top 25 list, they are traditionally fleet powerhouses that rank very high in divisional standings.

Only one of the 25 highest fleet-volume franchises was an import, Action Nissan of Kissimmee, Fla. The 24 domestic makes included seven Chevrolet, five Dodge, four Ford, three Pontiac, two each from Chrysler-Plymouth and Lincoln-Mercury and one Oldsmobile.

Although the big fleet dealers frequently grab top divisional honors because of the very high-volume nature of the fleet business, there are many dealers who have found a formula for moving lots of cars and trucks — with handsome grosses — by selling them one at a time.

Longo Toyota of El Monte, Calif., acquired by the Penske organization three years ago, topped the list of high-volume retail dealerships. John Clark, Longo general manager, reported that the two-wheel-drive pickup was the best selling model. Like each of the five Roger Penske dealerships — with four franchises listed among the top 350 U.S. franchises for 1988 — Longo Toyota emphasizes satisfying individual customers.

Although the top retail sales honor went to an import franchise, second and third places went to Midwestern Ford franchises. Ricart Ford of Columbus, Ohio, and Jordan Ford of Mishawaka, Ind., also emphasize customer service. Both dealerships also used vans and van conversions to augment traditional showroom sales. In addition, Ricart Ford also emphasized big-volume retail used-car sales.

In all, the 25 highest retail-volume franchises included 17 domestic franchises and eight import franchises. Ford had 11 of the top retail franchises, Chevrolet and Toyota each had six, while Honda and Nissan had one each.

There was a strong regional bias toward the Midwest, which was home for nine of the top 25 retail franchises. The West had seven — all in California — while the Southeast had five, the Northeast three and the Southwest one.

Although there is often a presumed correlation between high-volume new-unit sales and parts and service dollar volume, the two do not always relate directly to each other.

Lustine Chevrolet of Hyattsville, Md., reported the highest parts and service dollar volume for 1988: $38.4 million. Lustine, with 2,988 new-unit sales last year — 2,179 retail and 809 fleet — was not among the 10 highest-volume Chevrolet dealerships. Yet Lustine Chevrolet's parts and service dollar volume accounted for 44.51 percent of the dealerships total sales.

Continued on page 118

DEALERS

Ford had 11 of the top retail franchises, Chevrolet and Toyota each had six, while Honda and Nissan had one each.

Continued from page 116

The dealership with the second highest parts and service dollar volume — $25.2 million — was a single-line West Coast Mercedes-Benz outlet: Slemons Imports of Newport Beach, Calif. Its parts and service dollar volume accounted for 23.6 percent of total sales. Slemons Imports sold 1,312 new and 462 used units last year.

Ranking third in parts and service volume was high-volume retailer Bob Brest Chevrolet of Lynn, Mass. It reported 1988 parts and service volume of $21.0 million, or 17.8 percent of the dealership's total sales. In 1988, Bob Brest Chevrolet was the eighth-largest Chevrolet franchise with 9,921 new-unit sales, including 8,251 fleet and 1,670 retail sales.

— Edward Lapham

FLEET LEADERS 88

Rank	Franchise	Location	1988 Fleet New Units
1	Ed Morse Chevrolet	Lauderhill, FL	26,579
2	Fairway Ford	Latrobe, PA	23,360
3	McInerney Ford	Orlando, FL	18,343
4	Libertyville Lincoln-Mercury	Libertyville, IL	17,698
5	Luke Potter Dodge	Winter Park, FL	16,437
6	Arnold Palmer Ford L-M (L-M)	Bluffton, SC	15,784
7	Dale Oldsmobile	Bronx, NY	15,650
8	Bill Wink Chevrolet	Dearborn, MI	15,629
9	Friendly Chevrolet	Dallas, TX	15,192
10	Prospect Motors (Chevrolet)	Jackson, CA	14,836
11	Stephen Pontiac-Cadillac (Pontiac)	Bristol, CT	13,813
12	Arnold Palmer Ford L-M (Ford)	Bluffton, SC	13,698
13	Jordan Ford	Mishawaka, IN	13,355
14	Forest Lake Chrysler-Plymouth	Forest Lake, MN	12,491
15	Tate Dodge	Glen Burnie, MD	11,247
16	Delorme Chevrolet	Inglewood, CA	9,915
17	Action Nissan	Kissimmee, FL	9,719
18	Curry Chevrolet Sales & Service	Scarsdale, NY	9,695
19	J.M. Pontiac	Hollywood, FL	9,546
20	Prospect Motors (Pontiac)	Jackson, CA	9,509
21	Freeway Dodge	Bloomington, MN	9,173
22	Colonial Dodge	Kensington, MD	8,757
23	South Bay Chrysler-Plymouth	Torrance, CA	8,491
24	Lake Forest Chrysler-Plymouth	Gaithersburg, MD	8,421
25	Bob Brest Chevrolet	Lynn, MA	8,251

88 PARTS & SERVICE LEADERS

Rank	Dealership	Location	1988 parts & service vol (in Millions $)
1	Lustine Chevrolet	Hyattsville, MD	38.4
2	Slemons Imports Mercedes-Benz	Newport Beach, CA	25.2
3	Bob Brest Chevrolet	Lynn, MA	21.0
4	Classic Chevrolet	Mentor, OH	20.2
5	Friendly Chevrolet	Dallas, TX	19.9
6	Longo Toyota	El Monte, CA	18.3
7	Martin Cadillac	Los Angeles, CA	16.7
8	Palm Beach Lincoln-Mercury	West Palm Beach, FL	15.7
9	Cochran Pontiac	Monroeville, PA	13.7
10	Miami Lincoln-Mercury	Miami, FL	13.7
11	Legum Chevrolet-Nissan	Baltimore, MD	13.6
12	Smythe European	San Jose, CA	13.1
13	Celozzi-Ettleson Chevrolet	Elmhurst, IL	12.7
14	Rice and Holman Ford	Mt. Laurel, NJ	12.5
15	RBW of Atlanta	Atlanta, GA	11.9
16	Foreign Motors West	Natick, MA	11.9
17	King Motor	Fort Lauderdale, FL	11.9
18	Courtesy Pontiac-GMC	Tampa, FL	11.8
19	Don Massey Cadillac	Plymouth, MI	11.7
20	Jake Sweeney Chevrolet-Imports	Cinncinnati, OH	11.6
21	Sam White Oldsmobile	Houston, TX	11.5
22	Biddulph Oldsmobile	Glendale, AZ	11.2
23	Galpin Ford	Sepulveda, CA	11.1
24	Lou Ehlers Cadillac-Sterling	Los Angeles, CA	11.1
25	Ed Morse Chevrolet	Lauderhill, FL	11.1

88 TOPS IN USED CARS

Rank	Dealership	Location	1988 Retail Used Units
1	Ricart Ford	Columbus, OH	11,084
2	Fairway Ford	Latrobe, PA	5,693
3	J. M. Pontiac	Hollywood, FL	3,612
4	Town & Country Ford	Charlotte, NC	3,217
5	Rountree Oldsmobile-Isuzu	Shreveport, LA	2,788
6	ABC Nissan	Phoenix, AZ	2,653
7	Celozzi-Ettleson Chevrolet	Elmhurst, IL	2,613
8	Al Serra Chevrolet	Grand Blanc, MI	2,601
9	Bob O'Connor Ford	Evergreen Park, IL	2,481
10	Biddulp Oldsmobile	Glendale, AR	2,452
11	Cochran Pontiac	Monroeville, PA	2,439
12	Longo Toyota	El Monte, CA	2,424
13	Toyota of Hollywood	Hollywood, FL	2,423
14	Pinebelt Chevrolet Co.	Lakewood, NJ	2,361
15	Wally McCarthy's Oldsmobile	Minneapolis, MN	2,320
16	Sterling McCall Toyota	Houston, TX	2,314
17	Landmark Chevrolet	Houston, TX	2,300
18	Jake Sweeney Chevrolet-Imports	Cincinnati, OH	2,300
19	Arrow Chevrolet	Midlothian, IL	2,165
20	Friendly Chevrolet	Dallas, TX	2,154
21	Dave Sinclair Ford	St. Louis, MO	2,083
22	Steve Moore Chevrolet	Lake Worth, FL	2,080
23	Ed Mullinax Ford	Amherst, OH	2,053
24	Kayser Yugo	Madison, WI	1,991
25	Fencl-Tufo Chevrolet	Glendale Heights, IL	1,988

Used vehicle sales by franchised new car & truck dealers in U.S.

(in thousands)

Year	Retail	Wholesale	Total
1978	9,666	2,887	12,553
1979	8,374	2,530	10,904
1980	7,424	2,293	9,717
1981	7,762	2,425	10,187
1982	7,555	2,385	9,940
1983	8,082	2,723	10,805
1984	8,676	3,613	12,289
1985	9,209	3,817	13,026
1986	9,476	3,740	13,216
1987	9,449	3,766	13,215
1988	10,186	4,021	14,207
Average 78-88	8,709	3,114	11,823

SOURCE: NADA Industry Analysis Department

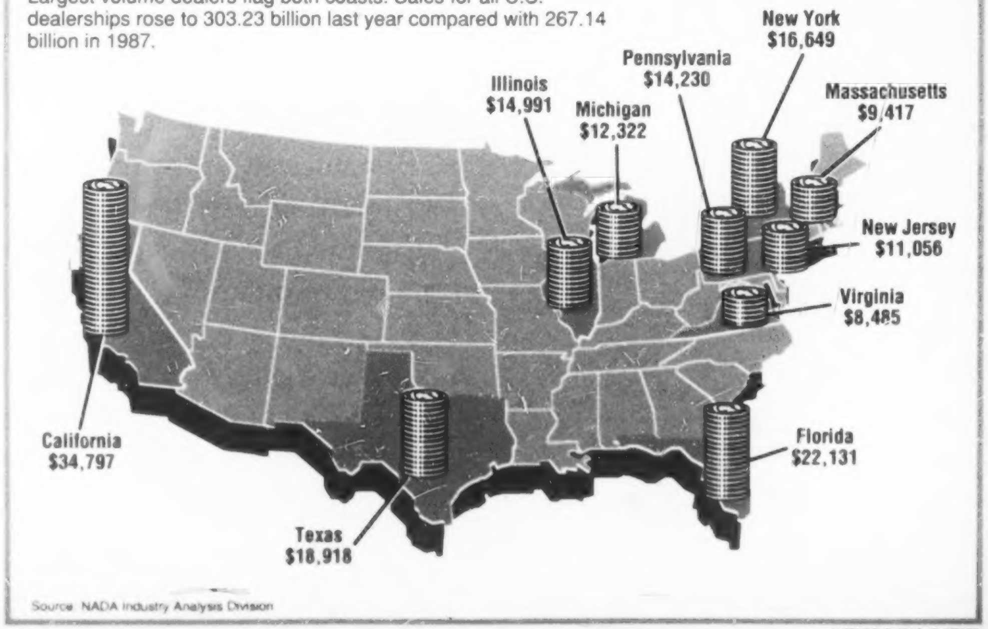
1988 total dealer sales reach $303.23 billion; state sales per dealer average $12 million

State	All dealers ($ millions)	Average per dealer ($ thousands)	State	All dealers ($ millions)	Average per dealer ($ thousands)
Alabama	4,359	10,898	Montana	793	4,664
Alaska	347	8,678	Nebraska	1,664	5,870
Arizona	4,128	17,564	Nevada	1,790	21,061
Arkansas	2,147	6,508	New Hampshire	1,693	9,153
California	34,797	17,226	New Jersey	11,056	13,565
Colorado	3,758	12,740	New Mexico	1,583	11,305
Connecticut	5,032	12,739	New York	16,649	11,522
Delaware	1,089	15,556	North Carolina	8,244	10,638
D.C.	167	16,680	North Dakota	789	5,092
Florida	22,131	22,815	Ohio	13,647	11,325
Georgia	9,077	13,348	Oklahoma	4,441	10,449
Hawaii	967	16,119	Oregon	3,316	10,527
Idaho	957	7,091	Pennsylvania	14,230	9,006
Illinois	14,991	11,945	Rhode Island	1,235	11,765
Indiana	6,643	9,490	South Carolina	3,753	10,724
Iowa	3,256	6,030	South Dakota	832	5,203
Kansas	2,795	7,166	Tennessee	6,732	14,635
Kentucky	3,465	9,493	Texas	18,918	12,406
Louisiana	4,244	11,168	Utah	1,501	10,004
Maine	1,545	7,537	Vermont	732	6,368
Maryland	7,032	17,581	Virginia	8,485	12,121
Massachusetts	9,417	15,068	Washington	4,705	12,220
Michigan	12,322	13,845	West Virginia	1,814	6,978
Minnesota	4,942	8,521	Wisconsin	5,847	8,009
Mississippi	2,331	7,642	Wyoming	458	5,730
Missouri	6,409	10,172	**Total U.S.**	**303,235**	**12,009**

SOURCE: NADA Industry Analysis Division

Top ten sales volume states

Largest volume dealers flag both coasts. Sales for all U.S. dealerships rose to 303.23 billion last year compared with 267.14 billion in 1987.



Source: NADA Industry Analysis Division

AUTOMOTIVE NEWS / C. [illegible]

DEALERS

Car dealerships in U.S.

(Adjusted for duals)

	Jan 1 1989	Jan 1 1988
Chrysler Motors	5,296	5,194
Ford Motor Co.	5,427	5,436
General Motors	9,450	9,535
Total Big 3*	**19,593**	**19,530**
Import exclusives	4,451	3,964
Import-only duals	1,061	1,444
Total new-car dealers in U.S.	**25,105**	**24,938**

* — Adjusted for intercorporate duals

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U.S. new-car outlets

Domestic and Import

	No. of Retail Outlets	Pct. Gain or Loss from Previous Year
Jan. 1, 1958	39,108	−0.1
Jan. 1, 1959	37,558	−4.0
Jan. 1, 1960	36,336	−3.3
Jan. 1, 1961	34,803	−4.2
Jan. 1, 1962	33,461	−3.9
Jan. 1, 1963	33,308	−0.4
Jan. 1, 1964	33,291	−0.1
Jan. 1, 1965	33,360	+0.2
Jan. 1, 1966	33,114	−0.7
Jan. 1, 1967	31,584	−4.6
Jan. 1, 1968	31,101	−1.5
Jan. 1, 1969	31,076	−0.1
Jan. 1, 1970	30,842	−0.8
Jan. 1, 1971	30,314	−1.8
Jan. 1, 1972	30,150	−0.5
Jan. 1, 1973	30,094	−0.2
Jan. 1, 1974	29,998	−0.3
Jan. 1, 1975	29,701	−1.0
Jan. 1, 1976	29,309	−1.3
Jan. 1, 1977	28,744	−1.9
Jan. 1, 1978	28,656	−0.3
Jan. 1, 1979	28,512	−0.5
Jan. 1, 1980	27,891	−2.2
Jan. 1, 1981	26,333	−5.6
Jan. 1, 1982	25,703	−2.4
Jan. 1, 1983	24,729	−3.8
Jan. 1, 1984	24,721	−0.0
Jan. 1, 1985	24,724	+0.0
Jan. 1, 1986	24,823	+0.4
Jan. 1, 1987	25,156	+1.3
Jan. 1, 1988	24,938	−0.9
Jan. 1, 1989	25,105	+0.7

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New-car franchises in the United States

	Jan. 1, 1989	Jan. 1, 1988
United States	**40,303**	**35,805**
Chrysler Motors	11,009	10,499
Chrysler	3,118	3,106
Dodge	3,038	3,011
Eagle	1,445	1,303
Plymouth	3,095	3,079
TC Maserati	313	0
Ford Motor Co.	9,678	9,722
Ford	4,561	4,580
Lincoln	1,648	1,637
Mercury	2,765	2,758
Merkur	704	747
General Motors	19,616	15,585
Buick	2,945	2,935
Cadillac	1,605	1,610
Chevrolet	4,885	4,910
Geo	4,056	0
Oldsmobile	3,150	3,155
Pontiac	2,975	2,975
Japan	**6,293**	**5,759**
Daihatsu	201	132
Honda Motor	1,223	1,134
Acura	285	218
Honda	938	916
Isuzu	572	547
Mazda	843	794
Mitsubishi	250	148
Nissan	1,110	1,108
Subaru	795	806
Suzuki	186	0
Toyota	1,113	1,090
West Germany	**2,352**	**2,440**
BMW	413	419
Mercedes-Benz	422	423
Porsche	300	317
Volkswagen AG	1,217	1,281
Audi	386	409
Volkswagen	831	872
Sweden	**784**	**782**
Saab	372	367
Volvo	412	415
United Kingdom	**457**	**464**
Aston Martin	15	15
Jaguar	142	146
Lotus	71	67
Rolls-Royce/Bentley	56	57
Sterling	173	179
Italy	**414**	**417**
Alfa Romeo	146	141
Bertone	150	150
Ferrari	40	42
Lamborghini	13	19
Maserati	65	65
Korea	**278**	**224**
Hyundai	278	224
Yugoslavia	**263**	**327**
Yugo	263	327
France	**241**	**272**
Peugeot	241	272
Miscellaneous	**15**	**15**
Total	**51,400**	**46,506**

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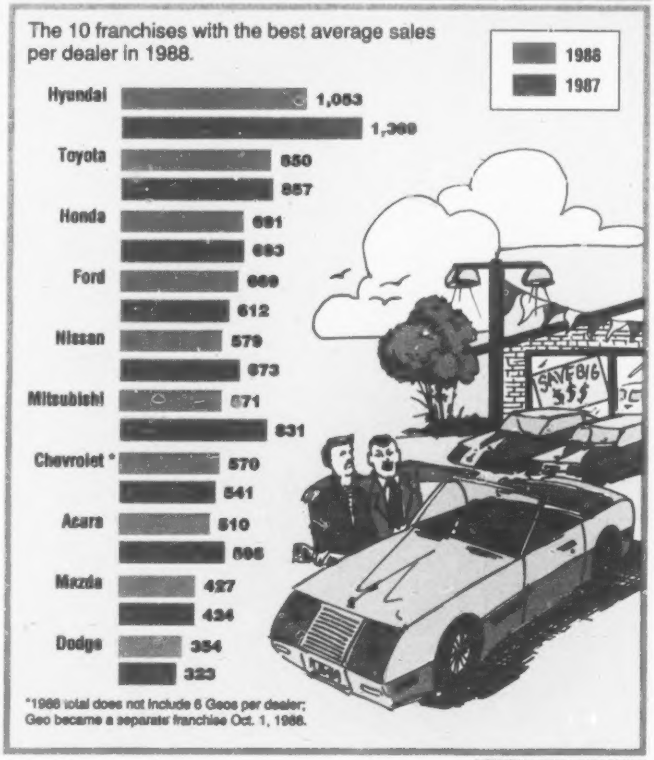
Vehicle sales per outlet



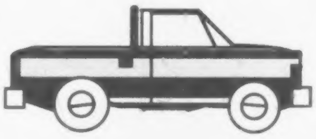
*1988 total does not include 6 Geos per dealer; Geo became a separate franchise Oct. 1, 1988.

AUTOMOTIVE NEWS / LANCE GRAVES

Local advertising by all car dealers in '88

Media used	Average $ spent by all dealers
Newspapers	$86,899
Radio	30,093
TV	25,265
Direct mail	9,816
Displays, demonstrations	5,150
Other	3,702
Total	**$160,925**
Total advertising as a % of total sales	1.34%
Total advertising per new vehicle sold	$261

SOURCE: NADA Industry Analysis Dept.



Car-truck sales per outlet

Final 1988	1988	1987
1. Hyundai	1,053	1,369
2. Toyota	850	857
3. Honda	691	693
4. Ford	669	612
5. Chevrolet	570	541
6. Nissan	579	673
7. Mitsubishi	571	831
8. Acura	510	595
9. Mazda	427	424
10. Dodge	354	323
11. Suzuki	322	579
12. Pontiac	262	234
13. Volvo	238	257
14. Oldsmobile	227	226
15. Mercedes	198	213
16. Buick	198	189
17. Mercury	197	174
18. Subaru	195	220
19. Jeep	178	150
20. BMW	176	209
21. Plymouth	172	158
22. Isuzu	171	229
23. Cadillac	166	162
24. Volkswagen	162	219
25. GMC	147	129
26. Jaguar	144	150
27. Lincoln	117	102
28. Yugo	107	166
29. Saab	104	124
30. Chrysler	90	99
31. Audi	58	101
32. Range Rover	57	53
33. Porsche	51	74
34. Sterling	50	85
35. Eagle	48	33
36. Alfa Romeo	31	42
37. Peugeot	26	34
38. Maserati	11	14
39. Geo*	6	–

*Geo became a separate franchise Oct. 1, 1988.

Totals include siaes of captive imports and transplant models

Used vehicle, service departments' sales rise 11-12.65 percent

(Average dealership profile)

	1984	1985	1986	1987	1988	% Change 1987-'88
Total Dealership Sales	9,063,567	10,010,628	10,585,313	10,948,674	12,009,307	9.69
Total Dealership Gross	1,222,675	1,430,519	1,502,056	1,658,724	1,808,602	9.04
As % of Total Sales	13.49	14.29	14.19	15.15	15.06	
Total Dealership Expense	1,025,089	1,210,085	1,273,413	1,452,889	1,603,242	10.35
As % of Total Sales	11.31	12.09	12.03	13.27	13.35	
Net Profit Before Taxes	197,586	220,234	228,643	205,835	205,359	−0.23
As % of Total Sales	2.18	2.20	2.16	1.88	1.71	
(Net Pre-tax Profit in Constant '67 Dollars)	63,512	68,353	69,623	60,469	57,980	−4.12
New Vehicle Dept. Sales	5,927,573	6,757,174	7,123,916	6,974,305	7,553,854	8.31
As % of Total Sales	65.40	67.50	67.30	63.70	62.9	
Used Vehicle Dept. Sales	1,930,540	1,962,083	2,106,477	2,430,606	2,738,122	12.65
As % of Total Sales	21.30	19.60	19.90	22.20	22.8	
Service and Parts Sales	1,205,454	1,291,371	1,354,920	1,543,763	1,717,331	11.24
As % of Total Sales	13.30	12.90	12.80	14.10	14.3	
New Vehicles Average Selling Price	11,100	11,925	12,950	13,450	14,100	4.83
Average Net Worth (As of 12/31)	553,331	623,715	607,304	727,004	752,935	3.57
Net Profit as % of Net Worth	35.71	35.31	37.65	28.31	27.27	

SOURCE: NADA Industry Analysis Division

New-truck dealer total climbs by 338

The number of new truck dealer outlets in the U.S. increased by 338 in 1988, bringing the Jan. 1, 1989 truck dealer population to 26,359. Sixteen makers increased their dealer totals; nine showed declines; two remained unchanged.

Figures were collected from manufacturers and the American Truck Dealers division of the National Automobile Dealers Association.

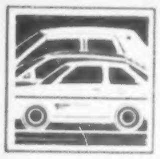
	Truck Retail Outlets as of Jan. 1, 1989	Truck Sales Per Outlets, 1988	Truck Outlets as of Jan. 1, 1988*	Truck Sales Per Outlets, 1987
Chevrolet	4,685	274	4,910	239
Dodge	3,038	188	3,011	188
Ford	4,561	321	4,580	305
Freightliner	210	115	202	116
GMC	2,400	161	2,414	146
Hino	91	23	95	21
Isuzu	572	158	547	159
Isuzu (commercial)	216	31	228	25
Iveco	165	17	145	19
Jeep	1,453	174	1,396	149
Kenworth	135	127	135	105
Mack	231	116	227	98
Mazda	843	111	794	156
Mercedes-Benz	178	17	176	22
Mitsubishi	250	174	194	267
Mitsubish-Fuso	103	29	96	18
Navistar	747	114	768	95
Nissan	1,110	15	1,108	195
Nissan Diesel	150	14	160	11
Peterbilt	114	147	114	112
Plymouth**	3,095	62	3,079	46
Range Rover	63	54	43	60
Scania	19	9	20	7
Suzuki	300	190	180	452
Toyota	1,113	22	1,090	279
Western Star	110	17	112	13
WhiteGMC***	207	90	197	65
Totals	**26,359**		**26,021**	
Adjustments for multiple franchising	9,147		9,029	
Net totals	**17,212**		**16,99**	

Notes: Retail outlets include dealerships, distributorships and factory-owned outlets.

*Revised

**Plymouth trucks are compact Voyager vans.

***WhiteGMC dealers sell WhiteGMC and Volvo heavy trucks.



ET CETERA

1988 media spending by major auto companies

1988 media spending by category

(Figures in $ thousands)

Rank	Advertiser	Total '88	Total '87	Magazines	Newspapers	Newspaper Supplements	Outdoor	Network TV	Spot TV	Syndicated TV	Cable TV	Network Radio
1.	**General Motors Corp.**	832,176.3	584,763.7	175,112.2	11,216.7	84,075.5	2,911.7	403,022.8	114,371.6	5,708.9	8,165.7	27,591.2
2.	**Ford Motor Co.**	389,344.1	369,430.8	112,854.2	155.1	20,054.7	2,133.8	172,547.9	66,039.9	4,471.4	5,989.2	5,097.2
3.	**Chrysler Corp.**	345,306.0	347,974.7	100,959.3	1,881.9	11,185.1	939.6	163,020.8	45,535.2	890.8	9,699.9	11,193.4
4.	**Toyota Motor Corp.**	180,503.2	154,261.1	32,897.0	712.3	4,978.1	821.7	64,193.1	68,205.6	5,944.8	2,749.8	0.8
5.	**Nissan Motor Co Ltd.**	168,121.2	119,192.6	35,479.9	299.3	7,907.6	976.6	57,159.1	64,144.8	1,558.8	595.1	—
6.	**Honda Motor Co Ltd.**	154,745.7	140,690.5	43,965.1	711.1	2,245.4	443.4	85,651.8	13,928.6	1,428.4	4,646.8	1,725.1
7.	**Hyundai**	135,690.5	111,339.9	9,634.0	24.6	14,110.5	350.8	36,508.4	73,305.1	1,278.1	479.0	—
8.	**Mazda**	103,615.3	115,900.0	29,334.5	5,476.3	75.2	—	45,257.2	21,064.9	—	2,400.9	6.3
9.	**Volkswagen of America**	88,074.2	96,437.9	29,133.6	1,047.4	7,432.3	64.1	29,741.1	16,336.9	916.4	1,658.0	1,744.4
10.	**Subaru of America**	74,153.4	68,211.0	13,787.3	—	1,476.7	0.8	39.544.5	17,437.6	684.0	1,222.3	—
11.	**Mercedes-Benz**	64,905.3	59,842.1	15,309.1	40.4	21,070.3	54.2	19,453.3	8,185.7	—	792.3	—
12.	**BMW**	63,356.1	66,085.4	29,642.1	398.6	10,074.9	12.5	17,668.5	4,676.0	—	883.5	—
13.	**Mitsubishi Motors Corp.**	53,837.8	31,555.9	4,807.9	—	711.6	59.9	21,046.6	25,954.1	389.2	868.5	—
14.	**Isuzu**	36,388.0	39,800.0	7,325.5	611.8	31.3	7.3	8,777.0	16,612.1	22.0	792.9	2,208.1
15.	**Suzuki**	39,242.7	23,553.9	1,949.0	—	457.1	221.6	22,375.0	11,246.2	2,253.8	24.5	715.5
16.	**Volvo**	28,212.7	21,975.0	13,899.8	74.8	4,097.7	0.2	5,834.8	2,011.7	—	2,293.7	—
17.	**Peugeot**	23,963.5	10,735.5	14,060.4	—	3,016.2	—	—	5,240.8	—	1,646.1	—
18.	**Sterling**	20,251.3	15,996.9	4,820.7	299.0	5,398.4	—	1,226.1	8,372.7	—	134.4	—
19.	**Saab-Scania**	17,488.5	15,596.6	12,883.8	441.6	2,223.7	0.6	—	1,890.8	—	58.0	—
20.	**Yugo**	16,085.7	14,497.8	177.1	—	1,264.1	0.6	9,784.8	2,431.3	2,271.9	155.9	—
21.	**Porsche**	13,642.0	13,494.1	7,438.0	—	1,176.1	—	—	3,890.5	19.0	1,118.4	—
22.	**Jaguar Cars Ltd.**	13,566.8	17,915.6	7,943.8	389.2	3,704.4	—	93.0	1,536.4	—	—	—
23.	**Alfa Romeo**	6,227.8	6,127.7	214.4	—	3,647.2	—	—	2,360.3	—	5.9	—

NOTES: Dollars are in thousands. Totals include ad spending in the following categories only: passenger cars, domestic and imported; car & truck dealers & services; fleet car advertising; motorcycles & motor bikes; trucks and vans, domestic and imported; truck leasing & rental. Dealer spending is not included in this ranking.

SOURCE: BAR/LNA Multi-Media Service reports, including magazine, newspaper supplement and outdoor from Leading National Advertisers, newspaper from Media Records/LNA, network, spot, cable and syndicated TV and network radio from Broadcast Advertisers Reports, all as supplied to Advertising Age.

Automotive newspaper ad spending climbs to $687.75 million

Full year 1988 vs. Full year 1987

(In thousands)

	Factory				Dealer Association				Local Dealer				Total			
	1988	1987	$ change	Percent change	1988	1987	$ change	Percent change	1988	1987	$ change	Percent change	1988	1987	$ change	Percent change
Chrysler Corp.	$ 3,283	$ 11,422	$ 8,139	(71.3)	$ —	$ —	N.A.	—	$ 1,200	$ 1,176	$ 24	2.0	$ 4,483	$ 12,598	$ 8,115	(64.4)
Chrysler-Plymouth	2,996	7,866	4,870	(61.9)	92	1,033	941	(91.1)	11,507	13,713	2,206	(16.1)	14,595	22,612	8,017	(35.5)
Dodge	2,474	7,097	4,623	(65.1)	610	967	357	(36.9)	10,952	11,533	581	(5.0)	14,036	19,597	5,561	(28.4)
Jeep-Eagle	1,372	2,725	1,353	(49.7)	2,886	623	2,263	363.2	7,668	1,698	5,970	351.6	11,926	5,046	6,880	136.3
Total Chrysler	**$ 10,125**	**$ 29,110**	**$18,985**	**(65.2)**	**$ 3,588**	**$ 2,623**	**$ 965**	**36.8**	**$ 31,327**	**$ 28,120**	**$ 3,207**	**11.4**	**$ 45,040**	**$ 59,853**	**$14,813**	**(24.7)**
Ford Corp.	1,620	1,192	428	35.9	—	—	N.A.	—	2,394	1,616	778	48.1	4,014	2,808	1,206	42.9
Ford Division	10,548	13,837	3,289	(23.8)	24,150	14,848	9,302	62.6	45,644	32,056	13,588	42.4	80,342	60,741	19,601	32.3
Lincoln-Mercury	940	2,371	1,431	(60.4)	12,522	8,141	4,381	53.8	13,547	12,332	1,215	9.9	27,009	22,844	4,165	18.2
Total Ford	**$ 13,108**	**$ 17,400**	**$ 4,292**	**(24.7)**	**$36,672**	**$22,989**	**$13,683**	**59.5**	**$ 61,585**	**$ 46,004**	**$15,581**	**33.9**	**$111,365**	**$ 86,393**	**$24,972**	**28.9**
GM Corp.	8,222	14,725	6,503	(44.2)	—	—	N.A.	—	5,030	449	4,581	1,020.3	13,252	15,174	1,922	(12.7)
Buick	7,659	3,109	4,550	146.3	5,421	2,636	2,785	105.7	9,739	8,453	1,286	15.2	22,819	14,198	8,621	60.7
Cadillac	2,163	1,772	391	22.1	5,522	2,287	3,235	141.5	16,694	17,137	443	(2.6)	24,379	21,196	3,183	15.0
Chevrolet	24,315	20,433	3,882	19.0	5,555	4,154	1,401	33.7	40,120	29,670	10,450	35.2	69,990	54,257	15,733	29.0
Oldsmobile	17,954	14,151	3,803	26.9	4,774	2,936	1,838	62.6	9,970	10,271	301	(2.9)	32,698	27,358	5,340	19.5
Pontiac	13,144	8,273	4,871	58.9	1,649	427	1,222	286.2	9,061	7,386	1,675	22.7	23,854	16,086	7,768	48.3
Total GM	**$ 73,776**	**$ 62,463**	**$11,313**	**18.1**	**$22,921**	**$12,440**	**$10,481**	**84.3**	**$ 90,653**	**$ 73,366**	**$17,287**	**23.6**	**$187,350**	**$148,269**	**$39,081**	**26.4**
Total domestic	**$ 97,009**	**$108,973**	**$11,964**	**(11.0)**	**$63,181**	**$38,052**	**$25,129**	**66.0**	**$183,565**	**$147,790**	**$36,075**	**24.5**	**$343,755**	**$294,515**	**$49,240**	**16.7**
Total imports	**$ 78,291**	**$ 96,152**	**$17,933**	**(18.6)**	**$24,487**	**$23,533**	**$ 954**	**4.1**	**$122,230**	**$141,231**	**$19,001**	**(13.5)**	**$224,936**	**$260,916**	**$35,980**	**(13.8)**
Total multi-line dealers	**$ —**	**$ —**	**$ —**	**—**	**$ —**	**$ —**	**$ —**	**—**	**$119,064**	**$ 97,441**	**$21,623**	**22.2**	**$119,064**	**$ 97,441**	**$21,623**	**22.2**
Grand total	**$175,228**	**$205,125**	**$29,897**	**(14.6)**	**$87,668**	**$61,585**	**$26,083**	**42.4**	**$424,859**	**$386,162**	**$38,697**	**10.0**	**$687,755**	**$652,872**	**$34,883**	**5.3**

SOURCE: Newspaper Advertising Bureau, Media Records, projected to 125 markets. Parenthesis denotes negative change. Totals may reflect crossover spending.

Price average by month and car model year at auctions, 1988 and 1987

1988

Car Model year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1988	$ 9,091	$11,270	$11,931	$13,336	$12,249	$12,287	$11,408	$13,008	$ 9,603	$ 9,863	$ 9,514	$ 9,894
1987	8,581	8,365	9,008	7,903	8,800	8,388	8,407	8,008	7,795	7,759	7,330	7,686
1986	6,708	6,752	7,193	6,173	8,169	7,157	6,830	7,016	6,806	6,495	5,997	6,874
1985	5,564	5,865	5,962	5,105	6,110	6,084	5,881	5,880	5,540	5,698	5,077	4,747
1984	4,386	4,924	4,460	4,723	4,681	4,684	4,378	4,316	4,105	4,206	3,721	3,723
1983	3,465	3,467	4,222	3,874	3,567	3,468	3,718	3,626	3,583	3,258	2,948	2,776
1982	2,358	2,795	2,681	2,026	2,786	2,738	2,464	2,544	2,508	2,633	2,228	2,343
1981	1,893	1,724	2,220	2,004	1,853	1,757	1,952	1,865	1,640	1,882	1,706	1,637
Overall Average	$ 5,039	$ 6,027	$ 6,081	$ 5,654	$ 6,198	$ 6,045	$ 5,994	$ 6,102	$ 5,749	$ 5,748	$ 5,204	$ 5,824

1987

Car Model year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1987	$13,158	$13,406	$13,443	$13,266	$11,046	$11,113	$11,512	$11,726	$11,357	$11,220	$10,564	$10,140
1986	11,481	10,038	9,609	9,460	9,287	9,187	9,032	8,934	8,808	8,624	8,454	8,322
1985	7,054	7,382	7,305	7,236	7,194	7,191	7,394	7,385	7,321	7,257	7,199	7,127
1984	5,811	5,940	5,825	5,732	5,718	5,727	5,756	5,754	5,764	5,711	5,640	5,574
1983	4,995	4,443	4,860	4,842	4,873	4,852	5,081	5,016	4,940	4,897	4,844	4,791
1982	3,599	3,628	3,755	3,727	3,705	3,687	3,684	3,648	3,607	3,549	3,504	3,441
1981	2,614	2,537	2,643	2,635	2,705	2,680	2,642	2,632	2,583	2,549	2,542	2,516
1980	1,997	2,167	2,155	2,170	2,141	2,134	2,068	2,072	2,044	2,022	1,906	1,896
Overall Average	$ 5,494	$ 5,711	$ 5,829	$ 5,832	$ 5,871	$ 5,900	$ 6,030	$ 6,070	$ 6,043	$ 6,001	$ 5,951	$ 5,898

Compiled by Automotive News.

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Auto advertising 1988 recap ($000)

	Total	$ Change	% Change
Total domestic ...	$343,755	$49,240	16.7
Total multi-line dealers	119,064	21,623	22.2
Total imports	224,936	(35,980)	(13.8)
Grand total .	**$687,755**	**$34,883**	**5.3**

Domestic and import truck advertising in newspapers declines (in thousands)

	1988	1987
Chevy		
Multi-trucks	$3,103	$3,188
Heavy-Duty	29	26
Pickup	3,185	10,687
Van	1,273	737
	7,590	14,638
Dodge		
Multi-trucks	258	1,035
Pickup	436	2,178
Van	832	979
	1,526	4,192
Ford		
Multi-trucks	3,095	4,613
Heavy-Duty	161	111
Pickup	1,706	5,904
Van	853	781
	5,815	11,409
GMC		
Multi-trucks	2,055	1,563
Pickup	530	2,192
Van	468	758
	3,053	4,513
Isuzu		
Multi-trucks	11	16
Heavy-Duty	291	194
Pickup	227	517
Van	7	118
	639	845
Jeep		
Pickup	33	128
	33	128
Mazda		
Multi-trucks	33	6
Pickup	754	2,746
	787	2,752
Mitsubishi		
Multi-trucks	53	58
Heavy-Duty	104	74
Pickup	71	241
	228	373
Nissan --		
Multi-trucks	46	120
Heavy-Duty	5	22
Pickup	228	467
	279	609
Plymouth		
Van	257	N.A.
	257	N.A.
Suzuki		
Pickup	58	32
	58	32
Toyota		
Multi trucks	267	594
Pickup	1,006	1,244
Van	95	208
	1,368	2,046
Grand Total	**$21,630**	**$41,537**

Multi trucks—advertisement of more than one model.

Import car newspaper expenditures

(Full Year 1988; in thousands)

	Factory	Dealer Assn.	Local Dealer	Total	$ Change from Full Year '88	$ Change from Full Year '87
Acura	$ 1,108	$ 4,811	$ 6,324	$12,243	$ 493	4.2
Alfa Romeo	2,553	65	1,154	3,772	1,281	51.4
Audi	5,142	1,028	1,953	8,123	(292)	(3.5)
Austin Rover (Sterling)	5,680	325	1,561	7,566	4,122	119.7
BMW	8,983	4,861	4,313	18,157	2,517	16.1
Daihatsu	439	N.A.	445	884	445	101.4
Honda	1,101	484	8,780	10,365	(2,069)	(16.6)
Hyundai	688	N.A.	14,182	14,870	964	6.9
Isuzu	127	N.A.	1,909	2,036	(4,573)	(69.2)
Jaguar	4,105	804	5,508	10,417	(1,008)	(8.8)
Lotus	279	N.A.	112	391	342	698.0
Mazda	4,689	2,392	4,651	11,732	(9,545)	(44.9)
Mercedes-Benz .	17,479	4,203	5,847	27,529	(623)	(2.2)
Mitsubishi	484	150	6,154	6,788	782	1.2
Nissan	7,289	246	21,841	29,376	7,662	35.3
Peugeot	2,840	117	678	3,635	1,763	94.2
Porsche	958	N.A.	1,602	2,560	(3,022)	(54.1)
Range Rover	N.A.	N.A.	881	881	(376)	(29.9)
Saab	2,433	N.A.	1,648	4,081	(579)	(12.4)
Subaru	1,478	989	2,981	5,448	(7,378)	(57.5)
Suzuki	37[illegible]	N.A.	2,743	3,117	16	.05
Toyota	4,01[illegible]	1,966	20,765	26,741	387	1.5
Volkswagen	2,020	542	2,357	4,919	(4,277)	(46.5)
Volvo	2,696	1,393	3,389	7,478	1,106	17.3
Yugo	1,264	111	452	1,827	797	77.4
TOTAL	$78,291	$24,487	$122,230	$224,936	N.A.	N.A.

N.A. = not available.

Auto dealers step up TV advertising by 8.35 million dollars

	1987	1988	Percent Change
Cal Worthington, Los Angeles	4,585,600	4,228,300	– 7.8
Foothill Nissan, Los Angeles	2,778,500	3,278,500	+ 18.0
Atlanta Toyota, Atlanta	247,500	3,120,300	+ 1160.7
Worthington Chevrolet, Houston	137,900	2,885,700	+ 109.3
Wilson Ford, Los Angeles	3,423,200	2,355,100	– 31.2
Cal Worthington, Seattle	2,433,800	2,159,000	– 11.3
Cal Worthington, Sacramento	1,978,000	1,846,200	– 6.7
Frontier Ford, Albuquerque	913,800	1,787,000	+ 95.6
Rosenthal Nissan Honda Mazda, Washington	—	1,745,800	– Infinite
Celizzi-Ettleson, Chicago	1,502,600	1,648,000	+ 9.7
Ed Mullinax, Cleveland	1,060,600	1,545,800	+ 45.7
Cormier Chevrolet Hyundai, Los Angeles	—	1,417,600	+ Infinite
Piemonte & Arlington Hts. Ford, Chicago	1,559,300	1,413,100	– 9.4
Pete Ellis Motors, Los Angeles	2,517,800	1,397,100	– 44.5
Long-Lewis Ford, Birmingham	1,239,700	1,343,100	+ 8.3
Cary Paul Ford, Atlanta	351,000	1,262,900	+ 259.8
Nationwide Motor Sales, Baltimore	1,299,900	1,232,400	+ 5.2
Ken Johns Motor, Albuquerque	1,107,700	1,201,500	+ 8.5
Sonya Subaru, Phoenix	1,803,500	1,145,300	– 36.5
Cal Worthington, San Diego	80,600	1,095,400	+ 1259.1
CATEGORY TOTAL	$371.410,700	$379,766,400	+ 2.2

SOURCE: Television Bureau of Advertising from analysis of Broadcast Advertisers Reports data in the top 75 markets.

Ford Div. heads 1988 list of leading TV advertisers by nameplate

	1987			1988			
	Network TV	Spot TV*	Total TV	Network TV	Spot TV*	Total TV	% Change
Ford	$ 62,036,800	$ 52,602,100	$114,638,900	$ 75,914,300	$ 71,133,600	$147,047,900	+ 28.3
Pontiac	44,256,400	53,087,700	97,344,100	80,673,600	57,331,200	138,004,800	+ 41.8
Oldsmobile	21,048,700	52,067,200	73,115,900	73,551,600	63,526,100	137,077,700	+ 87.5
Chevrolet	58,218,400	58,357,200	116,575,600	70,119,500	63,039,400	133,158,900	+ 14.2
Hyundai	13,205,200	65,509,400	78,714,600	68,991,700	62,249,900	131,241,600	+ 66.7
Toyota	31,246,600	64,857,400	96,104,000	39,104,000	76,413,600	115,866,900	+ 20.6
Honda	38,877,900	40,666,400	79,544,300	46,107,200	47,287,300	93,394,500	+ 17.4
Nissan	23,001,600	57,109,700	80,111,300	37,786,000	55,433,500	93,219,500	+ 16.4
Buick	37,699,700	27,747,900	65,447,600	62,021,600	28,803,000	90,824,600	+ 38.8
Mazda	38,324,200	33,853,500	72,177,700	38,535,100	33,680,400	72,215,500	+ 0.1
Subaru	31,603,100	34,672,700	66,275,800	39,544,500	31,224,300	70,768,800	+ 6.8
Dodge	26,541,100	20,240,400	46,781,500	24,873,000	32,250,700	57,123,700	+ 22.1
Cadillac	17,088,700	18,245,600	35,334,300	27,808,000	26,318,200	54,126,200	+ 53.2
Acura	23,618,500	10,860,000	34,478,500	34,122,800	15,359,000	49,481,800	+ 43.5
Mercury	28,305,400	26,222,000	54,527,400	23,695,600	24,884,900	48,580,500	– 10.9
Volkswagen	32,842,000	22,212,300	55,054,300	23,010,400	25,283,600	48,294,000	– 12.3
Eagle	8,945,300	445,000	9,390,300	26,863,900	19,561,800	46,425,700	+394.4
Mitsubishi	1,476,800	27,144,700	28,621,500	10,413,600	29,052,700	39,466,300	+ 37.9
Chrysler	17,797,300	13,733,500	31,530,800	24,974,100	11,638,600	36,612,700	+ 16.1
Mercedes-Benz	19,546,200	8,643,300	28,189,500	19,453,300	10,344,600	29,797,900	+ 5.7

NOTES: Expenditures for television commercials advertising two nameplates or vehicle types have been divided between the two brands. Expenditures include leasing.

Broadcast Advertisers Reports identifies some automotive television expenditures as "autos and trucks," "various autos," "general promotion," etc. Unless they are clearly attributable to a brand, they are not included in the above, or in the truck data following, but are included in the company totals. In the January/June 1988 period, these expenditures were as follows: Chrysler Corp. $25,544,300; Ford Motor Co. $13,702,700; General Motors $1,762,100; Nissan $1,387,000; Toyota $1,614,500.

*Spot TV includes national syndication advertising.

SOURCE: Television Bureau of Advertising from analysis of Broadcast Advertisers Reports data.

Truck, van, sport-utility TV advertising increases by 53.38 million dollars

	1987			1988			
	Network TV	Spot TV*	Total TV	Network TV	Spot TV*	Total TV	% Change
Chevrolet	$43,319,200	$30,377,100	$73,696,300	$69,088,500	$47,921,500	$117,010,000	+ 58.8
Ford	34,282,800	43,292,800	77,576,600	38,935,000	45,711,000	84,646,000	+ 9.1
Toyota	14,566,800	52,909,600	67,476,400	22,180,000	42,395,800	64,575,800	– 4.3
Dodge	30,170,500	28,006,100	58,176,600	30,436,900	31,239,100	61,676,000	– 6.0
Nissan	15,899,100	37,726,800	53,625,900	16,655,900	31,928,400	48,584,300	– 9.4
Jeep	20,704,500	14,822,300	35,526,800	23,383,200	17,505,100	40,888,300	+ 15.1
Suzuki	4,400,800	23,607,100	28,007,900	21,320,800	15,795,500	37,116,300	+ 32.5
Isuzu	3,535,500	12,665,900	16,201,400	5,587,000	22,739,500	28,326,500	+ 74.8
Mazda	11,794,700	10,191,200	21,985,900	4,693,000	23,055,700	27,748,700	+ 26.2
GMC	6,792,800	18,117,500	24,910,300	791,400	20,701,800	21,493,200	– 13.7

NOTES: Expenditures for television commercials advertising two nameplates have been divided between the two brands.

SOURCE: Television Bureau of Advertising from analysis of Broadcast Advertisers Reports data.

*—Spot includes national syndication advertising.

U.S. automakers' financial results for 1988 and '87

(In millions)

	1988 Sales	Profit (Loss)	1987 Sales	Profit (Loss)
Chrysler Corp.	$ 31,884.2 *(35,472.7)	$1,050.2	$ 26,631.5	$1,289.7
Ford Motor Co.	82,193.0 *(92,445.6)	4,608.8	71,797.2	3,767.4
General Motors Corp.	110,228.5 *(123,641.6)	4,856.3	101,781.9	3,550.9
Total	$ 224,305.7	$10,515.3	$200,210.6	

*Includes financial services and other income.

1988 financial results of automakers' finance companies

(Dollars in millions)

	Chrysler Financial Corp.	Ford Motor Credit Corp.	General Motors Acceptance Corp.
1988 Net Income	$259.0	$564.2	$1,187.6
1987 Net Income	$226.0	$678.8	$1,453.2
Change from 1987 Percentage of Retail Sales Financed	14%	25%	–22%
1988 Percentage of Retail Sales Financed	28%	29%	50%

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General Motors worldwide factory sales

(Units in thousands)

	Cars			Trucks & buses			Total		
	1988	1987	1986	1988	1987	1986	1988	1987	1986
United States	3,516	3,592	4,302	1,661	1,520	1,520	5,177	5,112	5,822
Canada	411	344	545	327	238	192	738	582	737
Overseas*	1,955	1,857	1,783	238	214	234	2,193	2,071	2,017
Total	5,882	5,793	6,630	2,226	1,972	1,946	8,108	7,765	8,576

*—Includes units which are manufactured overseas by other companies and which are imported and sold by General Motors and affiliates

Retail unit sales of cars and trucks worldwide

United States:	1988	1987	Change from '87	International:	1988	1987	Change from '87
Industry	15,799	15,197	602	Industry	26,305	24,599	1,706
GM: cars	3,822	3,728	94	GM: cars	1,860	1,749	111
trucks	1,741	1,545	196	trucks	277	232	45
total	5,563	5,273	290	total	2,137	1,981	156
As % of U.S.	35.2	34.7	0.5	As % of International	8.1	8.1	—

Ford Motor Co. factory sales rise to 6.44 million

U.S. and Canadian cars and trucks*

	1988	1987	1986	1985	1984	1983	1982
Cars							
United States	2,376,766	2,171,442	2,093,698	1,940,662	2,047,671	1,671,837	1,270,519
Canada	200,629	187,840	188,887	194,540	167,295	143,425	118,721
Total cars	2,577,395	2,359,282	2,282,585	2,135,202	2,214,966	1,815,262	1,389,240
Trucks**							
United States	1,540,926	1,481,059	1,404,002	1,260,123	1,238,928	993,874	803,484
Canada	145,142	151,982	126,758	119,583	94,552	69,409	70,120
Total trucks	1,686,068	1,633,041	1,530,760	1,379,706	1,333,480	1,063,283	873,604
Total cars and trucks	4,263,463	3,992,323	3,813,345	3,514,908	3,548,446	2,878,545	2,262,844

Cars and trucks outside the United States and Canada**

	1988	1987	1986	1985	1984	1983	1982
Germany	1,008,198	899,609	862,288	769,883	789,655	833,119	797,850
Britain	507,367	484,057	438,155	422,003	371,598	414,018	423,073
Spain	281,679	276,448	268,114	265,783	269,021	228,150	229,639
Brazil	—	—	182,635	185,241	169,099	165,328	145,110
Australia	136,203	134,222	143,415	177,108	156,304	138,394	141,990
Mexico	62,663	34,495	43,601	70,238	50,560	47,670	90,478
Argentina	—	—	32,521	33,281	49,881	56,588	52,764
Other countries***	181,099	230,220	131,671	112,055	180,087	172,419	123,639
Total outside United States and Canada	2,177,209	2,059,051	2,102,400	2,035,592	2,036,205	2,055,686	2,004,743
Total worldwide— cars and trucks	6,440,672	6,051,374	5,915,745	5,550,500	5,584,651	4,934,231	4,267,587

Mexican exports to U.S. are included as U.S. vehicle sales.

*Factory sales are by source of manufacture, except that Canadian exports to the United States are included as U.S. vehicle sales and U.S. exports to Canada are included as Canadian vehicle sales.

**Includes units manufactured by other companies and sold by Ford.

***Unit sales for Brazil, Argentina are included only through June 30, 1987.

CHRYSLER CORP.

Financial Highlights

	1988	1987*
Unit Sales of Cars and Trucks:		
In the United States and Canada	2,219,615	2,192,824
Outside the United States and Canada	347,305	67,466
TOTAL WORLDWIDE	2,566,920	2,260,290
Net Sales (In millions of dollars)	$ 35,472.7	$ 29,257.9
Earnings from continuing operations (In millions of dollars)	1,050.2	1,290.0
Per share data-primary *(In dollars):		
Earnings from continuing operations	4.66	5.90
At Dec. 31 (In millions of dollars):		
Cash and marketable securities	3,256.0	2,580.6
Property, plant, equipment and tools less accumulated depreciation	9,152.3	8,769.3
Total assets	$ 48,566.8	$ 42,758.7

Payroll and Employment Data

	1988	1987*
Worldwide Operations:		
Average number of employees	130,242	122,745
Total payroll (In millions)	$ 5,162.1	$ 4,362.8
U.S. Operations:		
Average number of employees	100,732	94,352
Total payroll (In millions)	$ 4,589.6	$ 3,907.6
Average total hourly labor costs per hour worked — including employee benefits	$ 29.06	$ 27.15
Average weekly hours worked — hourly employees	40.6	38.7
Average number of hourly employees	72,495	65,881
Number of retired employees receiving benefits under the company's pension plans	84,574	82,152

Sales by Area of Manufacture

	1988	1987*
United States		
Cars	1,070,901	1,108,510
Trucks	655,183	555,602
Canada		
Cars	58,837	11,724
Trucks	434,694	412,554
Total U.S. and Canada	2,219,615	2,088,390
TOTAL WORLDWIDE	2,566,920	2,450,860

NOTE: *—Restated according to new accounting standard to reflect consolidation of subsidiaries. Includes American Motors Corp. since Aug. 6, 1987.

Domestic Models: 1946-1989

Number of models offered by U.S. automakers, 1946 to 1989:

1946	160
1947	182
1948	201
1949	205
1950	243
1951	243
1952	224
1953	210
1954	240
1955	216
1956	232
1957	245
1958	263
1959	239
1960	244
1961	260
1962	296
1963	336
1964	336
1965	348
1966	368
1967	370
1968	368
1969	365
1970	375
1971	341
1972	297
1973	304
1974	302
1975	325
1976	294
1977	265
1978	259
1979	268
1980	252
1981	278
1982	307
1983	298
1984	305
1985	295
1986	321
1987	304
1988	254
1989	247

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GENERAL MOTORS CORP.

Financial Highlights

	1988	1987
Sales and Revenues (in millions except per share and hourly amounts)	$110,228.5	$101,781.9
Worldwide Factory Sales of Cars and Trucks (units in thousands)	8,108	7,765
Net income	$4,856.3**	$3,550.9
As a percent of sales and revenues	4.4	3.5
As a percent of stockholders' equity	13.61	11.1
Worldwide Employment (in thousands)		
GM (excluding units listed below)	624.0	673.1
GMAC and its subsidiaries	18.0	18.2
Electronic Data Systems	48.0	44.6
Hughes Aircraft Co.	76.0	77.5
Average number of employees	766.0	813.4
Total payrolls	$27,548.6	$27,145.7
Total cost of an hour worked — U.S. hourly employees*	$27.90	$25.90

NOTES: *—Excludes Hughes and EDS
**—Includes the effect of an accounting change

FORD MOTOR CO.

Financial Highlights

	1988	1987***
Dollar sales (in millions)		
Automotive	$82,193.0	$71,797.2
All other	10,252	8,095.8
Total	$92,445.6	$79,893.0
Net income (in millions)	$5,300.2	$4,625
A share	10.96	9.05
A share assuming full dilution	NA	8.92
Cash dividends a share	2.30	1.58
After-tax return on sales	5.7	5.3
Taxes (in millions)		
Provision for income taxes	$2,998.7	$3,226.0
Net income (loss)	5,300.2	4,625.2
Cash dividends	1,113.5	805.0
Retained income (loss)	$20,126.5	$16,717.5
Investment		
Capital expenditures (in millions)	$4,781.8	$3,758.0
Cash and marketable securities at Dec. 31 (in millions)	9,242.5	10,175.7
Working capital at Dec. 31 (in millions)	2,514.2†	4,188
Stockholders equity at Dec. 31 (in millions)	21,529	18,493
Stockholders equity a share at Dec. 31	43.87	36.44
Employee Data — Worldwide*		
Payroll	$13,010.4	$11,669.6
Total labor costs	$18,108.1	$16,567.1
Average number of employees	358,900	350,320
Employee Data — U.S. Operations*		
Payroll	$8,473.0	$7,761.6
Average number of employees	185,500	180,838
Average hourly labor costs**		
Earnings	$17.39	$16.50
Benefits	$13.07	$12.38
Total	$30.46	$28.88

NOTES: *—Includes unconsolidated finance, insurance and land subsidiaries.
**—Per hour worked (in dollars). Excludes data for subsidiary companies, except Rouge Steel.
***—Restated to reflect consolidation of subsidiaries.
†—Automotive.

U.S. corporate profits — totals and motor vehicle, equipment makers' share

(Dollars in billions)

	Profits Before Tax			Motor Vehicle & Equipment % of	
Year Quarter	Motor Vehicle & Equipment Manufacturers	Total Manufacturers	Total U.S. Profits	Total Manufacturer Profits	Total U.S. Profits
1971	5.0	34.1	82.0	14.7	6.1
1972	5.9	40.7	94.0	14.4	6.3
1973	5.8	46.2	107.1	12.5	5.4
1974	0.7	39.8	99.4	0.2	0.1
1975	2.0	53.6	123.9	3.7	1.6
1976	7.2	70.9	155.3	10.0	4.7
1977	9.4	80.6	183.8	11.6	5.2
1978	8.9	88.7	208.2	10.0	4.3
1979	4.7	87.5	214.1	5.3	2.2
1980	−2.5	77.1	194.0	0.0	0.0
1981	0.1	88.5	202.3	0.0	0.0
1982	−0.8	58.0	159.2	1.4	0.5
1983	5.1	70.2	196.7	7.3	2.6
1984	9.9	87.5	230.2	11.3	4.3
1985	6.5	72.2	224.1	9.0	2.9
1986	5.9	69.4	238.4	8.5	2.5
1987	7.3	96.8	258.7	9.5	2.8
1988*(Qtr.) I	4.2	110.6	266.8	3.8	1.6
II	4.6	114.5	278.5	4.0	1.7
III	5.8	111.4	284.6	5.2	2.0

*Quarterly data at seasonally adjusted rates.

SOURCES: U.S. Department of Commerce, Bureau of Economic Analysis, Survey of Current Business; MVMA.

ET CETERA

U.S. vehicle and parts percent of total merchandise trade, GNP

Year Quarter	EXPORTS Billions of Dollars	EXPORTS % U.S. Total Merchandise Exports	EXPORTS % U.S. Gross National Product	IMPORTS Billions of Dollars	IMPORTS % U.S. Total Merchandise Imports	IMPORTS % U.S. Gross National Product	Motor Vehicle & Parts Trade Deficit (Billions)
1972	6.0	12.0	0.51	9.6	17.0	0.80	3.6
1973	7.3	10.2	0.55	11.3	16.0	0.85	4.0
1974	9.3	9.4	0.65	12.4	12.0	0.86	3.1
1975	10.8	10.1	0.68	12.1	12.3	0.78	1.3
1976	12.2	10.7	0.69	16.8	13.5	0.98	4.6
1977	13.5	11.2	0.68	19.4	12.7	1.01	5.9
1978	15.7	11.1	0.70	25.0	14.2	1.16	9.3
1979	18.4	10.0	0.73	26.4	12.5	1.10	8.0
1980	17.5	7.8	0.64	27.9	11.4	1.06	10.4
1981	19.8	8.3	0.65	30.9	11.6	1.04	11.1
1982	17.4	8.2	0.55	34.1	13.8	1.12	16.7
1983	18.7	9.2	0.55	43.5	16.2	1.24	24.8
1984	22.5	10.2	0.60	56.6	17.0	1.50	34.1
1985	24.5	11.4	0.61	65.1	19.2	1.63	40.6
1986	24.9	11.1	0.59	78.1	21.2	1.84	53.2
1987	26.3	10.5	0.58	85.2	21.2	1.88	58.9
1988 I	7.9	10.5	0.67	21.8	19.8	1.85	13.9
II	8.0	10.1	0.66	21.1	19.3	1.75	13.1
III	8.2	10.0	0.67	21.6	19.5	1.76	13.4

SOURCES: U.S. Department of Commerce, Bureau of the Census; MVMA.

New plant and equipment expenditures by motor vehicle and parts manufacturers

	Expenditures ($ Billions) Total U.S.	Total Manufacturing	Motor Vehicle & Equip. Mfg.	Motor Vehicle and Equip. Mfg. Percent of Total Mfg.	Percent of Total U.S.
1977	208.15	67.48	5.82	8.6	2.8
1978	245.34	78.58	7.19	9.1	2.9
1979	284.94	95.92	8.34	8.7	2.9
1980	314.47	112.33	9.02	8.0	2.9
1981	349.26	126.54	9.83	7.8	2.8
1982	347.47	120.68	7.77	6.4	2.2
1983	304.78	116.20	7.29	6.3	2.4
1984	354.44	138.82	11.20	8.1	3.2
1985	387.13	153.48	14.63	9.4	3.2
1986	379.5	142.7	14.0	9.8	3.7
1987*	389.7	145.9	11.9	8.2	3.1
1988*	430.2	164.5	10.9	6.6	2.5
1989*	456.0	171.7	11.7	6.8	2.6

*—Projections

SOURCES: U.S. Department of Commerce, Bureau of Economic Analysis; MVMA.

1989 import-car models offered in the U.S.

(As of Feb. 25, 1989)

	4-Door Models	2-Door Models	Convertibles	Wagons	1989 Totals	(Final 1988 Totals*)
Acura	5	5	0	0	10	(10)
Alfa Romeo	3	0	3	0	6	(6)
Aston Martin	1	0	2	0	3	(5)
Audi	9	0	0	2	11	(10)
Bentley	3	0	1	0	4	(3)
Bertone	0	0	0	0	0	(2)
BMW	7	6	1	0	14	(15)
Chevrolet Geo Metro	1	2	0	0	3	(4)
Chevrolet Geo Spectrum	1	1	0	0	2	(4)
Chrysler Conquest	0	1	0	0	1	(1)
Chrysler TC by Maserati	0	0	1	0	1	(0)
Daihatsu	0	5	0	0	5	(3)
Dodge Colt	0	3	0	4	7	(9)
Eagle Medallion	0	0	0	0	0	(3)
Eagle Summit	2	0	0	0	2	(0)
Ferrari	0	3	0	0	3	(5)
Ford Festiva	0	3	0	0	3	(3)
Honda**	0	8	0	2	10	(12)
Hyundai	7	3	0	0	10	(8)
Isuzu	4	5	0	0	9	(8)
Jaguar	2	1	1	0	4	(5)
Lamborghini	0	1	0	0	1	(2)
Lotus	0	2	0	0	2	(2)
Maserati	1	1	1	0	3	(3)
Mazda**	8	7	1	0	16	(22)
Mercedes-Benz	8	3	0	1	12	(12)
Mercury Merkur	1	1	0	0	2	(2)
Mercury Tracer	1	1	0	1	3	(3)
Mitsubishi**	7	6	0	0	13	(11)
Nissan**	4	9	0	3	16	(25)
Peugeot	7	0	0	4	11	(10)
Plymouth Colt	0	3	0	4	7	(9)
Pontiac LeMans	2	3	0	0	5	(5)
Porsche	0	10	2	0	12	(12)
Rolls-Royce	2	0	1	0	3	(4)
Saab	6	4	1	0	11	(8)
Sterling	4	0	0	0	4	(2)
Subaru	8	9	0	8	25	(30)
Suzuki	1	1	0	0	2	(0)
Toyota**	7	21	1	6	35	(42)
Volkswagen**	7	7	3	1	18	(12)
Volvo	6	2	0	5	13	(12)
Yugo	0	3	0	0	3	(4)
Import Totals	**125**	**140**	**19**	**41**	**325**	**(348)**
Domestic Totals	**107**	**100**	**13**	**27**	**247**	**(254)**
Import-Domestic Totals	**232**	**240**	**32**	**68**	**572**	**(602)**

NOTES: *—Revised.
**—U.S.-built models of Honda, Mazda, Mitsubishi, Nissan, Toyota and Volkswagen are excluded from the import model count.

U.S. industrial production index and capacity usage of motor vehicle and parts manufacturers

	Industrial Production Index: Total Index	Total % Change from Last Period	Motor Vehicle & Parts Manufacturer Index	% Change from Last Period	Capacity Utilization* All Manufacturing	% Change from Last Period	Motor Vehicles & Parts	% Change from Last Period
1972	79.6	9.7	77.1	- 9.2	82.8	- 7.0	86.0	- 4.6
1973	94.4	8.1	89.8	16.5	87.0	5.1	94.5	9.9
1974	93.0	- 1.5	77.5	-13.7	82.6	- 5.1	78.4	-17.0
1975	86.3	- 8.8	65.7	-15.2	72.3	-12.4	64.5	-17.7
1976	92.4	9.2	86.5	31.8	77.4	7.1	81.1	25.7
1977	100.0	8.0	100.0	15.6	81.4	5.2	89.1	9.9
1978	106.5	6.5	104.6	4.6	84.2	3.4	89.0	- 0.1
1979	110.7	3.9	95.9	- 8.3	84.6	0.5	78.2	-12.1
1980	108.6	- 1.9	71.1	-25.8	79.3	- 6.3	57.8	-26.0
1981	111.0	2.2	71.6	0.7	78.3	- 1.3	59.0	2.1
1982	103.1	- 7.1	66.8	- 6.7	70.3	-10.6	54.3	- 8.0
1983	109.2	5.9	85.5	28.4	74.0	5.3	68.9	27.0
1984	121.8	11.5	105.6	23.1	80.8	9.2	82.5	19.7
1985	123.8	1.6	111.5	5.6	80.3	- 0.6	84.0	1.8
1986	125.1	1.1	110.9	- 0.5	79.8	- 0.6	79.9	- 4.9
1987	129.8	3.8	111.7	- 0.3	81.0	- 1.6	79.2	- 1.2
1988	137.2	5.7	117.5	5.3	83.6	3.2	82.1	3.7

NOTE: *—Capacity Utilization is a percent of capacity benchmarked to Bureau of Economic Analysis and McGraw-Hill surveys.

SOURCES: Board of Governors of Federal Reserve System, Federal Reserve Bulletin; Unpublished data on computer printout (FRB); MVMA.

U.S. car population reaches 121.5 million in 1988

	Cars in use on July 1		Cars in use on June 30	Growth of Cars In Use During Period	New Cars Registered 7-1/6-30	Cars Scrapped During Period	Growth % of Cars in Use	Scrappage % of New Cars Regis. During Period	Scrappage % of Cars in Use on July 1
1957	51,432,460	1958	52,492,509	1,060,049	5,781,656	4,221,607	2.1	79.9	8.2
1958	52,492,509	1959	55,086,761	2,594,252	5,575,893	2,981,641	4.9	53.5	5.7
1959	55,086,761	1960	57,102,676	2,015,915	6,364,634	4,348,719	3.7	68.3	7.9
1960	57,102,676	1961	58,854,380	1,751,704	6,045,822	4,294,118	3.1	71.0	7.5
1961	58,854,380	1962	60,919,579	2,065,199	6,425,973	4,360,774	3.5	67.9	7.4
1962	60,919,579	1963	63,493,277	2,573,698	7,314,715	4,741,017	4.2	64.8	7.8
1963	63,493,277	1964	66,051,415	2,558,138	7,877,424	5,319,286	4.0	67.5	8.4
1964	66,051,415	1965	68,939,770	2,888,355	8,592,728	5,704,373	4.4	66.4	8.6
1965	68,939,770	1966	71,263,738	3,023,968(1)	9,197,480	6,173,512	4.4	67.1	9.0
1966	71,263,738	1967	72,967,686	1,703,948	8,688,162	6,984,214	2.4	80.4	9.8
1967	72,967,686	1968	75,358,034	2,390,348	8,590,365	6,200,017	3.3	72.2	8.5
1968	75,358,034	1969	78,494,938	3,136,904	9,485,392	6,348,488	4.2	66.9	8.4
1969	78,494,938	1970	80,448,463	1,953,525	9,414,509	7,460,984	2.5	79.2	9.5
1970	80,448,463	1971	83,137,324	2,688,861	8,709,902	6,021,041	3.3	69.1	7.5
1971	83,137,324	1972	86,438,957	3,120,633(2)	10,178,662	7,058,029	3.8	69.3	8.5
1972	86,438,957	1973	89,805,159	3,366,202	11,353,586	7,987,384	3.9	70.4	9.2
1973	89,805,159	1974	92,607,551	2,802,392	9,996,071	7,193,679	3.1	72.0	8.0
1974	92,607,551	1975	95,240,602	2,633,051	8,301,759	5,668,708	2.8	68.3	6.1
1975	95,240,602	1976	97,818,221	2,577,619	9,406,522	6,828,903	2.6	72.6	7.2
1976	97,818,221	1977	99,903,594	2,085,373	10,319,298	8,233,925	2.1	79.8	8.4
1977	99,903,594	1978	102,956,713	3,053,119	10,960,194	7,907,075	3.1	72.1	7.9
1978	102,956,713	1979	104,676,507	1,719,794	11,032,068	9,312,274	1.7	84.4	9.0
1979	103,365,589*	1980	104,563,781	1,198,192	9,603,185	8,404,993	1.2	87.5	8.1
1980	104,563,781	1981	105,838,582	1,274,801	8,817,281	7,542,480	1.2	85.5	7.2
1981	105,838,582	1982	106,867,108	1,028,526	7,949,799	6,921,273	1.0	87.1	6.5
1982	106,867,108	1983	108,961,215	2,094,107	8,336,651	6,242,544	2.0	74.9	5.8
1983	108,961,215	1984	112,018,640	3,057,425	9,732,353	6,674,928	2.8	68.6	6.1
1984	112,018,640	1985	114,662,333	2,643,693	10,372,287	7,728,594	2.4	74.5	6.9
1985	114,662,333	1986	117,268,071	2,605,738	11,048,203	8,442,465	2.3	76.4	7.4
1986	117,268,071	1987	119,848,769	2,580,698	10,684,054	8,103,356	2.2	75.9	6.9
1987	119,848,769	1988	121,519,074	1,670,305	10,424,490	8,754,185	1.4	84.0	7.3

*—Adjusted to reflect transfer of 1,310,918 window vans from passenger total.

(1)—Each year many trucks are issued passenger car license plates because of their intended use or local state laws. Beginning in 1966 VIN prefixes were used to achieve an accurate means of identifying these trucks in all states. The 1965 growth and scrappage figures have been adjusted to reflect the estimated 700,000 trucks which were selected from the passenger car file and properly counted as trucks.

(2)—Each year vehicles registered in one state to an address in a different state have been excluded from the count of vehicles in operation. Beginning in 1971 about 181,000 passenger cars registered to fleets at out-of-state addresses have been included.

NOTE: Adjustments for the absence of Oklahoma have been made where applicable.

R.L. POLK & CO. MOTOR STATISTICAL DIVISION

1988 U.S. truck fleet reaches 50.2 million vehicles

	Trucks in use on July 1		Trucks in use on June 30	Growth of Trucks in Use During Period	New Trucks Registered 7-1/6-30	Trucks Scrapped During Period	Growth % of Trucks in Use	Scrappage % of New Trucks Regis. During Period	Scrappage % of Trucks in Use on July 1
1957	9,775,950	1958	10,056,567	280,617	782,862	502,245	2.9	64.2	5.1
1958	10,056,567	1959	10,532,145	475,578	847,663	372,085	4.7	43.9	3.7
1959	10,532,145	1960	10,802,959	270,814	961,382	690,568	2.6	71.8	6.6
1960	10,802,959	1961	11,042,770	239,811	886,602	646,791	2.2	73.0	6.0
1961	11,042,770	1962	11,463,381	420,611	996,514	575,903	3.8	57.8	5.2
1962	11,463,381	1963	11,902,039	438,658	1,158,697	720,039	3.8	62.1	6.3
1963	11,902,039	1964	12,444,964	542,925	1,322,795	779,870	4.6	59.0	6.6
1964	12,444,964	1965	13,126,579	681,615	1,417,590	735,975	5.5	51.9	5.9
1965	13,126,579	1966	14,356,591	530,012(1)	1,603,605	1,073,593	4.0	66.9	8.2
1966	14,356,591	1967	14,988,491	631,900	1,578,549	946,649	4.4	60.0	6.6
1967	14,988,491	1968	15,684,917	696,426	1,556,968	860,542	4.6	55.3	5.7
1968	15,684,917	1969	16,586,368	901,451	1,867,454	966,003	5.7	51.7	6.2
1969	16,586,368	1970	17,687,505	1,101,137	1,938,310	837,173	6.6	43.2	5.0
1970	17,687,505	1971	18,462,287	774,782	1,818,659	1,043,877	4.4	57.4	5.9
1971	18,426,287	1972	19,772,938	1,310,651	2,358,682	1,048,031	7.1	44.4	5.7
1972	19,772,938	1973	21,411,931	1,638,993	2,846,529	1,207,536	8.3	42.4	6.1
1973	21,411,931	1974	23,312,245	1,900,314	2,947,521	1,047,207	8.9	35.5	4.9
1974	23,312,245	1975	24,812,843	1,500,598	2,408,297	907,699	6.4	37.7	3.9
1975	24,812,843	1976	26,560,296	1,747,453	2,844,910	1,097,457	6.6	38.6	4.4
1976	26,560,296	1977	28,221,661	1,661,365	3,329,018	1,667,653	5.9	50.1	6.3
1977	28,221,661	1978	30,564,701	2,343,040	3,769,334	1,426,294	8.3	37.8	5.1
1978	30,564,701	1979	32,582,991	2,018,290	3,934,432	1,916,142	6.6	48.7	6.3
1979	33,893,909*	1980	35,267,535	1,373,626	3,105,296	1,731,670	4.1	55.8	5.1
1980	35,267,535	1981	36,069,197	801,662	2,320,208	1,518,546	2.3	65.4	4.3
1981	36,069,197	1982	36,986,537	917,340	2,376,135	1,458,795	2.5	61.4	4.0
1982	36,986,537	1983	38,143,304	1,156,767	2,647,738	1,490,971	3.1	56.3	4.0
1983	38,143,304	1984	40,142,872	1,999,568	3,601,457	1,601,889	5.2	44.5	4.2
1984	40,142,872	1985	42,386,882	2,244,010	4,344,130	2,100,120	5.6	48.3	5.2
1985	42,386,882	1986	44,825,523	2,438,641	4,747,731	2,311,090	5.8	48.7	5.5
1986	44,825,523	1987	47,344,319	2,518,796	4,882,776	2,363,980	5.6	48.4	5.3
1987	47,344,319	1988	50,221,502	2,877,183	5,127,715	2,250,532	6.1	43.9	4.8

*—Adjusted to reflect transfer of 1,310,918 window vans from passenger car total to truck total.

(1)—Each year many trucks are issued passenger car license plates because of their intended use or local states laws. Beginning in 1966 VIN prefixes were used to achieve an accurate means of identifying these trucks in all states. The 1965 growth and scrappage figures have been adjusted to reflect the estimated 700,000 trucks that were selected from the passenger car file and properly counted as trucks.

NOTE: Adjustments for the absence of Oklahoma and other states have been made where applicable.

R.L. POLK & CO. MOTOR STATISTICAL DIVISION

Major automakers' joint ventures, equity stakes with other car companies, assembly operations

United States

Chrysler Corp.
50% of Diamond-Star Motors Corp., Bloomington-Normal, Ill. Car manufacture. With Mitsubishi.
49% of Arab American Vehicles Ltd., Egypt. Jeep assembly.
31% of Beijing Automobile Works, China. 4wd vehicle manufacture.
22% of Mitsubishi Motors Corp., Japan.
16% of Maserati S.p.A., Italy. (Chrysler has option to acquire a total of 51% by 1995.)
Chrysler has announced a 50-50 joint venture with Renault to develop and produce a small sport utility in Europe and North America.

Ford Motor Co.
75% of Aston Martin Lagonda Ltd., Great Britain.
74% of Vehicle Assemblers of New Zealand. Car and commercial vehicle assembly. With Mazda Motor of New Zealand.
70% of Ford Lio Ho Motor Co. Ltd., Taiwan.
Controlling interest in AC Cars, Great Britain.
49% of Autolatina, Brazil and Argentina. With Volkswagen.
48% of Iveco-Ford Truck Ltd., Great Britain. With Iveco (F[illegible]).
30% of Otomobil Sanayii Anomin Sirketi, Turkey. Car and truck manufacture.
25% of Mazda Motor Corp., Japan.
10% of Kia Motors Corp., South Korea. (See Mazda.)

General Motors
50% of CAMI Automotive Inc., Ingersoll, Ontario. Car and sport utility assembly. With Suzuki.
50% of Daewoo Motor Co. Ltd., South Korea.
50% of New United Motor Mfg. Inc., Fremont, Calif. Car assembly. With Toyota.
50% of United Australian Automotive Industries, Australia. Vehicle design, engineering, manufacture. With Toyota.
49% of General Motors Kenya Ltd. Vehicle assembly.
49% of Constructora Venezolana de Vehiculos. Venezuela. Vehicle assembly.
49% of Empresa Mixta, Venezuela. Vehicle assembly.
46% of Autos y Maquinas del Ecuador. Vehicle assembly.
40% of Isuzu Motors Ltd., Japan.
31% of General Motors Egypt. Commercial vehicle manufacture. (See Isuzu.)
24% of Volvo GM Heavy Truck Corp., Greensboro, N.C. With Volvo. (GM has option to buy up to 35% by 1993.)
22% of Omnibus BB Transportes, Ecuador. Bus manufacture, vehicle assembly.
20% of Genie Mecanique Zairois, Zaire. Vehicle assembly.
5% of Suzuki Motor Co. Ltd., Japan.

Japan

Fuji Heavy Industries Ltd. (Subaru)
51% of Subaru-Isuzu Automotive Inc., Lafayette, Ind. Car and truck assembly. With Isuzu.
45% of Ta Ching Motor Co., Taiwan. Small-car assembly.

Honda Motor Co. Ltd.
25% of NZMC Ltd., New Zealand. Car assembly.
23% of Oriental Assemblers, Malaysia. Car assembly.
14% of San Yang Industries Co. Ltd., Taiwan.
10% of Tata Engineering and Locomotive Co. Ltd., India. Car assembly.

Isuzu Motors Ltd.
49% of Subaru-Isuzu Automotive Inc., Lafayette, Ind. Car and truck assembly. With Fuji.
48% of Isuzu Motors Co. Ltd., Thailand. Vehicle manufacture.
25% of Automotive Manufacturers, Malaysia. Vehicle manufacture.
20% of General Motors Egypt. Commercial vehicle assembly and manufacture. (See General Motors.)
15% of Qingling Motors Co. Ltd., China. Vehicle manufacture.
15% of Anadolu Otomotiv Sanayii ve Ticaret, Turkey. Vehicle manufacture.
10% of Industries Mecaniques Maghrebines, Tunisia. Vehicle assembly.

Mazda Motor Corp.
50.6% of Kijkarnol Sukosol Co. Ltd., Thailand. Vehicle assembly.
32% of Asia Automobile Industries, Malaysia. Vehicle assembly.
26% of Vehicle Assemblers of New Zealand. Car and commercial vehicle assembly. With Ford. (Mazda owns 50% of Mazda Motor of New Zealand Ltd., which holds the 26% stake in Vehicle Assemblers of New Zealand.)
10% of Swaraj Mazda Ltd., India. Commercial vehicle assembly.
15% of Compania Colombiana Automotriz, Colombia. Car and commercial vehicle assembly.
8% of Kia Motors Corp., South Korea. (See Ford.)

Mitsubishi Motors Corp.
50% of Diamond-Star Motors Corp., Bloomington-Normal, Ill. Car assembly. With Chrysler.
50% of Philippine Automotive Manufacturing Corp. Vehicle assembly.
49.8% of Mitsubishi Motors Australia Ltd. Vehicle manufacture.
49.8% of UNIVEX, Comercio e Industria de Automoveis E Camides, Portugal. Vehicle assembly.
48% of MMC Sittipol Co. Ltd., Thailand. Vehicle manufacture.
30% of Perusahaan Otomobil Nasional (PROTON), Malaysia. (15% each held by MMC and Mitsubishi Corp.)
19% of China Motor Co. Ltd., Taiwan. Vehicle manufacture.
14% of Hyundai Motor Corp., South Korea. (7% each held by MMC and Mitsubishi Corp.)
10% of Eicher Motors Ltd., India. Truck assembly.

Nissan Motor Co. Ltd.
68% of Nissan Motor Iberica, Spain. Vehicle manufacture.
56% of Nissan Motor del Peru. Vehicle manufacture.
42% of Nissan Shatai Co. Ltd., Japan. Car and commercial vehicle manufacture.
41% of Nissan Diesel Motor Co. Ltd., Japan. Truck and bus manufacture.
34% of Aichi Machine Industry Co. Ltd., Japan. Commercial vehicle manufacture.
25% of Yue Loong Motor Co. Ltd., Taiwan.
5% of Fuji Heavy Industries Ltd., Japan.

Suzuki Motor Co. Ltd.
50% of CAMI Automotive Inc., Ingersoll, Ontario. Car and sport utility assembly. With General Motors.
26% of Maruti Udyog Ltd., India. Van, pickup, car and 4wd vehicle assembly.
20% of Suzuki Egypt. Van and truck assembly.
17% of Land Rover Santana, Spain. 4wd vehicle assembly.
12% of Pak Suzuki Motor Co. Ltd., Pakistan. Van, pickup, car, 4wd vehicle assembly.

Toyota Motor Corp.
65% of Toyota Motor Thailand Co. Ltd. Vehicle assembly.
50% of New United Motor Mfg. Inc., Fremont, Calif. Car assembly. With General Motors.
50% of United Australian Automotive Industries, Australia. Vehicle design, engineering, manufacture. With General Motors.
49% of Toyota del Peru. Vehicle assembly.
49% of P.T. Toyota-Astra Motor, Indonesia. Vehicle assembly.
27% of Salvador Castano, Portugal. Vehicle assembly.
26% of DCM Toyota Ltd., India. Small-truck assembly.
14% of Daihatsu Motor Co. Ltd., Japan.
10% of Hino Motors Ltd., Japan. Truck and bus manufacture.

Europe

Daimler-Benz AG
81% of Mercedes-Benz Espana, Spain. Vehicle assembly.
50.1 % of Mercedes-Benz of South Africa. Vehicle assembly.
49% of Fabrica de Autotransportes Mexicana, Mexico. Vehicle assembly.
42% of Otobus ve Motorlu Araclar Sanayii Anonim Sirketi, Turkey. Vehicle assembly.
40% of Anambra Motor Manufacturing Co. Ltd., Nigeria. Vehicle assembly.
33% of P.T. German Motor Manufacturing, Indonesia. Vehicle assembly.
26% of National Automobile Industry Co. Ltd., Saudi Arabia. Vehicle assembly.
25% of Bajaj Tempo Ltd., India. Vehicle assembly.
13% of Tata Engineering and Locomotive Co. Ltd., India. Vehicle assembly.

Fiat S.p.A.
90% of Ferrari, Italy. Car assembly. With Ferrari.
70% of The Automotive Manufacturing Co. of Ethiopia. Commercial vehicle assembly.
65% of Ashok Leyland, India. Bus and commercial vehicle assembly.
50% of Societa Europea Veicoli Leggeri, Italy. Van assembly. With Peugeot.
49% of Fabrica de Motores—Fademotor, Venezuela. Commercial vehicle assembly.
48% of Iveco-Ford Truck Ltd., Great Britain. With Ford.
40% of National Trucks Manufacturers Ltd., Nigeria.
39% of Ashok Leyland Ltd., India. Truck manufacture.
33% of Incar Ltd., Tanzania. Car and commercial vehicle assembly.
27% of Zastava Privredna Vozila, Yugoslavia. Commercial vehicle assembly.
25% of Khodrowsazan Sherkat Sahami, Iran. Light commercial vehicle assembly.
25% of Libyan Trucks and Bus Co., Libya.
20% of Somaca S.A., Morocco. Car assembly.
15% of L'Auto-Locomotion S.A., Belgium. Vehicle assembly.

Peugeot S.A.
60% of Automotores Franco-Chilena, Chile. Car assembly.
58% of Citroen Hispania, Spain. Car assembly.
49% of Societe Anonyme des Usines Chausson, France. Car and commercial vehicle manufacture. With Renault.
50% of Societa Europea Veicoli Leggeri, Italy. Van assembly. With Fiat.
40% of Peugeot Automobile Nigeria Ltd. Car assembly.
22% of Guangzhou Peugeot Automobile Co. Ltd., China. Light truck and car assembly.
20% of Ste. Marocaine de Constructions Automobiles—Somaca, Morocco. Car assembly.

Renault
90% of Renault Truck Industries, Great Britain. Truck assembly.
72% of Fabrication de Automoviles Renault de Espana, Spain. Vehicle assembly.
72% of Renault Argentina. Vehicle assembly.
65% of Renault Portuguesa, Portugal. Car assembly.
49% of Venezolana de Produccion Renault, Venezuela. Car assembly.
49% of Societe Anonyme des Usines Chausson. Passenger cars, commercial vehicles, components. With Peugeot.
44% of Mack Trucks Inc., Allentown, Pa.
44% of Oyak Renault Otomobil Fabrikalari, Turkey. Car assembly.
41% of Automores Franco-Chilena, Chile. Vehicle assembly.
20% of Revoz, Yugoslavia. Car assembly.
Renault has announced a 50-50 joint venture with Chrysler to develop and produce a small sport utility in Europe and North America.

Saab-Scania AB
50% of Saab-Valmet, Finland. Car manufacture.

Volkswagen AG
75% of SEAT, Spain. (VW has option to buy rest of company by 1990.)
51% of Autolatina, Brazil and Argentina. With Ford.
50% of Shanghai-Volkswagen Automotive Co., China. Vehicle assembly.
49% of TAS Tvornica Automobila Sarajevo, Yugoslavia. Car assembly.
40% of Volkswagen of Nigeria Ltd. Vehicle assembly.

AB Volvo
76% of Volvo GM Heavy Truck Corp., Greensboro, N.C. With General Motors.
30% of Volvo Car B.V., The Netherlands. Vehicle manufacture.

NOTE: List does not include equity holdings greater than 90% or less than 5%. Copyright 1988, Automotive News

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Trans Sport: Pontiac's entry in GM's fleet of all-purpose vehicles

GM assigns major job to minivan

Ring up 225,000 sales and lead the way in styling, plastics

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors' all-purpose vehicle represents the automaker's attempt to leapfrog its competitors in sales and styling in the fast-growing minivan market as well as advance its leadership in plastics technology in the 1990s.

Chrysler's Lutz calls GM entry a "kosher pork chop," Page 41

GM plans to sell 225,000 front-wheel-drive APVs annually. They will go on sale this summer and will be marketed as the 1990 Chevrolet Lumina APV, Oldsmobile Silhouette and Pontiac Trans Sport.

Chevrolet, which also has the only cargo version, initially will receive the bulk of APV production. Pontiac and Oldsmobile allocations will be smaller, but the eventual mix will depend on which of the three divisions has the greatest sales success.

For Oldsmobile, the Silhouette minivan is the first truck ever sold by the division. Pontiac-badged trucks were sold in the late 1940s and early 1950s.

GM expects 40 percent of all sales will be to owners of competitive makes switching from minivans or sedans to the APV.

James Westby, APV program manager, predicted the APV will carve out a new niche in the minivan market. It is targeted not only at present minivan owners but also at sedan owners who previously wouldn't have considered a minivan because of its boxy look and bouncy ride.

The APV, Westby said, provides them with a vehicle that looks good and is pleasant to drive to work every day but also can haul the kids and dog to the beach.

"Now you can combine the utility of a van with style and flair," he added.

GM's market research estimates that the minivan market will grow to more than 1 million units annually in the 1990s. In 1988, minivan sales totaled nearly 820,000 units.

Chrysler Motors, which introduced the minivan in

see APV, page 41

Lutz: Hefty hikes in 1990 prices

Dodge's Monaco returns; more V-6s

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — The launch of the 1990 model year will trigger hefty vehicle price increases at the Big 3.

Chrysler Motors President Robert Lutz said the Big 3 face federally mandated vehicle passive restraints, incentive costs, rising material prices and mounting profit-margin pressures.

In the interview, Lutz also discussed the automaker's 1990 products and said the Monaco name will be resurrected for the new Dodge model based on the Eagle Premier.

"I just think something has got to give," said Lutz, regarding the likelihood of a large price hike. "Everybody is looking at the same situation. Chrysler does not in any way lead with pricing, but my personal belief is that there will be fairly heavy pricing this year."

General Motors declined comment on 1990 model year pricing.

Philip E. Benton Jr., president of the Ford Automotive Group, said, "We haven't made that final decision at this point in time and won't until we get much closer to introduction and get more information as to cost and also what the general competitive climate looks like."

In the fall of 1989, GM raised introductory car prices 2.9 percent, Ford Motor Co. 2.6 percent and Chrysler 2.3 percent on a comparably equipped basis.

Auto analysts agree that the Big 3 will raise prices more on 1990 models than they have on models of the recent past. They expect it will be more than a 3 percent increase and possibly more than 4 percent.

They, too, cite cost pressures, including higher raw material costs and aggressive incentives, and the cost to install passive restraints.

Lutz

In addition, they say, the Big 3 traditionally has raised prices more when they anticipate lower volume than when they envision an upswing in sales.

While industry demand is weak and not expected to rise, Lutz said, "The classical economical theory of reducing price in time of weak demand only works up to a degree. In essence, the rebates are already the price cut."

Chrysler has told analysts its incentive costs rose from $650 per vehicle in the first quarter of 1989 to $800 per unit in the second quarter.

"The industry has gotten to the point where despite very heavy incentives, the American public isn't

see LUTZ, page 43

Lexus takes low road, beats Euro pricing

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — Toyota Motor Sales U.S.A. fired its first salvo in the coming luxury car war by pricing its top-line Lexus sedan $9,000 to $26,000 below its better-known and more prestigious European competitors.

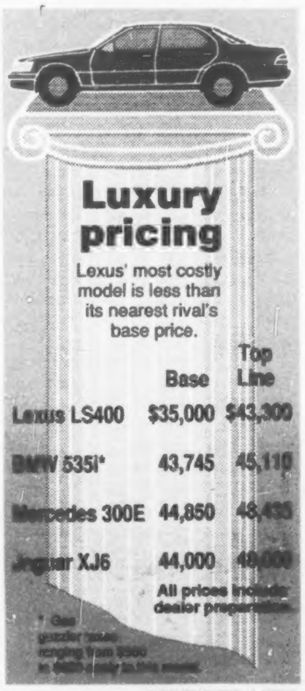
The base price of the flagship LS400 is $35,000. Although an LS400 with all available options would cost $43,300, Lexus will not produce any with a full option load for several months for the express purpose of having no car in a Lexus dealership with a sticker price above $40,000.

The smaller ES250 sedan carries a base price of $21,050. With four available options, its maximum sticker price is $23,650.

The cars go on sale Sept. 1.

Dealers welcomed the price an-

see LEXUS, page 43



Luxury pricing

Lexus' most costly model is less than its nearest rival's base price.

	Base	Top Line
Lexus LS400	$35,000	$43,300
BMW 535i*	43,745	45,110
Mercedes 300E	44,850	48,435
Jaguar XJ6	44,000	[illegible]

All prices include dealer preparation.

* Gas guzzler taxes ranging from [illegible] to [illegible] apply to this model.

AUTOMOTIVE NEWS / C. BEEVER

Smith favors Saturn-type plant in Europe

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FLORENCE, Italy — General Motors, buoyed by new optimism about the European market and its own rising market share, wants to build a Saturn-class plant in Europe someday, Chairman Roger B. Smith said.

Smith, in Florence to address the opening of an International Symposium on Automotive Technology and Automation conference, told a press conference that GM also has considered reopening a shuttered Belgian plant to ease current capacity constraints.

He told European reporters the U.S. Saturn project is on schedule and under budget. Saturn production is scheduled to begin in Spring Hill, Tenn., late next year.

"It won't be exported to Europe in the next few years," Smith said. "Hopefully, down the road sometime, we'll want to put a Saturn type plant (in Europe), but not now."

There are no immediate plans for a new GM plant in Europe. The company's increasing share of a rapidly growing market has forced it to squeeze more capacity out of existing facilities, according to General Motors Europe President Robert Eaton, who accompanied Smith on his trip to Florence.

Smith: "As of this moment, we have no plans for any other acquisitions, but that might change tomorrow."

GM initially forecast a European car market of 12.6 million to 12.7 million this year, a slight drop from 1988's record 12.9 million. But the company now expects another record in 1989, with sales reaching 13.1 million to 13.2 million. Though several analysts have revised their 1989 projections upward, GM's forecast is the most optimistic to date.

"We see that continuing on a trend basis to around 14.5 to 15 million by 1995," said Eaton. "We're trying not only to meet that market, but to get a greater penetration."

GM last year held 10.6 percent of the West European market with sales of 1.37 million cars. But GM was at 11 percent through the first four months of 1989 on the strength of the new Vectra.

Eaton said GM started last fall with a capacity of 85 Vectras per hour and is now implementing capacity for 115 per hour and planning a further increase of 15-20 percent.

But Eaton said GM is squeezing new capacity from all of its European plants.

"There is not a single location in Europe where we are not looking at significant capacity increases," he said.

As part of his European visit, Smith inspected a shuttered Belgian plant that may soon be reopened.

Smith scheduled a visit to Antwerp, Belgium, last Friday to inspect manufacturing operations there.

see GM, page 42

tive cauldron and bubbles
Page 2

New vehicles slated for Chrysler in China
Page 3

Hungerland to revamp VWoA marketing
Page 4

NEWSPAPER

Chrysler maps China gains

In-house BJ-212 planned; other vehicles on tap

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

Chrysler Corp. is planning to expand its operations in China by producing new vehicles and replacing the BJ-212 utility vehicle with one designed jointly with its Chinese partner.

Peter C. Badore, Chrysler Motors business development program director for Japan and China, also revealed that Beijing Jeep Corp. has invested in a second set of Cherokee dies that are being produced in Toledo, Ohio, and will be used in China. It is part of Beijing Jeep's program to increase vehicles' local content. Badore said a right-hand-drive version for export is being readied.

Badore

Chrysler owns 31 percent of Beijing Jeep, and state-run Beijing Automotive Works owns the rest.

Beijing Jeep produces the Jeep Cherokee — 5,000 units in 1988, compared to 4,500 in 1987 — and the BJ-212, a four-wheel-drive utility vehicle based on the Russian Gaz that was introduced in the 1950s. BJ-212 production in 1988 totaled 27,000, compared to 24,000 in 1987. Most of those vehicles are sold to state-run agencies and collectives.

The BJ-212 will be replaced in 1993-94 with a model developed jointly by the two partners. Badore also indicated that in five to 10 years, other Chrysler vehicles, including its van, may be built in China.

Badore said production of the Cherokee, introduced in 1986, will be increased substantially by 1995.

China's industrial and political systems are undergoing massive change as the country moves from a Soviet-style, planned economy to a state-guided, market economy, he said. And despite the recent unrest as citizens demand democratic reforms, the government is intent on pursuing its plans for economic development. Except for a one-day shutdown more than two weeks ago, the Beijing Jeep operation has been unaffected by the massive demonstrations, a Chrysler spokesman said.

"One of the state council's major priorities during this period of readjustment," Badore said, "is the development of a domestic automobile industry." He said he believes the central government will control China's budding auto industry, as well as other industries, by restricting them "to just a limited number of players (manufacturers)."

Badore said one of Chrysler's biggest advantages is that it is already in the market.

Beijing Jeep was established by American Motors and Beijing Automotive Works in January 1984. Chrysler acquired its stake when it bought AMC in 1987.

"The question for us is how large a player will we become?" Badore said.

Chrysler, now classified as one of the "Small 3" of the six major auto producers, expects to emerge as one of the top automotive manufacturers in China.

"The simplest way to define our strategy is that Chrysler doesn't look at itself as a Small 3 producer," Badore said. "We want to move from the lower tier to China's Big 3 tier of manufacturers."

In 1988, Chinese domestic manufacturers produced 647,000 vehicles, most of which were medium- and heavy-duty trucks and buses. That was 44 percent more than the 1987 volume of 450,000 units. Sales in 1988 were 687,000, up 37 percent over the 1987 total of 500,000.

The central government has chosen six companies to be part of an accelerated program to produce passenger cars.

The companies are grouped into the Big 3 — First Automobile Works, Second Automobile Works and Shanghai Volkswagen — and the Small 3 — Beijing Jeep Corp., Guangzhou-Peugeot and Tianjin Minibus.

Badore said First Automobile Works and Second Automobile Works are the largest, each producing about 100,000 vehicles, mostly trucks. Each is looking for a partner and hopes to produce 150,000 to 300,000 vehicles by the late 1990s.

Shanghai VW is building 15,000 VW Santanas annually but plans to produce 300,000 cars a year in the 1990s, according to Badore.

Chrysler sold First Automobile Works manufacturing and product technology for the Chrysler 2.3- and 2.5-liter four-cylinder engine family and 59 pieces of equipment to build the engines.

When the equipment is installed in a new engine plant to be completed by 1990, First Automobile Works will be able to produce 300,000 engines annually for use in the vehicles it manufactures, including the Audi 100 and the Nissan Cab Star, Badore said.

Beijing Jeep built 5,000 Cherokees in 1988

Beijing Jeep also is constructing an engine plant for the machining and assembly of the Jeep 2.5-liter, four-cylinder engine, Badore said. The company currently assembles that engine in limited volumes from imported parts.

Benton: Backlash from Ford's success is inevitable

AUTOMOTIVE NEWS/JOE WILSSENS

Benton and Ford under glass

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — The Bronco II has been slapped by a consumer magazine, some Ford engineers are grumbling and the company has idled assembly plants for the first time in six years.

Could the honeymoon be over at Ford Motor Co.?

Philip E. Benton Jr. laughed at the question. Yet the president of the Ford automotive group hesitates as he finds an answer.

"I don't know," he said in an interview. "I don't know.

"It is almost inevitable that there is a backlash from success, just as there is a backlash from the lack of success."

This year has held a mixture of news that Benton can live with: U.S. sales are down, for example, yet Ford's market share and corporate earnings continue to rise. And while General Motors will capture headlines with a flurry of product launches this calendar year, Ford is looking ahead to a busy 1990.

One of those products will replace the Bronco II, the sport-utility that Consumer Reports recently branded as unstable.

This spring, Ford has temporarily idled the plants that make Escort and Tempo/Topaz to help trim inventories. The closings won't extend beyond those plants, Benton said, although overtime is being reduced in some locations. Ford has enough orders to keep the rest of its assembly sites running through July vacation time, Benton said.

He is predicting a dogfight in showrooms, however, as automake attempt to clear out 1989 inventory. Benton held out little hope that the industry will be able to get along without its incentive crutch anytime soon.

"If that's the way it's going to be, we'll just have to adapt to it," he said.

see BENTON, page 42

And then a tractor plowed through the shop door

OMAHA, Neb. — A man who was upset that an extended warranty failed to cover the cost of his auto repairs apparently decided to take out his frustrations by driving a tractor through a dealership's glass service door.

It crashed through the door of Reagan Buick's service department, said Dan Rabbass, service manager. Damage was estimated at $4,000.

Jess Moore, 59, of Papillion, Neb., was arrested on charges of felony destruction of property and misdemeanor assault, according to police.

Rabbass said Moore brought a 1984 Buick into the dealership for repairs. He said repair of a leaking gasket would cost $300 to $400.

Moore was told by his insurance company, according to Rabbass, that unless he produced evidence that regular maintenance had been performed on the car, Moore would have to pay for the repairs. Rabbass said Moore became upset when he learned that his mechanical insurance policy would not cover the cost of repairs. Police Capt. William Crawford said a police report indicated that Moore "was unsatisfied at what he thought was the failure (of the dealership) to do work under an extended warranty."

— The Associated Press

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Nissan executive may be next Fuji president

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Nissan Motor Executive Vice President Takuro Endo will be "loaned out" to Fuji Heavy Industries, builder of Subaru cars, as an outside member of the board.

Endo will remain a Nissan board member and retain his title as a Nissan managing director. His title at Fuji has not been determined, but news reports suggest Endo may be the next president of Fuji, replacing Toshihiro Tajima, who is expected to retire in a year.

Nissan owns 4 percent of Fuji.

Tajima's predecessor, Sadamichi Sasaki, was also from Nissan.

While at Nissan, Endo was in charge of the production operations group. In that post, he directed purchasing, production control, logistics control, distribution and production of knockdown kits for shipment overseas.

At one time, Fuji played a subsidiary role for Nissan. It produced models like the Pulsar, as well as components for some Nissan projects in the aerospace industry.

But now, the direct relationship is much more limited.

Fuji also will have another new board member from the Industrial Bank of Japan. Motomu Toshiya will join Tajima and Akira Soejima, Fuji senior managing director, both of whom are alumni of the bank.

Eiichi Ohara, the current chairman, and former Fuji president, was also from the Industrial Bank, which has a large, undisclosed stake in the company.

Fuji's unconsolidated pre-tax profit for the year ended March 31 dropped 14.9 percent to 13.8 billion yen ($97 million).

The decline was attributed to a 14.5 percent drop in exports that offset a slight gain in domestic sales.

Of the seven Japanese auto companies filing financial reports for the period ended March 31, only Fuji and Suzuki Motor Co. reported declines in pre-tax profit.

Suzuki's pre-tax profit dropped 22.2 percent to 15.7 billion yen ($110.6 million) due to a decline in exports, higher depreciation charges and expenditures needed for a major change in its lineup.

Meanwhile, Nissan Motor Co. has named four new board members and replaced 14 others. The changes bring the total number of directors to 44.

The move reduces the average age of the board members from 59 to 56 and indicates a generational change from the old regime of Chairman Takashi Ishihara to a younger group represented by President Yutaka Kume.

One of the new directors is Kousei Minami, general manager of Nissan's CR program office. CR is the code name for the front-wheel-drive van joint venture between Nissan and Ford Motor Co.

The changeover in board members will result in the retirement of three of Nissan's five executive vice presidents.

They are Zenzo Sonoda, who was in charge of product planning and marketing, design and research; Taiji Hosokawa, who headed the administration group; and Tetsuro Sato, who was in charge of domestic sales.

AUCTION DATES

Chrysler Motors

June 6 — American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Nashville Auto Auction, Nashville, Tenn.; Florida Auto Auction of Orlando, Ocoee, Fla.; Portland Auto Auction, Portland, Ore.; Riverside Auto Auction, Riverside, Calif.; and Greensboro Auto Auction, Greensboro, N.C.

June 7 — A.D.E. of Birmingham, Birmingham, Ala., and Butler Auto Auction, Gibsonia, Pa.

June 8 — Northway Exchange, Clifton Park, N.Y.; Aptco Auto Auction, Taylor, Mich.; Indianapolis Auto Auction, Indianapolis; Omaha Auto Auction, Omaha, Neb.; Southwest Auto Auction, Phoenix, Ariz.; Ark-La-Tex Auto Auction, Shreveport, La.; and Amarillo Auto Auction, Amarillo, Texas

June 9 — Manheim Auto Auction, Manheim, Pa.

June 13 — Clanton's Auto Auction, Darlington, S.C.; Denver Auto Auction, Aurora, Colo.; Southern Auto Auction, Warehouse Point, Conn.; Hatfield Auto Auction, Hatfield, Pa.; South Seattle Auto Auction, Kent, Wash.; Golden Gate Auto Auction, Fremont, Calif.; and Dallas Auto Auction, Grand Prairie, Texas

June 14 — Columbus Fair Auto Auction, Obetz, Ohio; Minneapolis Auto Auction, Plymouth, Minn.; and West Palm Beach Auto Auction, West Palm Beach, Fla.

June 15 — Big Sky Auto Auction, Billings, Mont.; Fredericksburg Auto Auction, Fredericksburg, Va.; Salt Lake Auto Auction, Salt Lake City; and Metro Auto Auction Kansas City, Lee's Summit, Mo.

June 16 — St. Louis Auto Auction, St. Louis, and Tri-State Auto Auction, Cicero, N.Y.

Ford Motor Co.

June 6 — Harrisonburg Auto Auction, Harrisonburg, Va., and Bay Cities Auto Auction, Hayward, Calif.

June 7 — Concord Auto Auction, Acton, Mass.; Aptco Auto Auction, Taylor, Mich.; and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

June 8 — Auto Auction of Billings, Billings, Mont.; Greensboro Auto Auction, Greensboro, N.C.; Texas Hobby Auto Auction, Houston; and Skyline Auto Exchange, Fairfield, N.J.

June 13 — Fort Worth Auto Auction, Fort Worth, Texas, and Newburgh Auto Auction, Lee's Summit, Mo.

June 14 — Atlanta Auto Auction, Red Oak, Ga.; Baltimore-Washington Auto Exchange, Baltimore; Lakeland Auto Auction, Lakeland, Fla.; and Southern California Auto Auction, Fontana, Calif.

June 15 — Ohio Auto Auction, Grove City, Ohio, and St. Louis Auto Auction, Bridgeton, Mo.

June 20 — Greater Chicago Auto Auction, Chicago; Bay Cities Auto Auction, Hayward, Calif.; and South Seattle Auto Auction, Kent, Wash.

June 21 — Northway Auto Auction, Clifton Park, N.Y.; Albuquerque Auto Auction, Albuquerque, N.M.; and Indianapolis Auto Auction, Indianapolis

June 22 — Denver Auto Auction, Aurora, Colo.; Interstate Auto Auction, Mercer, Pa.; Minneapolis Auto Auction, Plymouth, Minn.; Nashville Auto Auction, Nashville, Tenn.; Southwest Auto Auction, Phoenix, Ariz.; Skyline Auto Exchange, Chandler, Ariz.; and 166 Auto Auction, Springfield, Mo.

General Motors

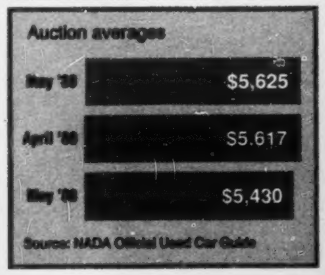
June 6 — Southern Auto Auction, East Windsor, Conn., and Dallas Auto Auction, Grand Prairie, Texas

June 7 — Atlanta Auto Auction, Atlanta; Puget Auto Auction, Auburn, Wash.; Baltimore-Washington Auto Auction, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Mississippi Auto Auction, Hattiesburg, Miss.; and Omaha Auto Auction, Omaha, Neb.

June 8 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Utah Auto Auction, West Bountiful, Utah

June 13 — A.D.E. of Birmingham, Moody, Ala.; National Auto Dealer Exchange, Bordentown, N.J.; and Florida Auto Auction of Orlando, Ocoee, Fla.

Used car sales

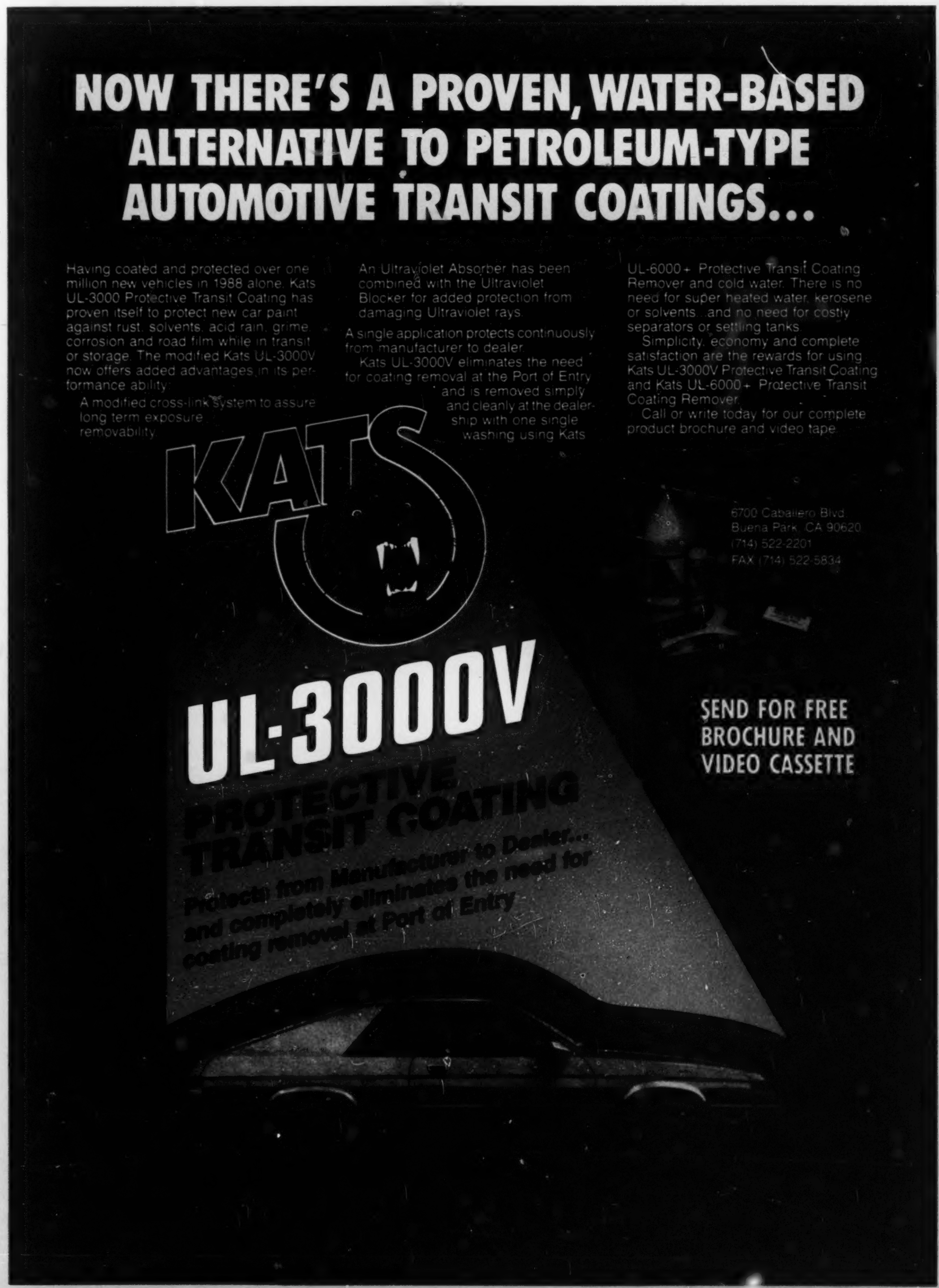


Source: NADA Official Used Car Guide

Model breakdown

Year	May 1989	April 1989	March 1989
1989	$11,488	$11,334	$10,867
1988	8,442	8,403	8,540
1987	6,279	6,410	6,337
1986	5,414	5,514	5,436
1985	4,397	4,457	4,399
1984	3,580	3,661	3,606
1983	2,707	2,843	2,872
1982	2,114	2,158	2,156
Overall Average	$5,625	$5,617	$5,430

Source: NADA Official Used Car Guide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Car output drops 11%; trucks even

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Memorial Day closings and shutdowns for inventory control cut last week's scheduled U.S. auto and truck production from the levels of the prior week and the year-earlier week.

Weekly auto output is likely to continue at a reduced pace this summer, as several plants will be idled for model changeovers lasting longer than the usual one or two weeks. Those shutdowns are attempts to keep inventory in line with sales.

Automakers slated production of 121,895 units last week, 17.84 percent below the previous week's 148,358 and 11.40 percent below the year-ago week's 137,579. The year-ago week was also a holiday week.

So far this year, 3,285,757 cars have been assembled, 4.69 percent more than the 3,138,419 completed last year at this point.

Last week's targeted build was shared as follows: General Motors, 47.43 percent; Ford Motor Co., 23.03 percent; Chrysler Motors, 14.44 percent; Honda of America Manufacturing, 4.96 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 2.89 percent; New United Motor Manufacturing Inc., 2.63 percent; Toyota Motor Manufacturing U.S.A., 2.06 percent; Nissan Motor Manufacturing Co. U.S.A., 1.62 percent; and Diamond-Star Motors, 0.94 percent.

Scheduled truck assembly last week totaled 73,213 units, 15.67 percent below the previous week's 86,817 and down 0.10 percent from the year-ago week's 73,284.

GM's Reatta Craft Centre in Lansing, Mich., shut down today and will remain closed until Aug. 11 for model changeover.

As reported earlier, GM's Willow Run, Mich., plant is idle for model changeover until December.

Ford closed its Wayne, Mich., plant today due to high inventory of Escort. The plant is expected to resume operations June 12. Ford's Edison, N.J., plant remains idle until June 12 because of high inventories. Like Wayne, Edison produces Escort.

Ford slated overtime last Saturday at its Wayne, Mich., truck plant.

Results mixed in Canada

Canadian automakers targeted car production last week at 22,440, up 19.91 percent over the previous week's 18,714 but down 15.51 percent from the year-ago week's 26,559.

So far this year, 437,534 cars have been produced, 15.80 percent fewer than the 519,665 completed last year at this point.

Truck output was scheduled to reach 21,347 units last week, 6.43 percent over the prior week's 20,058 and 7.64 percent over the year-ago week's 19,832.

Year-to-date, 442,466 trucks have been built, 5.40 percent more than the 419,782 assembled last year at this time.

U.S. CAR	Week Ended June 3, 1989	Week Ended June 4, 1988	Week Ended May 27, 1989	May Est	Jan 1 to June 3, 1989	Jan. 1 to June 4, 1988
Horizon	600	1,763	780	3,609	7,854	41,694
Sundance	2,000	2,617	2,573	11,588	52,093	46,105
Reliant	0	2,584	0	0	0	45,289
Acclaim	2,800	0	2,807	13,041	54,070	0
Caravelle	0	469	0	0	0	9,504
Gran Fury	0	363	0	0	0	5,756
Total Plymouth	5,400	7,796	6,160	28,238	114,017	148,348
LeBaron K	0	0	0	0	0	8,205
LeBaron J	2,100	2,438	2,776	12,537	52,707	32,866
LeBaron GTS	0	294	0	0	2,946	4,022
N. Yorker C-Class	1,300	2,255	1,812	8,677	49,273	52,061
Fifth Avenue	0	187	0	0	0	13,965
Total Chrysler	3,400	5,174	4,588	21,214	104,926	109,419
Omni	900	1,689	1,010	4,433	9,443	41,459
Daytona	1,400	2,249	1,869	8,361	44,865	32,001
Shadow	1,700	2,383	2,238	9,935	50,640	48,883
Aries	0	1,968	0	0	0	38,519
Dodge 600	0	450	0	0	0	8,292
Dynasty	2,300	1,860	3,038	14,711	69,735	48,751
Lancer	0	167	0	0	1,528	4,700
Spirit	2,500	0	2,637	11,785	50,291	0
Diplomat	0	248	0	0	0	10,161
Total Dodge	8,800	11,014	10,792	49,225	226,502	232,766
CHRYSLER MOTORS	17,600	23,984	21,540	98,677	445,[illegible]45	490,533
Escort	4,384	8,791	4,131	32,557	149,243	165,379
Mustang	3,471	3,457	5,480	18,725	100,887	93,517
Tempo	2,370	3,251	2,978	13,041	69,548	87,810
Taurus	6,373	6,762	7,970	35,699	173,482	177,916
Thunderbird	2,688	3,046	3,241	14,177	75,705	70,922
Total Ford Div.	19,286	25,307	23,800	114,199	568,865	595,544
Topaz	1,123	1,167	1,425	6,988	31,256	32,684
Cougar	1,797	2,000	2,167	11,720	64,044	53,172
Sable	2,025	2,220	2,531	11,524	56,612	62,402
Total Mercury	4,945	5,387	6,123	30,232	151,912	148,258
Continental	1,152	878	1,440	6,443	31,807	20,246
Mark VII	384	446	479	1,805	11,414	11,220
Lincoln	2,304	2,680	2,881	12,112	58,667	64,983
Total Lincoln	3,840	4,004	4,800	20,361	101,888	96,449
Total L-M Division	8,785	9,391	10,923	50,593	253,800	244,707
FORD MOTOR CO.	28,071	34,698	34,723	164,792	822,665	840,251
Skyhawk	0	0	248	1,122	6,857	11,350
Skylark/Somerset	1,126	1,141	1,382	6,288	25,514	20,468
Century	2,224	2,956	2,810	11,959	53,974	46,459
Riviera	179	136	0	1,093	10,597	3,049
Electra	1,542	2,187	2,298	8,086	37,787	38,334
LeSabre (fwd)	3,248	2,006	4,385	20,555	68,353	56,186
LeSabre (rwd)	68	216	64	312	3,587	4,470
Reatta	147	129	200	690	3,141	2,488
Total Buick	8,534	8,771	11,387	50,105	209,810	182,804
Cimarron	0	0	0	0	0	3,696
Eldorado	789	1,034	0	3,364	17,090	18,819
Seville	573	607	0	2,470	12,557	11,771
Brougham (rwd)	512	884	624	2,794	17,426	16,802
Deville (fwd)	3,284	2,833	4,219	18,594	97,153	80,506
Allante	60	52	75	261	1,438	1,079
Total Cadillac	5,218	5,410	4,918	27,484	145,664	132,673
Cavalier	6,566	6,412	6,873	35,298	173,450	154,179
Camaro	2,296	1,967	2,758	12,391	55,153	37,676
Celebrity	1,704	4,135	1,980	8,969	59,676	79,623
Corsica/Beretta	7,172	7,411	8,962	38,645	185,554	178,941
Caprice	3,240	3,889	4,062	18,183	89,044	85,167
Corvette	448	357	560	2,509	11,577	9,392
Total Chevrolet	21,426	24,171	25,195	115,995	574,454	545,178
Calais	1,754	3,379	2,136	9,784	43,005	51,165
Firenza	0	0	0	0	0	5,220
Cutlass Ciera	1,556	1,073	1,884	8,405	38,009	2,955
Cutlass Supreme	2,956	3,215	3,558	16,121	51,563	92,120
Toronado	251	423	0	745	4,506	8,266
88 (fwd)	2,298	2,832	2,880	18,087	73,002	73,794
88 (rwd)	216	132	179	892	3,620	5,602
Olds 98	876	1,305	1,117	4,686	37,717	36,872
Total Oldsmobile	9,907	12,359	11,754	58,718	251,422	275,994
Sunbird	2,482	2,163	3,147	15,189	68,069	47,782
Grand Am	3,840	4,108	4,884	23,089	110,608	108,219
Firebird	1,120	1,317	1,291	5,824	30,694	28,176
Grand Prix	3,272	2,959	4,000	17,963	69,649	53,856
Pontiac 6000	760	1,261	1,130	5,552	38,796	34,862
Bonneville	1,152	2,168	762	8,216	43,549	49,342
Safari/Parisienne	92	117	151	612	2,504	4,003
Fiero	0	0	0	0	0	8,647
Total Pontiac	12,718	14,093	15,365	76,446	363,869	334,887
GENERAL MOTORS	57,803	64,804	68,619	328,748	1,545,219	1,471,536
DIAMOND-STAR	1,151	0	1,510	5,588	20,128	0
HONDA	6,050	5,934	7,699	34,595	167,564	160,988
Civic	2,157	1,816	2,569	11,653	56,586	42,696
Accord	3,893	4,118	5,130	22,942	110,978	118,292
MAZDA	3,527	1,750	4,415	19,914	102,938	36,973
NISSAN	1,976	2,110	2,708	11,175	50,001	42,766
NUMMI	3,200	2,669	4,184	18,847	86,449	70,292
Corolla	1,280	986	1,642	7,346	35,069	25,826
Geo Prizm/Nova	1,920	1,683	2,542	11,501	51,380	44,466
TOYOTA	2,517	0	2,960	11,431	45,348	0
VOLKSWAGEN	0	1,630	0	0	0	25,080
Golf/GTI	0	1,630	0	0	0	19,527
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	121,895	137,579	148,358	693,766	3,285,757	3,138,419
Total Cars, Canada	22,440	26,559	18,714	91,604	437,534	519,665
U.S., Canada Cars	144,335	164,138	167,072	785,370	3,723,291	3,658,084
U.S., Canada Cars and Trucks	238,895	257,254	273,947	1,279,130	6,122,003	5,928,390

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended June 3, 1989	Week Ended June 4, 1988	Week Ended May 27, 1989	May Est.	Jan. 1 to June 3, 1989	Jan. 1 to June 4, 1988
Premier	0	1,554	1,398	3,749	18,634	31,984
CHRYSLER MOTORS	0	1,554	1,398	3,749	18,634	31,984
Tempo	2,688	3,543	2,654	7,640	65,418	90,249
Topaz	1,440	1,334	1,135	3,443	27,967	30,137
Crown Victoria	2,650	2,836	2,283	12,644	58,836	61,186
Grand Marquis	2,582	2,894	2,233	12,398	64,668	60,823
FORD MOTOR CO.	9,360	10,607	8,305	36,125	216,889	242,395
Celebrity	989	658	799	3,561	7,848	9,437
Cutlass Ciera	2,571	7,642	2,061	12,203	75,337	121,154
Lumina	5,546	0	3,114	17,818	41,232	0
Pontiac 6000	0	1,492	0	0	0	23,708
Regal	1,794	3,362	1,448	8,474	33,836	72,688
GENERAL MOTORS	10,900	13,154	7,422	42,056	158,253	226,987
HONDA	1,650	1,064	1,177	7,253	35,652	15,299
TOYOTA	350	0	268	1,629	4,323	0
VOLVO	180	180	144	792	3,783	3,000
Total Cars, Canada	22,440	26,559	18,714	91,604	437,534	519,665

U.S. TRUCK☆	Week Ended June 3, 1989	Week Ended June 4, 1988	Week Ended May 27, 1989	May Est.	Jan. 1 to June 3, 1989	Jan. 1 to June 4, 1988
Caravan	2,000	2,416	2,047	10,396	49,410	44,038
Dakota	2,100	1,728	2,258	10,924	50,408	51,712
Caravan C/V	100	265	103	513	3,997	6,957
Ram pickups	2,200	1,724	2,263	11,021	50,543	30,405
Total Dodge	6,400	6,133	6,671	32,854	154,358	133 112
Cherokee	4,500	3,631	4,568	23,056	103,267	79,660
Comanche	400	819	574	2,673	14,347	20,890
Grand Wagoneer	300	280	350	880	6,073	6,600
Wagoneer	100	249	109	537	4,006	5,705
Total Jeep	5,300	4,979	5,601	27,146	127,693	118,055
Voyager	1,800	2,154	1,933	9,669	46,939	40,780
Town & Country	100	0	163	568	608	0
Total C-P Div.	1,900	2,154	2,096	10,237	47,547	40,780
CHRYSLER MOTORS	13,600	13,266	14,368	70,237	329,598	291,947
Aerostar	4,000	2,845	5,015	22,309	108,779	96,658
Bronco	1,398	1,042	1,407	7,015	37,517	27,043
Bronco II	1,940	1,944	2,428	11,206	58,060	60,388
Econoline	4,202	4,057	5,219	23,295	109,503	109,651
Heavy trucks	1,043	1,348	1,303	5,888	30,100	30,489
Light trucks	9,095	8,174	11,398	53,769	245,688	225,874
Ranger	4,839	6,374	5,933	27,982	152,937	161,308
Total Ford Div.	26,517	25,784	32,703	151,464	740,584	711,411
FORD MOTOR CO.	26,517	25,784	32,703	151,464	740,584	711,411
Astro	2,506	3,255	3,377	15,153	75,319	75,438
Blazer	547	471	529	2,661	12,494	12,136
Mediums/Heavies	0	320	0	0	1,312	7,979
P-Model	787	659	831	3,954	15,450	17,148
Pickups	6,549	5,835	8,026	35,820	176,843	146,828
S-10	4,028	5,444	5,076	22,233	120,303	127,626
S-10 Blazer	3,126	3,316	3,990	17,521	84,688	72,340
Sportsvan/Van	1,634	1,883	1,950	9,705	43,792	37,622
Suburban	1,544	1,098	1,526	7,508	34,831	32,249
Total Chevrolet	20,721	22,281	25,305	114,556	565,032	529,366
Jimmy	171	58	177	837	3,778	3,714
Mediums/Heavies	0	523	0	0	1,496	17,771
P-Model	93	156	138	519	2,032	2,546
Pickups	1,931	1,714	2,227	9,898	52,768	45,780
S-15	867	1,229	991	4,990	28,165	29,698
S-15 Jimmy	895	837	1,031	5,011	24,224	18,969
Safari	683	794	951	4,078	19,319	19,368
Suburban	611	494	578	2,947	13,981	15,313
Vandura/Rally Vans	488	562	572	2,638	11,918	16,295
Total GMC	5,739	6,367	6,665	30,916	157,681	169,454
GENERAL MOTORS	26,460	28,648	31,970	145,472	722,713	698,820
NAVISTAR	1,536	1,504	1,920	8,469	38,549	38,564
NISSAN	2,240	1,332	2,406	10,308	55,572	49,832
AM GENERAL	360	450	450	2,016	9,630	9,810
MISCELLANEOUS	2,500	2,300	3,000	13,500	59,600	50,140
Total Trucks, U.S.	73,213	73,284	86,817	401,466	1,956,246	1,850,524

CANADIAN TRUCK	Week Ended June 3, 1989	Week Ended June 4, 1988	Week Ended May 27, 1989	May Est.	Jan. 1 to June 3, 1989	Jan. 1 to June 4, 1988
Caravan	3,108	2,898	2,744	13,032	66,780	65,684
Caravan C/V	378	318	397	1,543	5,507	6,408
Ram Wagon	705	569	818	3,152	13,273	10,888
Ram Van	1,645	1,465	2,044	7,898	34,174	28,025
Total Dodge	5,836	5,250	6,003	25,625	119,734	111,005
Voyager	2,658	2,604	3,112	12,013	58,821	60,178
Total Plymouth	2,658	2,604	3,112	12,013	58,821	60,178
Wrangler	1,910	781	2,056	8,268	36,930	22,284
Total Jeep	1,910	781	2,056	8,268	36,930	22,284
CHRYSLER MOTORS	10,404	8,635	11,171	45,905	215,485	193,467
FORD MTR. (lt. trks.)	3,648	3,602	2,817	15,656	75,593	77,926
Light trucks	3,549	1,312	2,779	14,243	68,772	68,099
Vans	1,463	1,719	1,106	5,742	29,593	26,956
Total Chevrolet	5,012	3,031	3,885	19,985	98,365	95,055
Light trucks	1,331	3,710	1,459	6,695	32,995	33,552
Vans	682	589	545	2,899	14,538	14,937
Total GMC	2,013	4,299	2,004	9,594	47,533	48,489
GENERAL MOTORS	7,025	7,330	5,889	29,579	145,898	143,544
NAVISTAR	270	265	181	1,154	5,490	4,845
Total Trks., Canada	21,347	19,832	20,058	92,294	442,466	419,782
U.S., Canada Trks.	94,560	93,116	106,875	493,760	2,398,712	2,270,306

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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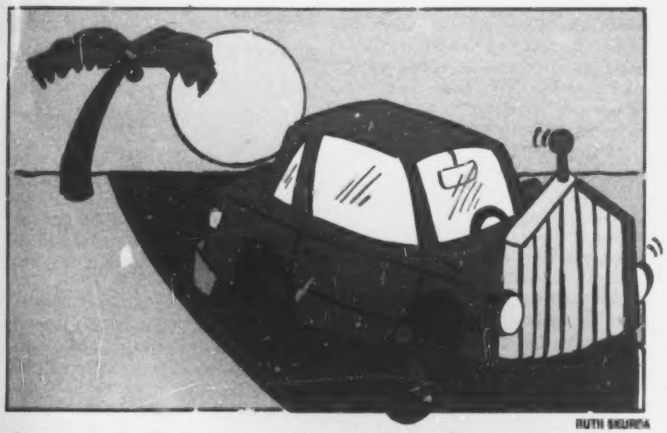

RUTH SKURKA

Ozone-protecting air conditioners will require significant front-end redesign

New air conditioners will reshape bodies

By Jack Keebler
AUTOMOTIVE NEWS STAFF REPORTER

Sweeping changes in automobile front-end structure and styling will be required quickly, as state and federal governments ban automotive air conditioning systems using chlorofluorocarbons.

Car-company and refrigerant-company engineers agree that non-CFC systems will quite likely be bigger, heavier, more fuel-thirsty and more expensive than current systems using the refrigerant R-12, commonly known by DuPont's trade name, Freon.

R-12 is the current refrigerant of choice for all automobiles. But because of worldwide environmental concerns over ozone damage and global warming, a new, non-CFC cooling medium called HFC-134a has been proposed as the most likely near-term, cost-effective R-12 replacement.

Auto company experts said that they're not sure when 134a systems will be available — but that 1993 is far too soon to expect production hardware.

Vermont was the first state to ban the use of CFCs, starting in the 1993 model year. Other states appear to be following its lead.

"There are probably 18 states out there, with over 70 pieces of legislation pending, and frankly we're afraid that could mean that all of these states would have unique requirements," said Gary Clickard, a product development engineering manager for Ford Motor Co.

A survey of domestic, Japanese and European car companies confirmed that they are already conducting hot-weather, "Death Valley-style" testing on vehicles fitted with prototype 134a systems.

Because of the different chemical composition and inherently poorer heat-exchange ability of R-134a, expensive redesign challenges confront not only air conditioning-system developers but also stylists and front-end structure engineers.

see FREON, page 66

Massacre in China clouds outlook for auto ventures

The future of several automotive ventures in the People's Republic of China grew more tenuous last week in the wake of the government massacre of protesters and onlookers by the People's Army.

Chrysler staff and families flee China, Page 66

Chrysler Motors Corp. and some other automakers have recalled their employees from China.

Toyota, which recently signed a long-negotiated deal to build a van in China, pulled its employees out last week.

While production is continuing in some provinces, work was disrupted at urban plants including Beijing Jeep, in which Chrysler has an interest, and Shanghai-Volkswagen. The turmoil raises questions about the future of existing projects as well as those just getting under way.

Chrysler evacuated its 13 employees from Beijing Jeep. And all Japanese companies, acting on instructions from the Japanese government, ordered their personnel out of China.

Foreign news sources estimate that thousands of civilians have been killed since the People's Army moved on Tiananmen Square on Sunday, June 4. Hard-liners in the government had gained the upper hand and declared martial law in the capital city of Beijing.

Much of the business in China is built on personal relationships, and even an established venture like Shanghai-VW could be threatened by the protests and crackdown.

The VW operation's main ally in the Chinese bureaucracy is Shanghai Mayor Zhu Rongji, a staunch supporter of ousted Communist Party leader Zhao Ziyang, a liberal who backed reforms. It remains to be seen whether that connection will hurt VW's position.

Some Western automakers with operations away from Beijing have kept their workers on the job. Volkswagen AG evacuated some employee dependents. Peugeot SA has not called on its 30 employees at Guan Gzhou Peugeot Automobile Co. to leave the country.

A Peugeot spokesman said the plant in Huang-pu, which produced about 6,000 trucks and 505 station wagons last year, is 1,200 miles from Beijing and the situation is not as critical as in the capital. He said the

see CHINA, page 66

Chinese students and other residents demonstrate in Beijing prior to June 4 violence

GAMMA-LIASON/CHIP HIRES

'90 sales forecasts

10 predictions vary by 2.4 million units

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Transplants move up on sales charts, Page 6

A mid-year survey of auto analysts and Big 3 forecasters reveals wide uncertainty over whether this year's sales decline will fade quietly or cascade into a larger fall through 1990.

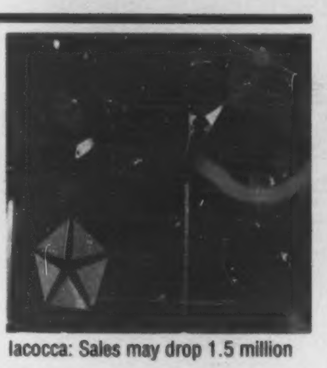
The question has become more complex because the current slump — though anticipated — has come in the face of unexpectedly strong sales incentives. In the process, the U.S. industry appears headed to fall below 15 million car and truck sales for the first time since 1984.

For 1990, two of the Big 3 automakers are already reading starkly different messages from their crystal balls.

On June 1, Chrysler Corp. Chairman Lee Iacocca told Reuters news service that sales in 1990 could drop by 1 million or 1.5 million units. "The next 18 months are going to be fairly tough," Iacocca said.

General Motors, on the other hand, believes sales could inch upward from their projected 1989 finish in the 15 million range.

So far, Ford Motor Co. isn't venturing any guesses beyond 1989. It began the year with one of the industry's rosiest forecasts — 15.4 million. After interest rates rose more quickly than expected and sales lagged, Ford scaled back its prediction to 15 million.


Iacocca: Sales may drop 1.5 million

see FORECASTS, page 69

NHTSA denies delaying light-truck safety rules

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Nineteen powerful senators have accused NHTSA of endangering lives by foot-dragging on safety standards for light trucks and minivans used as passenger vehicles.

The commerce committee's criticism of NHTSA underlines a growing concern that projects are taking longer because the Bush administration has not named an administrator who can establish priorities.

All but one member of the Senate Committee on Commerce, Science and Transportation signed a terse letter asking Transportation Secretary Samuel Skinner to mandate passenger-car safety standards for vans, pickups and sport-utility vehicles, known as multipurpose vehicles or MPVs.

The committee oversees NHTSA.

The May 22 letter demanded that light trucks have side-impact protection, minimum roof-crush resistance, head restraints, minimum stability to protect from rollovers, high center-mounted rear brake lights, and passive restraints. (See story on NHTSA plans, page 65.)

Only Sen. Wendell Ford, D-Ky., declined to sign. Ford's office had no comment.

Former NHTSA Administrator

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for Peugeot, Sterling
Page 4

New image helps Nissan rise at home

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Nissan Motor Co. has revamped its once stodgy image and is putting pressure on Toyota Motor Corp. and Honda Motor Co., at least in the Japanese market.

Just two years ago, Nissan was known for boring products. Now, fad-conscious young Japanese want to be seen in a Nissan car, according to analyst Stephen Usher of Kleinwort Benson International.

In a market where fads are a powerful factor, that appeal could sustain further growth for Nissan, Usher said.

After a long, slow, continuous decline, Nissan is finally seeing an upswing in its share of the Japanese market. For the first time in eight years, Nissan is making gains — at the expense of Toyota and Honda.

Nissan has been conducting an aggressive sales campaign since January, right through what was supposed to be a slow period as consumers put off car purchases in anticipation of lower taxes that went into effect April 1.

In the first five months of this year, Nissan gained 1.2 percentage points in market share to 24.5 percent, while Toyota lost 1.2 percentage points to 41.6. In that five-month period, Honda was down half a point to 7.3 percent.

Honda's youthful image gives it a greater presence in the market than its sales figures would indicate.

Market share is usually an important concern for Japanese companies. And movement in share is painstakingly slow. Honda Director Takashi Matsuda said it can take three to five years to see a change of only one or two points.

But Matsuda minimized the importance of market share. He said Honda has set a target of 685,000 sales for this year, an increase of 11 percent. Hitting that target is Honda's goal, regardless of what Nissan does, according to Matsuda.

Koji Mitani, Toyota assistant general manager for domestic planning, acknowledged that Nissan may be on the up side of a cycle, and Toyota and Honda on the down side. But he said it is "only a cycle, not a trend." A cycle, according to Mitani, could last about a year.

Nissan's upswing in market share does not mean Toyota and Honda are hurting. But it does mean Nissan has been outperforming its rivals. In May, the overall market showed a gain of 21 percent. Toyota's sales were up 20.6 percent; Honda's sales climbed 21.8 percent; and Nissan's sales rose 24.9 percent.

Part of that increase can be attributed to a new generation of products introduced by Nissan in the past year, while Honda and Toyota have had fewer new-product launches.

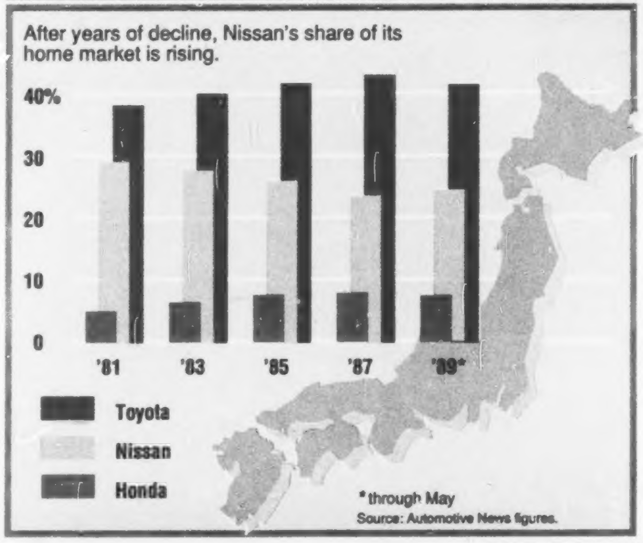
In April, the first month of the new tax program that was expected to lead to increased sales, Honda Prelude sales were off 16.6 percent to 4,081 units compared to 6,513 for Nissan's recently restyled Silvia (240SX).

One analyst said the raft of new models has generated a "halo" effect around the Nissan name. Usher said Nissan is now popular and Honda finds itself competing against the whole company's image and not just new models like the Silvia.

see JAPAN, page 69

Japan's domestic market

After years of decline, Nissan's share of its home market is rising.



*through May
Source: Automotive News figures.

AUTOMOTIVE NEWS / C. WINTER

Restyled Skyline is one of the models leading Nissan's surge in Japan

GM fights lessors on overseas sales

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — As its North American-built cars become more popular overseas, General Motors is cracking down on U.S. lease companies that use fleet discounts to sell cars below wholesale price to overseas dealers.

GM officials estimate that as many as 25,000 North American-built GM vehicles a year are sold overseas outside official channels — through brokers or the gray market.

Dale R. Hermiller, executive in charge of GM's international export sales, said overseas brokering activity is "out of hand" in some markets, and the group has asked GM's car divisions for help in locating lease companies and brokers involved.

Lease companies using their fleet discounts to sell to overseas dealers or their U.S. brokers are in danger of losing their fleet discount privileges with GM, according to Hermiller.

GM is also advising its U.S. dealers not to sell to brokers who export to countries where GM has franchised dealers. Dealers who continue to sell to exporting brokers may lose their GM franchises.

"We've reported 1,500 vehicles (through vehicle identification numbers) in the last year," said Hermiller, who added that GM car divisions were asked to help with the brokering effort about six months ago.

"I think the fact that we've checked up on that many cars lets the dealer network here (in the United States) know someone is watching," he said. "It's kind of like that fear of an audit."

GM sources said many of those

see GM LEASE, page 65

New GM vehicles to go overseas quickly

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Overseas customers will be able to purchase new North American-built General Motors vehicles in the next year not long after they are introduced in the United States.

GM is rolling out its new North American-built products in some overseas markets almost simultaneously with their introduction at home, according to Dale R. Hermiller, executive in charge of GM's international export sales.

● Chevrolet's super-high-performance Corvette ZR-1 is scheduled to debut in Europe in the first quarter of 1990, just months after its planned U.S. introduction in the fall of 1989.

● Trans Sport, Pontiac's plastic-bodied minivan, will appear in Europe in the first quarter of 1990 after it is introduced in the United States in the fall of 1989. Pontiac also will send its four-door Grand Prix to Europe this fall. GM has no current plans to offer the Oldsmobile or Chevrolet all-purpose vans overseas.

● Chevrolet's four-door Blazer will debut in late spring 1990 in Europe following its spring introduction at home, Hermiller said.

Both the Trans Sport and the Blazer could be launched in other markets, such as the Middle East and Taiwan, if GM finds a demand for them.

● The redesigned Chevrolet Caprice will debut early next spring in overseas markets, primarily the Middle East where full-sized American cars have traditionally sold well. The Middle East will also get the four-door Grand Prix in the first quarter of 1990.

GM also is expanding its overseas dealer network. It plans to add 30 to 40 outlets in the next year, mainly in Europe.

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Nissan will promote Infiniti as no-option car

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

VICTORIA, British Columbia — Nissan Motor Corp. in U.S.A. will market the Infiniti Q45 sedan and M30 coupe as no-option, fully-equipped cars when they go on sale Nov. 8.

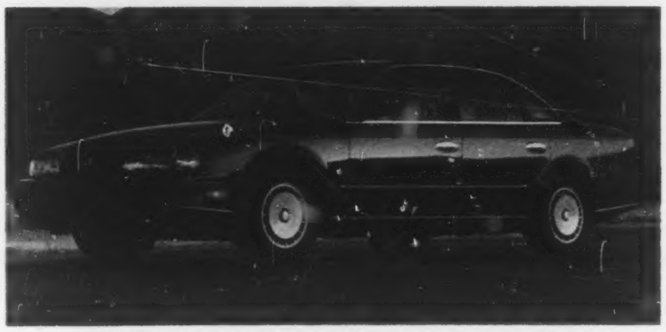
Besides dealer-installed options of compact disc players and cellular telephones, the only option on either car will be a Q45 touring package with Nissan's Super HICAS four-wheel-steering system, tighter suspension and different alloy wheels and tires.

Pricing won't be announced until September, but the Q45 base will be very close to $40,000 — or just under that figure if the current yen-dollar exchange rate holds — and the M30 will be "in the mid-$20,000s."

That puts the flagship slightly above Toyota's base price of $35,000 for its Lexus LS400 flagship sedan and almost even with Jaguar's XJ-6 (its closest competitor from a styling standpoint), which now is offering a $5,000 rebate on a $44,000 price tag.

The Infiniti two-door M30 differs from the four-door Lexus ES250, and it will be slightly more expensive than the $21,050 Toyota.

But Lexus' 10 extra-cost options on the LS400 and four on the ES250 add significantly to their prices. The ES250 stops at $23,650, still the M30's likely price, but the top-line LS400 can be optioned up as high as $43,300. Lexus is already so conscious of this that for several months it will not ship to any dealer an LS400 with options that push the sticker past $40,000.



A base price of roughly $40,000 is expected for Infiniti's flagship, the Q45

In a test ride here, the Q45's riding qualities reflected the attention Nissan engineers paid to European luxury cars such as BMW 735i, Mercedes 300E and 420SEL and Jaguar XJ-6. The long wheelbase and rigid structure of the design produce a stable, comfortable ride, with no discernable driver fatigue during a four-hour drive. Steering is precise, accurate and surprisingly crisp for a 3,860-pound car.

The 4.5-liter, 32-valve V-8 engine is quiet and vibration-free. Peter Harris, Infiniti's corporate product development manager, said the engine, based on normal manufacturing averages, will produce 278 horsepower and 292 pounds-feet of torque. The four-speed automatic transmission will let the engine wind out to 6,500 rpm before shifting under full throttle.

The M30, which is based on the Japanese-market Leopard coupe, retains much of that car's Japanese styling and proportions. Front and rear legroom and headroom are limited. Headroom problems are compounded by a standard power sunroof.

Mounted on this five-year-old chassis are several newer technological features including a suspension that automatically adjusts to changing road conditions. The key ingredient is Nissan's ultrasonic sonar system that "reads" the road surface ahead. Combined with sensors that measure steering, throttle and suspension travel, it automatically adjusts the shock absorbers to one of three settings for varying conditions. On the test drive, the system worked smoothly and almost imperceptibly.

Power is from a 3-liter V-6 that produces 162 hp and 180 pounds-feet of torque.

Transplants climb on U.S. sales charts

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

May sales of cars and light trucks in the United States slipped 1.15 percent below last year's strong performance despite heavily reinforced incentives and one extra selling day.

The sole bright light was a 1.21 percent increase in sales of cars built in the United States. And that was due chiefly to big improvements in sales of cars built by the non-traditional U.S. plants — the Japanese transplants and joint ventures — although General Motors sold a handful more domestic cars than in May 1988.

In contrast, import-car sales fell 3.54 percent, and light-truck deliveries were off 0.06 percent for domestics and 20.45 percent for imports.

Transplants of Honda, Toyota and Mazda led the increase in car sales for May. Mitsubishi set an any-month sales record, thanks to Eclipses from its Diamond-Star Motors joint venture with Chrysler Corp. Mitsubishi's combined transplant and import-car sales were up 76.43 percent over May 1988.

Nissan's transplant car sales lagged, but its combined import and domestic car sales were up.

Transplants and joint ventures have been steadily increasing their sales in the United States, and in May they accounted for 9.95 percent of the cars sold in this country. That was up from 7.42 percent last year.

Nearly three times as many of the cars built by those plants are sold through import-car networks as through domestic outlets. In May, for example, Japanese-branded cars built in the United States accounted for 70,942 sales, while 25,577 cars built at joint-venture plants were sold as Fords, Eagles and Chevrolets.

In an industry in which one percentage point of market share is worth billions of dollars in sales, the 2½-point gain by the transplants is noteworthy. It came at the expense of the Big 3's traditional plants, whose share was down about 1½ points, as well as imports, which were down more than one point from May 1988.

Transplants will continue to gain market share, according to most industry analysts, because their car and light-truck production capacity will grow. The Philadelphia-based research firm Autofacts Inc. projects transplants' current capacity of 1.5 million units (without overtime) will grow to 2.4 million units annually by 1992.

Analysts say there is a chance for the Big 3 to recover some unit sales, but it is going to be tougher for them to sustain market share because of what the analysts call further "dilution in the market." The transplants are extending a dilution process that began years ago when the imports became a major factor in the U.S. market.

"It's three companies against 33," explained Joseph Phillippi, a Shearson, Lehman Hutton analyst,

see SALES, page 68

IMPORTED CAR SALES

	May 1989	May 1988	5 Mos., 1989	5 Mos., 1988
Acura	13,483	10,818	56,982	49,913
Alfa Romeo	223	338	1,465	2,223
Audi	1,722	1,964	7,413	9,311
BMW	5,632	5,742	29,008	28,633
Chevrolet	11,271	11,096	47,280	51,069
Chrysler	833	1,154	3,392	4,356
Daihatsu	1,227	921	5,622	4,261
Dodge	3,430	4,979	17,254	23,893
Ford	5,660	5,659	31,440	29,182
Eagle	2,256	696	12,552	7,890
Honda	26,134	19,831	100,690	99,373
Hyundai	16,254	24,629	82,753	120,452
Isuzu	1,975	2,379	8,044	8,807
Jaquar	1,650	1,809	7,477	7,989
Maserati	28	83	139	430
Mazda	19,655	20,263	87,788	95,919
Mercedes-Benz	6,104	8,269	29,186	35,912
Mercury	690	1,365	3,971	4,579
Mitsubishi	8,715	6,415	29,424	28,742
Nissan	38,585	29,753	171,258	153,112
Peugeot	582	755	2,566	2,714
Plymouth	3,360	4,676	16,080	21,588
Pontiac	5,218	6,237	20,759	26,950
Porsche	1,003	1,303	3,600	7,252
Saab	3,196	3,107	13,807	15,705
Sterling	653	632	2,788	4,232
Subaru	10,181	12.691	60,489	60,724
Suzuki	460	0	2,460	0
Toyota	44,084	57,917	189,423	228,572
Volkswagen	15,279	12,906	57,355	61,249
Volvo	9,258	8,369	43,348	40,468
Yugo	936	2,510	4,267	14,531
TOTAL	259,737	269,266	1,150,080	1,250,031

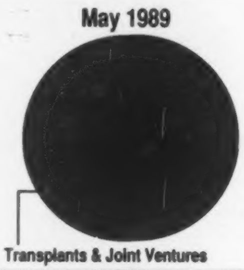
*—Volkswagen totals include U.S.-built models sold after June 30,1988.

U.S. car sales

Figures show percent share of U.S. market by source.

Built by:	1988	1989
Big 3	64.85	63.28
Transplants & Joint Ventures	7.42	9.95
Foreign	27.72	26.77

Source: Automotive News figures.



Associates buyer still being sought by Paramount

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Paramount Communications is moving closer to the sale of its giant Dallas-based finance company, Associates Corp. of North America.

Associates is the parent company of Chicago-based Associates Commercial Corp., the largest independent financing company in the heavy-truck field.

Since April, Paramount, formerly known as Gulf + Western, has been soliciting bids for Associates through New York investment banking firm Lazard Freres, and appears close to accepting one of those bids.

The company said proceeds from the sale of Associates would be used to expand Paramount's communications operations globally, both internally through product development and externally through acquisitions and investments.

Paramount would not disclose exactly how close it was to a decision on the sale. "It's progressing," a spokesman said.

Last week Paramount made a $10.7 billion tender offer bid for Time Inc. The sale of Associates could help fund that unfriendly takeover attempt.

Meanwhile, the proposed merger of Time Inc. and Warner Communications, announced in March, is still pending.

Associates, valued at between $2.5 billion and $5 billion, is the third-largest independent finance company in the United States behind General Electric Capital Corp., Fairfield, Conn., and Household Finance Corp., Chicago.

Auto finance giants General Motors Acceptance Corp. and Ford Motor Credit Co. are among the companies that financial analysts believe could be potential suitors.

Though GMAC and Ford Credit last week declined to comment on their interest in Associates, some financial analysts rank the two auto finance companies high on the list of potential buyers.

Frank Prezelski, financial analyst with Deutsche Bank Capital Corp., New York, said "with GMAC and Ford you're clearly looking at companies that are used to financing trucks."

If GMAC were to acquire Associates it would produce less of a conflict of interest than for Ford, he added, because Ford still produces and sells Class 8 heavy trucks. GM has dropped out of heavy-truck production, though it has a venture with Volvo, called Volvo GM Heavy Truck.

Associates provides supplementary financing through manufacturer agreements with all heavy-truck manufacturers and their dealers, excluding Mack Trucks, Allentown, Pa.

It also provides financing for medium-duty manufacturers like Nissan Diesel America and Mercedes-Benz Truck, plus retail financing for fleet and independent truck operators.

In addition to the two captive auto finance companies, other likely suitors are GE Capital, Sears, Roebuck and American Express, according to sources in the financial community.

Associates is currently in the process of transferring Associate Commercial's headquarters from Chicago to Dallas, including the transfer of 110 managers.

Associates had assets and receivables in excess of $13 billion for its fiscal 1988 year ended Oct. 31. Last week, the company reported record earnings of $152 million for the six months ended April 30, 1989, up 17 percent over the same period last year.

Reece A. Overcash Jr., Associates chairman and chief executive officer, said both consumer and commercial lending operations had gains over last year.

The company reported revenue of $1.1 billion for the six months, up 19 percent from $960 million last year. It reported gross finance receivables of $14.0 billion, up about 16 percent from the year-earlier period.

Commercial finance gross receivables, the bulk of which are in heavy-truck and trailer financing, totaled $6.1 billion on April 30, up 11 percent from $5.5 billion a year earlier. Commercial finance volume for the period was $3.1 billion, up 11 percent over last year.

In the past two years Associates has acquired the finance companies of the heavy-truck industry's two largest trailer manufacturers. In 1987 it purchased Fruehauf Finance Co. from Fruehauf Corp., Detroit. In 1988 it acquired Great Dane Finance from Great Dane, Savannah, Ga.

GE Capital expands in auto field, buys Transamerica finance firm

GE Capital Corp.'s acquisition last week of Transamerica Automotive Finance Corp., based in Chicago, for an undisclosed amount means the company is continuing to stalk the automotive industry for likely candidates to strengthen its automobile dealer services business.

Transamerica, which has assets of $300 million, provides floorplanning and other financial services to about 300 auto dealers throughout the nation. The operation will be consolidated into GE Capital Auto Financial Services.

GE Capital's goal is to become the largest non-captive lender to auto dealers in the United States, according to company officials. The company, based in Stamford, Conn., provides auto dealerships with floorplanning, real estate and capital loans, leasing services, auto auction services and dealership acquisition financing.

The finance giant provides floorplanning to about 85 auto dealers, according to information it filed with the Securities and Exchange Commission last year. The company also makes loans to automobile leasing companies secured by their inventories.

Its real-estate financing includes dealership acquisitions.

Transamerica Automotive Finance Corp. is a subsidiary of Transamerica Corp. It was the former owner of Budget Rent a Car Corp., which it sold to a private investment group in 1986.

— Charles M. Thomas

156 counts in odometer fraud case

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Bill Nuckolls, auto wholesaler and part-owner of the Orange County Auto Auction in Orlando, Fla., said he cooperated with a state task force for more than a year in its probe of odometer tampering in Florida.

Nuckolls says he gave the attorney general's Odometer Fraud Task Force every scrap of information it asked for about the auction and his other business, Bill Nuckolls Cars.

Then on May 16, the requests stopped. Florida Department of Law Enforcement agents and Florida Highway Patrol troopers raided Nuckolls' Orlando used-car office and arrested him on charges of selling more than 100 cars with rolled-back odometers.

Last week, Nuckolls was arraigned in Orange County Circuit Court and pleaded innocent to 156 felony counts associated with odometer fraud.

The state says the cars were sold to 12 new- and used-car dealerships in Florida and Georgia, and the dealers may have to reimburse their customers.

Nuckolls is part-owner of the auction with Southeast Toyota Distributors, distributor for Toyota Motor Sales U.S.A for Florida, Georgia, Alabama, North Carolina and South Carolina.

Southeast Toyota owns 50 percent of the auction and plans to build at least two more — in Fort Lauderdale, Fla., and Atlanta — with Nuckolls.

Nuckolls said his relationship with Southeast Toyota is unchanged.

He faces life imprisonment if convicted of the charges, which include 103 counts of grand theft, seven counts of forgery, seven counts of title fraud, 36 counts of odometer fraud and one count each of racketeering, conspiracy to racketeer and organizing a scheme to defraud. He was released on $25,000 bond.

Troopers also arrested six associates and employees of Nuckolls on charges related to odometer fraud.

Bob Leventhal, Nuckolls' attorney, said Nuckolls is a victim of the task force on odometer fraud. Leventhal said the task force was funded 15 months ago by the federal government and was running out of money without any indictments.

"The arrests were made for the 6 o'clock news," he said.

According to Leventhal, the state had promised that Nuckolls would be given a chance to answer any charges before arrests were made in exchange for his cooperation.

"We didn't even get a phone call they were coming," he said.

Simultaneous to the criminal charges, the attorney general filed a civil racketeering complaint in Orange County Circuit Court seeking to seize title to four parcels of property owned by Nuckolls. Those include Bill Nuckolls Cars, Dan-Lyn Motors and the now-dissolved Crystal Auto Sales. The property has been appraised at more than $1.2 million.

In 1981, Nuckolls pleaded guilty to three counts of odometer tampering. It was only a misdemeanor at that time.

TRUCK INDUSTRY

May sales pep up, but trail 1988

The tempo of light-truck sales picked in May, but the total still fell short of last year's record.

Heavy incentive activity brought May sales of 442,365 in the United States, 3.36 percent below last year's peak of 457,727 for the month.

May represented a strengthening of the sales pace which, for five months of the calendar year, was down 4.17 percent from 1988's level: 1,991,497 compared to 2,078,060.

Ford, Chevrolet and Jeep rebounded sharply in May, each topping its year-earlier performance. Chrysler, GMC and the imports fell below last year's sales.

Isuzu and Range Rover continued to buck the import trend with sharp year-to-year increases.

Penetration of the light-truck market by foreign-based manufacturers dropped to 11.48 percent in May from 13.93 percent a year earlier.

The importers captured 13.18 percent of the market in the first five months of this year, down from 14.34 percent during the same period a year ago.

Full-sized pickups rebounded sharply in May and continued to be the major driving force in the truck market. They accounted for 30.02 percent of total industry sales in May, up from 26.58 percent in 1988.

Ford, Chevrolet, GMC and Dodge retailed 132,833 full-sized pickups in May, 9.16 percent more than last year's 121,685.

Ford and General Motors are the big guns in that segment. Each sold more than 50,000 full-sized pickups in May.

Dodge, however, continued to languish in that all-important market class with sales of 7,850 units, down from 8,345 a year earlier.

LIGHT-DUTY TRUCK SALES

	May 1989	May 1988	5 Mos., 1989	5 Mos., 1988
Vans	16,432	17,307	73,225	81,507
Aerostar	18,941	17,047	83,471	80,172
Club Wagon	2,840	2,913	11,439	12,354
Ranger	24,799	26,121	115,780	126,127
Bronco	4,930	4,619	25,840	23,025
Bronco II	9,358	10,781	45,127	50,180
Pickups	57,854	55,180	254,065	258,107
Ford	**135,154**	**133,968**	**608,947**	**631,472**
Vans	12,392	12,891	46,574	57,969
Sportsvan	1,324	1,495	4,688	6,779
Geo Tracker	777	0	3,701	0
Astro	13,774	16,182	56,844	71,002
S-10	20,941	20,320	96,474	99,647
S-10 Blazer	14,879	17,666	71,475	67,596
El Camino	0	15	0	405
Blazer	2,018	2,707	9,604	12,642
Suburban	6,208	6,562	26,356	27,403
Pickups	50,982	44,888	228,810	215,868
Chevrolet	**123,295**	**122,726**	**544,528**	**550,311**
Vans	8,841	[illegible]	32,526	26,373
Ram Wagon	2,886	2,481	11,431	11,636
Voyager	18,379	21,710	80,125	83,383
Caravan	20,514	22,295	88,099	90,338
Mini Ram Van	1,193	2,176	6,395	8,20[illegible]
Ram 50	2,720	5,577	13,134	27,038
Raider	994	483	2,811	2,944
Ramcharger	1,755	1,373	9,613	8,806
Dakota	7,997	8,512	40,618	41,648
Pickups	7,850	8,345	38,910	38,508
Chrysler	**73,129**	**78,310**	**323,662**	**338,875**
Vans	4,711	5,889	17,432	21,156
Safari	3,221	4,096	13,579	14,708
S-15	5,161	4,736	21,977	21,200
S-15 Jimmy	3,866	4,802	17,840	16,381
Jimmy	563	854	2,800	3,498
Caballero	0	1	0	56
Suburban	2,201	2,692	9,558	9,799
Pickups	16,147	13,272	65,357	59,926
P Model	330	315	1,694	1,781
W-4	182	109	615	584
GMC	**36,382**	**36,766**	**150,852**	**149,089**
Wrangler/CJ	5,625	4,469	21,438	16,860
Wagoneer	533	695	2,821	3,789
Cherokee	13,954	12,044	60,483	57,764
Grand Wagoneer	924	1,061	4,466	5,333
Comanche	2,593	3,846	11,780	17,298
J-10/J-20	0	101	0	221
Jeep	**23,629**	**22,216**	**100,967**	**101,265**
Toyota	20,408	23,714	91,995	100,848
Nissan	9,009	14,309	66,168	69,896
Mazda	6,946	8,936	35,757	44,449
Isuzu	8,018	6,781	37,647	31,642
Mitsubishi	3,653	3,705	17,437	20,815
Suzuki	2,351	6,074	11,519	29,022
Subaru	0	0	0	9
Range Rover	391	222	1,990	1,367
Imports	**50,776**	**63,742**	**282,513**	**298,048**
Industry Total	**442,365**	**457,727**	**1,991,497**	**2,078,060**

Compiled by Karen Dotkowski

Big-truck worlds vary

U.S. market looks strong; Europe is iffy

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Despite a potential sales downturn later this year or early next year, the long-term outlook for the U.S. heavy-truck industry in the early 1990s is strong.

But the European Common Market integration in 1992 is likely to cause a major shakeout and a sharp decline in sales similar to that following deregulation of the trucking industry in the United States in the early 1980s.

Those are some of the highlights of a major new study of the heavy-truck market by the Deutsche Bank Group of New York. The study is entitled "The Global Market for Trucks and Truck Components."

The study calculated that, on the basis of a U.S. fleet of 1.2 million Class 8 vehicles, with a vehicle life of about 10 years, replacement demand is 120,000 units a year. The need for growth is calculated at 2 to 3 percent a year, adding 24,000 to 36,000 units annually.

That suggests the true base level of U.S. demand for heavy-duty trucks is about 150,000 units annually, comparable to the 148,361 Class 8s sold in 1988.

Additionally, deregulation and a reduction in the overall total aged the fleet so that an estimated 300,000 vehicles now are more than 10 years old and should be retired, the study said.

Deregulation aged the fleet by reducing operators' profit margins and forcing them to keep trucks in service longer than normal.

If there are tougher new federal requirements for performance and safety, many of those will "likely be ruled off the road by government fiat," further bolstering demand, the study added.

The study noted that the uniqueness of each geographical truck market is such that there is no significant foreign competition in sight for the U.S. heavy-truck market and only minimal competition for the medium-duty market.

It pointed out that the shakeout in North American truck manufacturers is just about completed. Barring poor management, it is unlikely that any company in the United States will approach bankruptcy.

But for the near term, the study sees the possibility of a downturn. Separately, a recent slowdown in new-vehicle orders for production during the next few months has begun to confirm that.

Meanwhile, Deutsche Bank's study also noted that European truck demand is currently strong, with most manufacturers operating at or near capacity.

Compared to the United States, manufacturers have been better able to raise prices, enabling them to boost profits significantly.

European heavy-truck demand is being affected by:

- Changes in the truck operating environment, leading to greater growth in two segments of the long-haul market. The trend is toward larger vehicles with more powerful engines — the exact opposite of U.S. trends. It is also toward smaller medium-sized vehicles for local hauling in contrast to the United States where the trend is toward either very small vehicles or larger medium-sized vehicles.
- Changes in sizes of fleets. European distributors are very small by U.S. standards. After 1992, there could be a major move to large pan-European fleets. That would affect the European manufacturers' pricing position, which is current much stronger than that of their U.S. counterparts.
- As noted, 1992 should see an end to highly regulated markets, bringing an upheaval similar to that experienced in the United States. Currently, it is virtually impossible for haulers to compete outside their home markets.

Iveco North America stands pat, won't import new European line

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Iveco Trucks of North America officials said they have no plans to bring to the United States the Daily/TurboDaily models, designed for European driving conditions and requirements.

Larry Snover, senior director of marketing services for the firm, which is based in Blue Bell, Pa., said that if fuel prices were to rise sharply in the United States, there would be heightened interest — possibly strengthening Iveco's North American diesel lineup.

But officials feel that, for the foreseeable future, the EuroTurbo 12-11 and 12-12 four-cylinder diesel-engine aftercooled models adequately fill their North American market requirements.

Separately, James C. Underwood, senior vice president of sales, said that, despite introducing new four-cylinder models in 1989, "We are going to maintain our six-cylinder engine, which is a premium product we've always had in this country."

He characterized the new four-cylinder as "just another niche that we can address in Class 3."

Underwood said that Iveco Trucks of North America also wants to "concentrate on continuing to build a strong dealer base and allow our dealers to make money with their franchise."

Although it has limited information, the company said dealers had one of their best profit years in 1988.

Iveco has about 200 sales and service dealers nationally. It doesn't anticipate increasing that number in the coming year.

The company is also going after the rail chassis market a little more aggressively. With its 10,000-pound GVW chassis, it is looking at the walk-in van market, characterized by bread and bakery trucks, as another opportunity.

It is also beefing up support for its stripped rail chassis. It has an agreement with Utilimaster Motor Corp. of Wakarusa, Ind., to build on its rail chassis. Grumman Olson of Sturgis, Mich., is also producing some units for fleet orders, and an agreement with another Western U.S. body builder is being established.

TRUCK BRIEFS

New Eaton brake

GALESBURG, Mich. — Eaton Corp.'s axle and brake division expanded its line of Extended Service brakes with the addition of an ES-165 heavy-duty brake.

Eaton's ES line is designed to provide extended service life in over-the-road and on/off-highway applications.

It is available with a fabricated shoe design for 23,000- to 26,000-pound gross axle weight rating applications and in a severe-duty design with a cast shoe for both on- and off-highway applications of 26,000 to 30,000 pounds gross axle weight rating.

Retarder market up

INDIANAPOLIS — The growing truck and bus retarder market in the United States generated $135 million sales in 1988, according to a study by Global Trade Consulting of Indianapolis.

Retarders are widely used in trucks and buses to save wear and tear on brake systems, provide smoother stops and additional safety by preventing overheated brakes.

Global Trade estimated that 75 percent of all trucks and more than 50 percent of all buses have a retarder of some type.

The company researched four types of retarders. All can be installed in either trucks or buses, but each type is popular in a specific application.

The most popular is the engine retarder, used primarily on Class 8 trucks and also on highway buses. Other types include electromagnetic retarders and hydraulic retarders, popular on metropolitan buses, and the exhaust brake retarder. It is typically used on Class 8 trucks but with less frequency than the engine retarder.

Idealease grows

CHICAGO — Idealease, like many other truck rental and leasing companies, has been profiting from the strong Class 8 market and the steady trend toward more rental and leasing activity.

Bill Kennedy, president, said he expects members to show a net increase of 1,000 new trucks and tractors in their fleets this year.

Idealease was formerly owned by Navistar International and was designed to help Navistar dealers who lease and rent trucks. It recently became autonomous.

Kennedy, a former vice president of sales for Navistar, joined Idealease last June.

Idealease now has 210 members with 340 outlets. Some 99 percent are Navistar dealers, though it has begun taking on non-Navistar dealers for the first time "in those areas where we don't have representation," Kennedy said.

Idealease members have 11,000 trucks and tractors in service. Kennedy said members will put 3,000 new units into service this year. He expects Idealease members to have 12,000 units in operation by the end of the year.

Rockwell axles

TROY, Mich. — Rockwell International Corp.'s automotive operations added more axle models to its Carrier Exchange Program to increase selling flexibility for North American truck dealers.

The program allows truck dealers to change Rockwell axle carriers in their new-truck inventories to match virtually any truck operator's axle-ratio specifications.

The program now covers 14 axles.

The new RS-160- and 180-series single-drive axles and RT-145- and 160-series tandem axles are the newest models in the program.

Guzzlers face high tax in Ontario

By Alex Law
STAFF CORRESPONDENT

TORONTO — Canada's largest province, Ontario, is imposing a gas-guzzler tax that will add $3,500 ($2,900 U.S.) to the price of some new cars.

The tax, which takes effect July 1, is the most severe of a series of tax changes enacted by the province that make buying and operating a car more expensive.

The gas-guzzler tax is based on fuel economy, specifically, the number of liters of fuel it takes to travel 100 kilometers (62.5 miles), according to government estimates. Minivans, pickups and other trucks are not affected by the tax.

If a car requires 9.5 to 12 liters of gasoline to travel 100 kilometers on the highway (25.0 to 19.7 mpg), a $600 ($497 U.S.) tax is levied. If the car requires 12.1 to 15 liters (19.6 to 15.7 mpg), the tax is $996 ($825 U.S.).

Cars consuming 15.1 to 18 liters (15.6 to 13.1 mpg) to travel that distance are taxed $2,200 ($1,822 U.S.), and those using more than 18 liters (13 mpg or less) pay $3,500 ($2,900 U.S.). There is no tax for cars consuming less than 9.5 liters per 100 kilometers.

Ontario accounts for about 45 percent of the cars sold in Canada. Canadian car sales totaled 1,049,898 units last year.

Importers of European cars are among the hardest hit by the tax.

John Arnone, a Jaguar Canada spokesman, said, "We're very disappointed. It came as a great shock to us. Now we have to ask our customers to pay an additional premium. We must respond to this. An impact study is currently under way. It's difficult to say what the result will be."

In addition, effective in May, all new tires purchased in Ontario are subject to a flat $5 tax. Nick Hall, General Motors' manager of media relations, said the tire tax will cost the automaker $6.7 million ($5.5 million U.S.) annually.

Approximately 80 percent of Canada's auto industry is located in Ontario.

The province raised the motor fuel tax one cent a liter last January and plans to boost it another one cent a liter Jan. 1, 1990.

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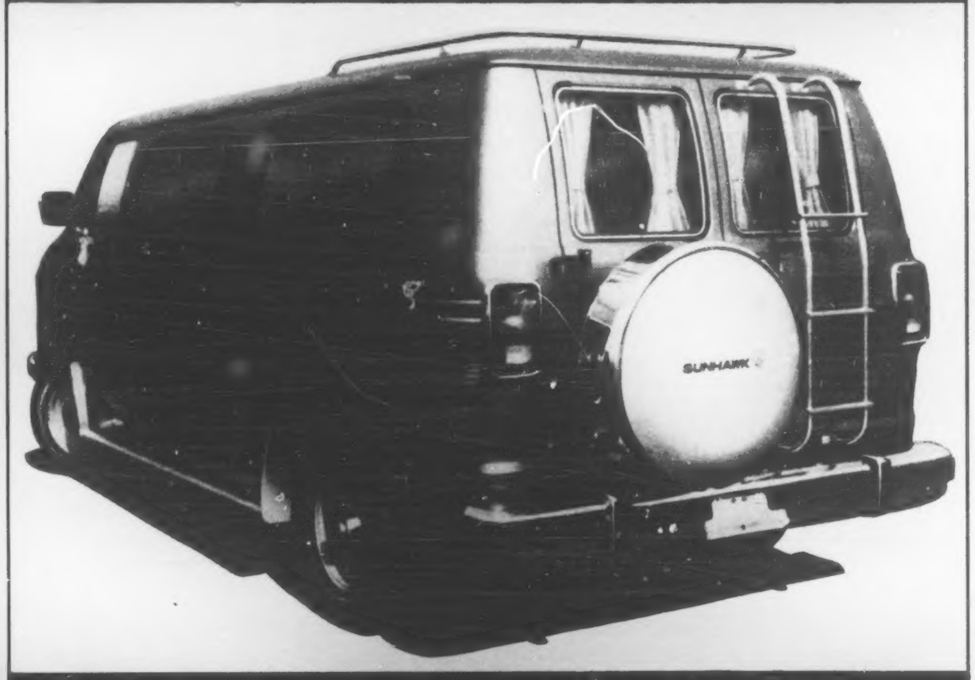

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CANADIAN CAR AND TRUCK SALES

Domestic cars	April 1989	April 1988	4 mos., 1989	4 mos., 1988
General Motors	43,367	37,948	111,576	118,167
Ford	22,216	19,930	60,484	65,584
Chrysler	16,356	15,657	42,214	50,256
Honda	2,525	1,117	9,825	2,941
Volvo	376	188	1,253	628
Domestic car total	**84,840**	**74,840**	**225,352**	**237,576**
Import cars				
Toyota	8,648	6,432	24,841	21,169
Honda	5,197	6,769	15,167	19,833
General Motors	3,630	2,195	9,649	7,192
Chrysler	3,181	1,197	7,832	4,168
Nissan	2,516	2,479	8,616	9,400
Volkswagen	2,513	3,691	8,456	12,464
Mazda	2,411	3,330	8,449	10,380
Hyundai	2,245	3,309	8,630	10,539
Ford	1,516	606	3,125	2,017
Suzuki	471	822	2,228	2,588
Subaru	431	716	1,665	2,075
BMW	420	541	1,515	1,656
Mercedes-Benz	400	370	1,264	1,296
Volvo	261	272	917	1,224
Jaguar	171	201	568	806
Saab	132	125	493	474
Lada	43	122	204	370
Skoda	17	33	86	179
Peugeot	22	57	55	78
Import car total	**34,255**	**33,267**	**103,760**	**107,908**
TOTAL — ALL CARS	**119,095**	**108,107**	**329,112**	**345,484**
Domestic trucks (including vans)				
GM	18,988	17,022	53,677	56,976
Ford	15,548	15,456	48,000	48,841
Chrysler	11,426	11,365	34,244	37,249
Domestic truck total	**45,962**	**43,843**	**135,921**	**143,066**
Import trucks (including vans)				
Toyota	1,620	1,667	5,125	5,211
Mazda	1,616	1,217	5,674	3,554
Nissan	1,119	1,419	4,113	4,621
GM	920	67	2,901	311
Suzuki	453	537	2,276	1,970
Chrysler	328	371	980	1,241
Volkswagen	55	93	180	283
Lada	16	18	66	45
Import truck total	**6,127**	**5,409**	**21,315**	**17,236**
TOTAL — ALL TRUCKS	**52,089**	**49,252**	**157,236**	**160,302**
TOTAL — CARS, TRUCKS	**171,184**	**157,359**	**486,348**	**505,786**

Sales dip ends in Canada; deliveries rise 8% in April

By Bill Vance
SPECIAL CORRESPONDENT

TORONTO — After three months of decline, Canada's new-car and truck sales rebounded in April.

Combined domestic and imported vehicle sales were up 8.79 percent over April 1988, though sales for the January-April period remained 3.84 percent below the year-earlier total.

Ford of Canada posted an April truck record with sales of 15,548 domestic units including vans and minivans. General Motors of Canada had its best truck month ever, selling 19,908 domestic and imported trucks.

While most truck importers registered a sales decline, Mazda and GM were up sufficiently to boost total import truck sales 13.27 percent over April 1988.

Car sales also were a bright spot in April, as domestically built cars climbed 13.36 percent, a 10,000-unit rise. Combined domestic and imported car sales improved 10.16 percent over the year-earlier month, but car sales were off 4.74 percent for the January-April period.

General Motors led with a 14.28 percent sales increase. Chevrolet Cavalier/Pontiac Sunbird sales were up 62 percent, and Cadillac Fleetwood/DeVille models rose 76 percent.

GM credited its low-interest-rate finance program for picking up what it believes is a basically sound market.

"Our 9.9 percent financing program is proving to be very successful as buyers are finding excellent values at GM dealerships," said Bill Atkinson, vice president of sales, service and marketing.

"This certainly is evidence that the underlying demand remains fundamentally healthy when interest rates are at an affordable level," Atkinson said.

Udo Kaul, Ford of Canada's vice president of general sales, echoed that sentiment.

"Since the beginning of the year, all indicators have told us there remains inherently strong demand for new vehicles — if consumer apprehension about interest rates were addressed," Kaul said. "Now that we have low-cost finance rates in place, we have erased the consumer's only objection to buying now in the springtime, our busiest selling season."

Ford's interest rates were as low as 8.9 percent on some vehicles, and the automaker offered a $300 rebate on its best-selling Tempo/Topaz models.

"Extra-value" packages, with savings as high as $2,743 on Escort and Aerostar models, helped boost sales, Kaul said. Escort sales were up 67 percent over April 1988, while Ford's total domestic-car sales were up 11.47 percent.

Chrysler's domestic-car sales were up 4.46 percent over April 1988.

Imported cars managed to gain, although not as much as domestics. Import sales were up 988 units compared with April 1988 for a 2.97 percent rise, led by the captive imports of the Big 3.

Chrysler's import sales were up 165.75 percent, while Ford was ahead 150.17 percent. GM was up 65.38 percent, and Toyota, 34.45 percent.

Nissan Maxima tops Power's new car quality survey

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

A new J.D. Power survey ranks the Nissan Maxima the least troublesome new car on the U.S. market, replacing last year's least troublesome model, the Toyota Cressida.

The 10 top cars on the list, ranked by number of complaints per 100 new owners during the first 90 days, included two Buicks, two Toyotas, two Mercedes-Benz models, two Subarus and one Ford.

The initial quality survey covered 24,300 new car buyers contacted by J.D. Power and Associates.

The marketing firm noted a 12 percent improvement in quality among 1989 models for the industry in general, based on the data. Industry-wide, 153 problems were reported per 100 new owners of all makes, down from 174 last year.

Japanese import models continue to fare the best on the survey. Japanese carmakers average 114 problems per 100 new buyers this year, down from 144 last year, a 21 percent improvement.

Although European imports continue to do the worst, those models showed the greatest improvement this year. Last year, European cars logged 258 problems per new owner. This year, the number is down to 204, the report said.

Domestic carmakers recorded 163 problems per 100 new buyers, down from 177 last year.

The survey results are slightly different when measured by nameplate. Despite the high incidence of problems with European manufacturers collectively, Mercedes-Benz and Porsche individually scored as the two most trouble-free nameplates on the market.

The marketing firm does not release the names of models that fare poorest in the survey. Bill Fleming, the author of the study, did say some of the most troublesome models from 1988 had shown dramatic improvements.

The survey asked about 12 major areas of potential problems.

Electrical and accessory problems were cited most frequently by owners. Problems with exterior paint and molding ranked second, followed by "squeaks and rattles" and engine problems.

J.D. Power and Associates, based in Agoura Hills, Calif., conducts the survey of initial quality level annually and publishes the results in its monthly marketing publication, The Power Report.

Top 10 1989 models

1. Nissan Maxima (83)
2. Buick LeSabre (89)
3. Toyota Corolla (91)
   Ford Crown Victoria (91)
5. Mercedes-Benz S-class (93)
6. Mercury Tracer (94)
7. Toyota Cressida (96)
8. Subaru sedan (98)
   Subaru three-door coupe (98)
10. Buick Riviera (100)
   Mercedes-Benz 190E/D (100)

(Complaints per 100 new owners in parentheses)

Top 10 1988 models

1. Toyota Cressida
2. Chevrolet Nova
3. Mazda 929
4. Honda Prelude 4WS and
   Mercedes-Benz 190E/D
6. Nissan Maxima
   Mercedes-Benz 560SL
   Toyota Corolla
9. Porsche 944
10. Porsche 911

Top 10 1989 makes

1. Mercedes-Benz
2. Porsche
3. Nissan
4. Honda
5. Toyota
6. Acura
7. Buick
8. Mazda
9. Mercury
10. Daihatsu

Source: J.D. Power and Associates

Mirror inventor tries aftermart

The inventor of a bifocal mirror that eliminates the driver's left-side blind spot is taking the aftermarket route to introduce it.

Ray Kesler, 51, of North Hollywood, Calif., has spent some 20 years developing mirrors. Last year, he received assurance from NHTSA that his most recent version complied with federal motor vehicle safety standards.

Vehicle makers have failed to buy the item, although several continue to express interest. So, Kesler said, he turned to the aftermarket, had a stick-on version manufactured of glass and aluminum in Taiwan and received his first shipment in May.

A driver using Kesler's convex Target Eye mirror sees a red circle. When a vehicle appears in the circle, it is in the blind-spot danger zone.

Because aftermarket items such as this don't fall in NHTSA's bailiwick, that agency's approval has become moot unless a vehicle builder becomes interested in using the reminder item, Kesler said.

— **Roger Rowand**

Ford donates $3 million to build up Cleveland

CLEVELAND — Ford Motor Co. has donated $3 million toward development of Cleveland's downtown area and neighborhoods.

Ford is the largest private-sector employer in Cleveland, with 17,000 company employees.

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DOMESTIC DAYS' SUPPLIES

	June 1, 1989	May 1, 1989	June 1, 1988
Alliance	—	—	54
Premier	128	132	111
Total Eagle	128	132	99
Horizon	92	81	102
Laser	51	59	—
Sundance	93	83	57
Reliant	79	65	41
Acclaim	43	47	—
Caravelle	—	153	68
Gran Fury	—	22	41
Total Plymouth	65	65	59
LeBaron K	—	98	96
LeBaron J	83	74	54
LeBaron GTS	248	209	121
Fifth Avenue	104	103	73
New Yorker C	61	51	84
New Yorker E	—	234	22
Total Chrysler	76	69	72
Omni	86	92	106
Shadow	74	81	50
Daytona	78	70	49
Aries	71	68	44
Lancer	252	254	152
Spirit	53	64	—
Diplomat	—	91	53
Dynasty	37	44	45
Dodge 600	—	137	69
Total Dodge	60	66	57
CHRYSLER MTRS.	68	69	63
Escort	94	100	66
Mustang	53	45	40
Tempo	89	79	65
Taurus	54	56	39
Thunderbird	94	69	83
Probe	70	95	30
Crown Victoria	85	78	49
Total Ford Div.	75	73	54
LynxTracer	71	102	108
Topaz	83	80	68
Sable	59	57	50
Cougar	79	65	73
Grand Marquis	80	74	44
Total Mercury	74	71	63
Continental	71	56	18
Lincoln	72	51	67
Mark VII	50	103	73
Total Lincoln	67	59	57
Total L-M Division	72	68	61
FORD MOTOR CO.	74	71	56
Skyhawk	103	112	85
SomersetSkylark	42	68	61
Century	56	52	63
Regal	93	91	81
LeSabre	80	72	48
Reatta	109	110	94
Electra	100	97	88
Riviera	83	68	60
Total Buick	74	75	68
Cimarron	138	22	105
Allante	105	112	124
Seville	58	79	88
DeVille	67	68	61
Brougham	70	81	98
Eldorado	81	90	98
Total Cadillac	69	74	75
Chevette	—	—	247
Geo Prizm/Nova	136	128	82
Cavalier	67	69	52
Camaro	65	65	63
Celebrity	40	44	59
Corsica/Beretta	64	79	47
Monte Carlo/Lumina	NA	—	85
Caprice	74	77	52
Corvette	109	108	57
Total Chevrolet	62	72	56
Firenza	—	75	71
Calais	90	98	74
Cutlass Ciera	70	74	66
Cutlass Supreme	123	128	111
Olds 88	79	71	51
Olds 98	66	79	81
Toronado	186	184	80
Total Oldsmobile	84	85	72
Fiero	—	53	68
Sunbird	51	58	44
Firebird	60	65	55
Grand Am	65	68	42
Pontiac 6000	61	70	52
Grand Prix	118	90	61
Bonneville H	76	79	37
Paris./Safari	94	93	79
Total Pontiac	70	72	48
GENERAL MTRS.	70	75	60
HONDA	17	20	9
MAZDA	57	58	32
MITSUBISHI	182	29	—
NISSAN	110	78	59
TOYOTA*	34	44	33
VOLKSWAGEN	—	—	116
DOM. TOTAL	67	69	57
Subcompact	54	53	48
Compact	62	65	48
Intermediate	64	66	60
Standard	76	73	57
Speciality	89	104	68

*Estimate.

Car inventories drop to near-ideal 67 days

By Kathleen Hamilton
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Both import and domestic car companies whipped their inventories into better shape during May. As a result, June opened with nearly ideal stockpiles, equivalent to a 67-day supply of new cars in this country.

The June 1 stockpile of domestic cars rose to 1,844,144 units from 1,835,840 on May 1. But domestic cars were selling faster than the inventory was rising, so the domestics opened June with a 67-day supply of cars at dealerships, enroute to them or at factory lots. On May 1, the stockpile was equivalent to a 69-day supply.

Import-car inventories totaled 661,545 on June 1, equivalent to a 66-day supply, compared to 698,896 units, or a 72-day supply on May 1.

Mitsub[illegible] more than kept pace with the [illegible] doubling of its daily selling rate during May, as it increased production at its new U.S. plant. Its combined inventory of U.S.- and foreign-built cars was 61 days on June 1 compared to 59 days on May 1.

Other imports trimmed their inventories significantly the way that automakers like best: by increasing their sales rates during the month. Those included Audi, Volkswagen and Sterling. Suzuki's change in its sport-utility number was chiefly the result of shipment changes, although its car-inventory dip was the result of both better sales and fewer arrivals on U.S. docks.

The light import-truck inventory rose in units and days' supply compared to May 1. There were 171,393 unsold new import-trucks in inventory on June 1, an 81-day supply, compared to 169,354, or a 76-day supply, on May 1.

Combined inventories of import cars and light trucks were 832,938 vehicles, or a 69-day supply, on June 1, compared to 868,250 vehicles, or a 73-day supply, a month earlier.

Each of the Big 3 increased its sales rate and sliced inventories a bit during the month. Combining their inventories of U.S.-built cars with their captive imports, GM sliced its days' supply from 78 days to 72; Ford Motor Co. cut its level from 72 to 71, and Chrysler Motors cut its figure from 77 to 76.

At GM, Buick Riviera's climb in inventory was due to a slower sales rate. The extremely high inventory of Cadillac Cimarron is explained by its lame-duck status.

At Ford, the inventory increases on Thunderbird, Continental and Lincoln were due mainly to sales decreases rather than production increases. On the other hand, Tracer and Mark VII improved inventory by improving sales.

IMPORT DAYS' SUPPLIES

	June 1, 1989	May 1, 1989	June 1, 1988
Chevrolet	119	114	161
Chrysler Motors	158	138	104
Acura	46	58	37
Daihatsu	83	85	—
Honda	25	27	11
Isuzu	119	169	75
Mazda	53	60	72
Mitsubishi	24	101	54
Nissan	88	106	107
Subaru	95	63	94
Suzuki	160	240	—
Toyota	29	18	19
JAPAN	61	65	58
Audi	141	234	89
BMW	73	79	67
Mercedes-Benz	54	58	37
Merkur	117	110	120
Porsche	98	132	79
VW	68	103	72
GERMANY	72	94	68
Alfa Romeo	120	131	69
Festiva	118	97	82
Hyundai	58	59	30
Jaguar	58	62	21
Peugeot	94	96	97
Pontiac	116	148	—
Eagle/Renault	158	162	270
Saab	79	85	75
Sterling	73	139	74
Volvo	73	74	50
Yugo	171	197	45
Other Countries	85	87	50
Total Import Cars.	66	72	58
Geo Tracker	139	166	—
Isuzu	121	116	96
Mazda	68	64	68
Mitsubishi	74	93	61
Nissan*	82	57	104
Range Rover	42	34	47
Suzuki	97	184	18
Toyota	50	46	46
Dodge	170	181	113
Total Imp. Trucks	81	76	67
Total Imp. Vehicles	69	73	60

*Includes domestic vehicles.

GM LEASE

FROM PAGE 3

brokers/exporters are on the West Coast and purchase inventory from distressed dealers at dealer cost.

Other brokers involved in supplying overseas markets purchase vehicles from lease companies that received fleet discounts on GM vehicles. Discounts vary by model and the size of the fleet order. The exporter then sells those vehicles to both GM and non-GM dealers overseas.

Brokering has been more acute in such areas as Taiwan and Scandinavian countries. GM said half of its vehicles sold in Taiwan are sold outside the GM distribution system. Some 39,000 GM vehicles were sold in Taiwan in 1988, 19,500 of them outside the GM system. Officials say they hope to reduce that share to one-quarter within the year.

GM sold 72,830 North American-built vehicles through its traditional overseas distribution channels last year. Hermiller projects GM will sell 100,000 in the 1989 calendar year, excluding the gray market.

Hermiller said cars sold outside the GM distribution system overseas do not have the appropriate warranties and are often sold by non-GM dealers, which undermines the value of the GM franchise.

GM international export sales officials have been cooperating with governments of countries in which there is heavy brokering. In Taiwan, for example, some brokers are declaring vehicles at values below their real value to avoid tariffs equal to 42.5 percent of the landed value of the vehicle, GM said.

GM also is stepping up its marketing efforts to protect GM franchise holders overseas. Within 90 days, GM will launch an advertising campaign in Taiwan that will promote the value of buying a vehicle from an official GM dealer.

The ads, created by McCann-Erickson of Troy, Mich., encourage customers to look for such things as GM dealership uniforms and signage.

GM also is implementing a new sign program worldwide that will identify stores as authorized GM dealerships. The new signs will be placed first in Taiwan. GM has been unable to stop non-GM dealers from using its present logo. The new signage and logo will be copyrighted.

"Going after anyone who copies that sign will be part of the strategy," Hermiller said.

In some instances, GM has changed its pricing strategy. In markets where there is heavy brokering, GM will try to keep its prices to dealers competitive with those of the brokers. In some cases, GM has reduced prices to dealers to discourage brokers selling fleet-discounted vehicles.

Hermiller said the brokers who sell GM vehicles in overseas markets are not usually big brokers but are small operators who find short-term opportunities and leave once the manufacturer becomes more established in the market.

"We're new kids on the block in the Taiwan market . . . so there were a lot of entrepreneurs, much as there were in Europe and the Middle East," said Raymond H. Koenig, director of strategic planning for public relations for GM's international export sales.

Added Hermiller: "Once we decide to beef up our efforts, the parallel guys will go somewhere else."

SAFETY

FROM PAGE 1

Diane Steed, who became a lame duck with the election of George Bush, stepped down last month. The president has not sent the name of his nominee for administrator, retired Army Gen. Jerry R. Curry, to the Senate commerce committee for confirmation.

A NHTSA official said the concern is unwarranted.

"Our being without an administrator has made no difference whatsoever. It hasn't resulted in things lying around," said Barry Felrice, associate administrator for rule-making.

Felrice said standards are delayed when NHTSA decides more research is needed or when budget restraints permit engineers to work on only a few projects at one time. Often rules proposed by NHTSA are held up for months in final reviews by the secretary of transportation or the Office of Management and Budget, Felrice said.

The light-truck safety rules are the latest target of discontent with NHTSA. They are among 105 unfinished rules that are more than a year old. About 15 of those rules have been kicking around NHTSA for more than five years. Several, including upgrading passenger-car side-impact standards, are more than 10 years old.

At his confirmation hearing, Skinner had promised to clear up the backlog at the agency. But at a recent meeting with reporters, Skinner admitted little progress had been made.

Major crises, such as the Alaska oil spill, have demanded the secretary's attention, and Bush has not nominated replacements for administrators in any of the nine agencies he oversees.

In April, Bush announced he intended to nominate Curry to succeed Steed. A White House spokesman said the nomination "is in the works."

Meanwhile, Curry is a consultant at NHTSA, but has no power to make decisions. Curry has made his priorities clear. He wants car safety standards applied to light trucks.

The senators' letter did not blame the slow movement on the lack of an administrator. But in April, the committee wrote deadlines for the completion of safety rules into a bill that would authorize NHTSA's budget through 1991.

NHTSA strongly opposed the deadlines and said research and rule-making would take longer than the senators wanted to allow.

NHTSA expects to release roof, side-impact, head-restraint rules

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Anti-lock brakes, rather than standards for stability or crashworthiness, may be the way to prevent a light-duty truck, minivan or sport-utility vehicle from rollover, said Barry Felrice, NHTSA's associate administrator for rule-making.

In defending the agency's recent record of rule-making, Felrice said NHTSA expects to issue several safety rules for multipurpose vehicles by year's end: mandated head restraints, side-impact protection and minimum roof crush-resistance standards.

But he said research suggests that rollover standards may not be needed.

"We've seen that a lot of vehicles skid first, then roll over," Felrice said. "We may not need crash-worthiness if you can avoid injury in the first place" through anti-lock brakes. The rollover research is expected to be complete next spring, Felrice said.

NHTSA is not expected to recommend center high-mounted brake lights on trucks, vans or sport-utility vehicles. Felrice said research has shown that brake lights may be more effective on the sides of a high-riding vehicle.

NHTSA issued passenger-car regulations in the early 1970s. Truck regulations did not begin to emerge until 1978, Felrice said.

Since 1979, NHTSA has required light trucks, minivans and sport-utility vehicles to have collapsible steering columns, interior padding, locking steering columns to discourage theft and hydraulic brakes.

Last November, NHTSA published a notice of proposed rule-making, the second step before a rule is written, for rear-seat shoulder belts in trucks, minivans and sport-utilities. A final rule is expected within several months.

A final rule on head restraints was to be issued this spring, rather than late summer as now expected, but eight months passed before approval was granted last December by the Office of Management and Budget, Felrice said.

The budget agency could not see any economic benefits in mandating a device that prevents only whiplash, not fatalities, Felrice said. Former Transportation Secretary James Burnley had to fight to get the rule released before he left office, Felrice said.

That kind of delay often bottlenecks a rule and gives the impression that NHTSA is at fault, Felrice said. Typically, it takes NHTSA between two and three years to issue a rule.

But developing and upgrading car side-impact standards has taken more than a decade because NHTSA had to spend years to study the forces involved in a crash and develop a test dummy, he said.

SALES

DOMESTIC CAR SALES

	May 21, to May 31, 1989	Same Period, 1988	May 1989	Same Month, 1988	Jan. 1, to May 31, 1989	Same Period, 1988
Alliance	0	100	0	450	0	3,440
Eagle	0	251	0	333	0	1,392
Premier	1,402	1,618	3,842	4,249	18,592	14,017
Total Eagle	1,402	1,969	3,842	5,032	18,592	18,849
Horizon	996	2,038	2,777	5,155	13,407	21,853
Laser	848	0	2,191	0	6,615	0
Sundance	2,718	2,789	7,229	7,627	34,504	33,166
Turismo	0	381	0	447	0	1,115
Reliant	1,082	3,563	3,083	10,085	16,418	57,506
Acclaim	4,250	0	10,835	0	33,606	0
Caravelle	69	604	356	1,526	733	9,171
Gran Fury	44	408	206	1,328	1,443	5,699
Total Plymouth	10,007	9,783	26,677	26,168	106,726	128,510
LeBaron K	122	615	310	2,179	787	12,613
LeBaron J	3,624	3,347	9,639	8,859	39,304	47,628
LeBaron GTS	138	490	388	1,399	2,389	7,369
Fifth Avenue	432	641	1,162	2,355	6,771	24,570
New Yorker C	3,014	2,378	8,131	7,080	43,556	25,182
New Yorker E	56	359	159	764	237	14,107
Total Chrysler	7,386	7,830	19,789	22,636	93,046	131,469
Omni	1,056	1,945	3,135	5,159	13,577	20,721
Shadow	2,604	3,467	7,436	8,945	34,214	38,277
Charger	0	320	0	373	0	1,022
Daytona	2,841	2,850	7,704	7,399	32,831	32,872
Aries	1,130	3,384	3,378	9,075	16,154	50,422
Lancer	102	310	279	912	1,496	4,848
Spirit	3,788	0	9,295	0	28,917	0
Diplomat	252	753	764	2,426	2,551	10,174
Dynasty	4,806	2,089	12,799	6,840	54,734	29,588
Dodge 600	139	553	426	1,455	808	8,329
Total Dodge	16,718	15,671	45,216	42,584	185,282	196,253
CHRYSLER MOTORS	35,513	35,253	95,524	96,420	403,646	475,081
Escort	13,131	13,385	30,036	32,781	145,032	153,483
Mustang	5,314	5,829	16,304	17,015	81,910	83,979
Tempo	6,160	9,512	18,957	25,000	99,912	119,921
Taurus	12,544	14,148	36,194	39,436	154,539	174,173
Thunderbird	3,745	4,390	10,603	12,351	53,892	57,099
Probe	5,738	2,737	15,678	6,192	56,933	11,947
Crown Victoria	3,360	3,906	9,838	11,233	45,063	51,922
Total Ford Div.	49,992	53,907	137,610	144,008	637,281	652,524
Lynx/Tracer	3,330	1,916	7,006	4,880	25,236	25,815
Topaz	2,807	3,075	7,954	7,560	39,912	35,355
Sable	3,892	5,514	12,026	12,377	50,618	54,407
Cougar	3,469	4,134	9,557	10,474	45,238	49,525
Grand Marquis	3,396	4,128	9,598	10,377	45,843	49,349
Total Mercury	16,894	18,767	46,141	45,668	206,847	214,451
Continental	1,702	1,417	4,624	3,710	24,183	17,795
Lincoln	3,021	4,898	9,471	11,444	47,203	52,136
Mark VII	1,362	661	3,926	1,785	12,554	9,429
Total Lincoln	6,085	6,976	18,021	16,939	83,940	79,360
Total L-M Division	22,979	25,743	64,162	62,607	290,787	293,811
FORD MOTOR CO.	72,971	79,650	201,772	206,615	928,068	946,335
Skyhawk	853	1,054	2,086	2,392	9,053	13,779
Somerset/Skylark	3,774	3,080	8,301	6,336	27,756	25,530
Century	4,735	4,341	11,556	10,243	58,975	48,766
Regal	3,301	4,849	7,479	11,637	34,421	51,353
LeSabre	5,239	4,876	13,293	12,341	51,757	67,354
Reatta	302	151	838	363	3,354	1,188
Electra	2,726	2,578	6,863	6,093	32,892	34,353
Riviera	640	274	1,854	718	8,731	4,465
Total Buick	21,570	21,203	52,270	50,123	226,939	246,788
Cimarron	2	253	2	693	229	3,207
Allante	106	109	297	320	1,398	1,454
Seville	751	757	2,685	1,836	10,707	8,813
DeVille	3,974	6,362	16,802	14,734	73,369	67,560
Brougham	1,021	1,604	3,397	3,832	15,624	17,463
Eldorado	1,045	1,071	3,315	2,692	14,240	11,953
Total Cadillac	6,899	10,156	26,498	24,107	115,567	110,450
Chevette	0	5	0	17	0	178
Geo Prizm/Nova	2,926	2,846	7,708	8,834	25,688	53,859
Cavalier	10,074	11,349	28,254	29,065	126,712	125,538
Camaro	4,557	3,984	12,358	10,408	49,268	42,970
Celebrity	6,844	8,433	18,423	23,287	93,401	116,471
Corsica/Beretta	15,561	16,116	40,901	40,591	160,865	178,138
Monte Carlo/Lumina	10,736	1,243	10,736	3,366	12,180	18,582
Caprice	5,641	6,361	16,310	18,014	66,160	72,229
Corvette	677	987	2,039	2,483	8,306	11,117
Total Chevrolet	57,016	51,324	136,729	136,065	542,580	619,082
Firenza	0	696	3	1,054	12	6,186
Calais	3,608	3,953	9,709	9,666	40,168	43,716
Cutlass Ciera	7,023	7,439	19,761	19,392	86,898	97,190
Cutlass Supreme	3,175	3,965	8,760	8,985	43,058	44,261
Olds 88	5,516	5,434	14,125	15,892	62,832	77,434
Olds 98	2,765	2,130	7,186	5,692	31,375	32,299
Toronado	272	625	617	1,419	3,414	7,016
Total Oldsmobile	22,359	24,242	60,161	62,100	267,757	308,102
Fiero	252	1,608	697	3,096	1,961	13,071
Pontiac 1000	0	31	0	36	0	154
Sunbird	4,395	3,597	11,785	8,598	42,255	36,178
Firebird	2,776	2,170	7,429	5,852	28,945	27,577
Grand Am	6,898	9,016	20,058	21,726	86,530	102,606
Pontiac 6000	2,514	3,718	7,429	9,543	32,435	43,871
Grand Prix	3,272	3,509	9,668	8,763	56,403	35,444
Bonneville H	3,056	4,514	9,013	11,191	40,058	52,850
Paris./Safari	189	326	503	696	1,969	3,224
Total Pontiac	23,352	28,489	66,582	69,501	290,556	314,975
GENERAL MOTORS	131,196	135,414	342,240	341,896	1,443,399	1,599,397
HONDA	24,038	19,689	42,710	34,801	167,388	154,827
Civic	10,365	5,623	18,840	9,604	74,427	39,170
Accord	13,673	14,066	23,870	25,197	92,961	115,657
MAZDA	2,284	1,391	3,908	2,819	18,670	11,096
MITSUBISHI	1,055	0	2,603	0	8,420	0
NISSAN	4,403	4,971	6,757	9,772	41,072	38,042
TOYOTA	7,768	2,567	14,964	5,100	69,499	22,153
VOLKSWAGEN	0	2,457	0	4,564	0	20,638
DOMESTIC TOTAL	279,228	281,392	710,478	701,987	3,080,162	3,267,569
IMPORT TOTAL			259,737	269,266	1,150,080	1,250,031
INDUSTRY TOTAL			970,215	971,253	4,230,242	4,517,600

*—U.S.-built Volkswagen models sold after June 30, 1988, are included in import totals.

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referring to the number of world companies angling for a bigger share of the U.S. pie.

The recent strength of the dollar against the yen gives importers a lot more room to bargain, get more aggressive with incentives and make an effort to penetrate the daily rental market, he said.

Jack Kirnan, auto analyst for Kidder, Peabody & Co., said a turning point in market share repositioning may have been reached.

"Several months ago, we were convinced the U.S.-based companies would hold on to market share," he said. "The dollar-yen relationship has changed. The dollar will move lower between now and the end of the year, giving the Japanese more time to adjust to the higher value of their currency. In the near term, it gives them lots more to spend on incentives."

Honda, Toyota and Nissan together took 18.82 percent of the U.S. car market in the first five months of this year compared to 16.51 percent last year. They are fighting for 25 percent, Phillippi said — Honda has targeted 10 percent of the U.S. car market, Toyota wants 8 percent and Nissan's goal is 7 percent. Those numbers include transplant and import operations.

The transplants' gains will be at the expense of both imports and the Big 3, predicted Michael Luckey, an independent auto analyst in Cresskill, N.J.

"If you look ahead a few years, there will be a dramatic change," he said. "Import sales will fall further, and more and more Japanese products will be built here."

Regional shifts in buying patterns will continue, analysts said. The Big 3 will continue to lose their grip on their traditional strongholds like the Midwest or Southeast, they predicted.

MARKET SHARES, May 1989

	Total Sales	Pct. of Total
SUBCOMPACT	96,017	9.90
COMPACT	180,131	18.57
INTERMEDIATE	311,928	32.14
STANDARD	118,531	12.22
SPECIALITY	3,871	0.40
IMPORT	259,737	26.77
TOTAL	970,215	100.00

"General Motors, for example, has lost five points in the Midwest and four points in the Southwest since 1985," Kirnan said.

He sees Big 3 market share "drifting downward but not catastrophically. Over the next couple of years, we might be looking at a 30 percent foreign car and truck share vs. a 27 percent share" today, he said.

Some of that new growth will be in light trucks, Kirnan and other analysts said. Isuzu is about to join Nissan in building trucks here; Toyota and Mazda all have definite plans to begin, and Subaru and Nissan are studying the prospect of U.S.-built minivans, which are classified as trucks.

Thomas F. O'Grady, president of Integrated Automotive Resources in Wayne, Pa., foresees a bigger drop in the Big 3 share of the U.S. car market. He predicted it will drop nearly 6 percentage points by the end of 1991.

April's and May's heavy doses of incentives could not heal the wound in vehicle sales for the first five months of 1989.

Year-to-date sales were 5.67 percent below the first five months of 1988. Combined U.S. car and light-truck deliveries were 373,921 units short of last year's first five months.

In terms of market share, the eight U.S. carmakers, including the five transplants, took 72.81 percent of all U.S. car sales in the first five months. That was up a half a point from 72.33 percent in the equivalent 1988 period. Import cars accounted for 27.19 percent of all car sales vs. 27.67 percent last year.

Winners in market share were the major Japanese automakers with their transplants and Ford Motor Co.

The five Japanese companies with transplant or joint-venture operations here — Honda, Mazda, Mitsubishi, Nissan and Toyota — captured 22.24 percent of the first five months' car sales. That was 2.72 percentage points more than last year's 19.52 percent.

Among the Big 3, only Ford improved its share of the U.S. car market in 1989. Including its captive imports and Probes built by Mazda, Ford's share rose more than a point, to 22.78 percent.

In the first five months, GM's share, including captive imports, fell 1.42 percentage points to 35.71 percent. Chrysler's car share declined 1.08 points to 10.71 percent.

Major five-month losses were sustained by European and Korean companies. They gave up a total of 1.50 percent of the car market compared to 1988.

There were more losses than gains among imported cars in May.

Volvo and Volkswagen were the only European car companies to report gains in May. Among the Japanese imports, Honda and its upscale Acura Division reported sales increases as did Nissan, Mitsubishi, Daihatsu and Chevrolet's captive Spectrum and Sprint.

For the month, combined domestic and import car sales totaled 970,215. That was off 0.11 percent from May 1988.

The daily selling rate in May was 37,316 units, down 3.95 percent from last May's rate of 38,850, even though May 1988 had one less selling day and much lighter incentives.

GM was the only one of the Big 3 to report an improvement over May 1988 sales, but it was a meager gain of 0.10 percent.

U.S. CAR SALES BY MARKETING UNITS

	May 1989	Percent Share	May 1988	May Share	5 Mos., 1989	Percent Share	5 Mos., 1988	Percent Share
Alfa Romeo	223	0.02	338	0.03	1,465	0.03	2,223	0.05
American Honda	82,327	8.49	65,450	6.74	325,060	7.68	304,113	6.73
BMW	5,632	0.58	5,742	0.59	29,008	0.69	28,633	0.63
Buick	52,270	5.39	50,123	5.16	226,939	5.36	246,788	5.46
Cadillac	26,498	2.73	24,107	2.48	115,567	2.73	110,450	2.44
Chevrolet	148,000	15.25	147,161	15.15	589,860	13.94	670,151	14.83
Chrysler	20,622	2.13	23,790	2.45	96,438	2.28	135,825	3.01
Daihatsu	1,227	0.13	921	0.09	5,622	0.13	4,261	0.09
Dodge	48,646	5.01	47,563	4.90	202,536	4.79	220,146	4.87
Eagle	6,098	0.63	5,728	0.59	31,144	0.74	26,739	0.59
Ford	143,270	14.77	149,667	15.41	668,721	15.81	681,706	15.09
Hyundai	16,254	1.68	24,629	2.54	82,753	1.96	120,452	2.67
Isuzu	1,975	0.20	2,379	0.24	8,044	0.19	8,807	0.19
Jaguar	1,650	0.17	1,809	0.19	7,477	0.18	7,989	0.18
Lincoln	18,021	1.86	16,939	1.74	83,940	1.98	79,360	1.76
Maserati	28	0.00	83	0.01	139	0.00	430	0.01
Mazda	23,563	2.43	23,082	2.38	106,458	2.52	107,015	2.37
Mercedes	6,104	0.63	8,269	0.85	29,186	0.69	35,912	0.79
Mercury	46,831	4.83	47,033	4.84	210,818	4.98	219,030	4.85
Mitsubishi	11,318	1.17	6,415	0.66	37,844	0.89	28,742	0.64
Nissan	45,342	4.67	39,525	4.07	212,330	5.02	191,154	4.23
Oldsmobile	60,161	6.20	62,100	6.39	267,757	6.33	308,102	6.82
Peugeot	582	0.06	755	0.08	2,566	0.06	2,714	0.06
Plymouth	30,037	3.10	30,844	3.18	122,806	2.90	150,098	3.32
Pontiac	71,800	7.40	75,738	7.80	311,315	7.36	341,925	7.57
Porsche	1,003	0.10	1,303	0.13	3,600	0.09	7,252	0.16
Saab	3,196	0.33	3,107	0.32	13,807	0.33	15,705	0.35
Sterling	653	0.07	632	0.07	2,788	0.07	4,232	0.09
Subaru	10,181	1.05	12,691	1.31	60,489	[illegible]	60,724	1.34
Suzuki	460	0.05	0	0.00	2,460	[illegible]	0	0.00
Toyota	59,048	6.09	63,017	6.49	258,922	6.12	250,725	5.55
Volvo	9,258	0.95	8,369	0.86	43,348	1.02	40,468	0.90
VWoA	17,001	1.75	19,434	2.00	64,768	1.53	91,198	2.02
Yugo	936	0.10	2,510	0.26	4,267	0.10	14,531	0.32
TOTAL	970,215	100.00	971,253	100.00	4,230,242	100.00	4,517,600	100.00
TOTAL GM	358,729	36.97	359,229	36.98	1,511,438	35.71	1,677,416	37.13
TOTAL FORD	208,122	21.45	213,639	22.00	963,479	22.78	980,096	21.70
TOTAL CHRYSLER	105,403	10.86	107,925	11.11	452,924	10.71	532,808	11.79
TOTAL JAPANESE	235,441	24.27	213,480	21.98	1,017,229	24.05	955,541	21.15
TOTAL EUROPEAN	46,266	4.77	52,351	5.39	202,419	4.79	251,287	5.56
TOTAL KOREAN	16,254	1.68	24,629	2.54	82,753	1.96	120,452	2.67

Big 3 totals include their captive imports. Percent share may contain error of one or two points due to rounding.
Sales charts compiled by Karen Dettowski.

Calendar year forecasts for U.S. sales

1990

	Date of forecast	Wendy Beale *Smith Barney*	Bernard Campbell *Data Resources*	Arthur Davis *Prescott Ball & Turben*	Jean-Claude Gruet *UBS Securities*	David Healy *Drexel Burnham Lambert*	Maryann Keller *Furman Selz Mager Dietz & Birney*	Jack Kirnan *Kidder Peabody*	Ann Knight *Paine Webber*	Michael Luckey *Michael Luckey Consulting Group*	William Pochiluk *Autofacts Inc.*
Total Motor Vehicle Sales in U.S.	June '88	14.3	14.6	15.2	14.6	12.8	14.7	14.1	14.0	13.1	14.9
New Car Sales	June '88	9.5	9.7	9.9	9.7	8.6		9.6	9.5	9.0	9.8
New Trade Sales	June '88	4.8	4.9	5.3	4.9	4.2		4.5	4.5	4.1	5.1
1989											
Total Motor Vehicle Sales	Dec. '88 June '89	14.9 14.7	15.35 14.9	14.9 14.9	15.2 15.0	14.81 14.7	15.1 14.7	15.3 14.7	14.8 14.5	14.8 14.8	15.07 14.96
% Change		−1.3	−2.9		−1.3	−0.7	−2.6	−3.9	−2.0		−0.7
New Car Sales	Dec. '88 June '89	9.8 9.8	10.2 9.9	9.8 9.8	10.2 10.0	9.85 9.8	10.1 9.8	10.3 9.9	10.0 9.9	10.0 10.0	10.0 9.9
% Change			−2.9		−1.9	−0.5	−2.9	−3.8	−1.0		−1.0
New Trade Sales	Dec. '88 June '89	5.1 4.9	5.15 5.0	5.1 5.1	5.0 5.0	4.96 4.9	5.0 4.9	5.0 4.8	4.8 4.6	4.8 4.8	5.07 5.06
% Change		−3.9	−2.9			−1.2	−2.0	−4.0	−4.1		−0.1

FORECASTS

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Among 10 analysts surveyed at the end of 1988 and again last week by Automotive News, the range of forecasts for 1990 is even wider. At the low end is a prediction of 12.8 million vehicle sales and a recession by David Healy of Drexel Burnham Lambert. At the other extreme, Arthur Davis of Prescott Ball & Turben forecasts 15.2 million sales.

A larger group in the middle believes the industry will fade still further from last year's mark of 15.8 million cars and trucks, the second best on record. Collectively, the 10 analysts predict 14.2 million car and truck sales next year, down from an expected 14.8 million in 1989.

The first half of 1989 has made the analysts, as a group, look like capable fortune tellers.

At the start of the year, the consensus was that a tighter money supply and higher interest rates would bring a much-needed slowdown in economic growth. Auto sales would slip in the process.

By and large, that's been the case. A number of additional factors — ranging from debt-ridden consumers to the declining age of the average American car — have also been blamed for the sales slowdown.

Analysts also predicted that interest rates would begin to fall in the second quarter. Last week's drop in the prime rate to 11 percent proved them on target again.

Along the way, some of the more bullish forecasters have lowered their projections. With that, each of the analysts and the Big 3 are now predicting that 1989 will finish between 14.7 million and 15 million units.

"We projected a pretty soft landing, which would improve the chances of gaining economic and market strength next year," said David Munro, senior corporate forecaster at GM.

"And while earlier in the year we weren't so sure it was going to happen, it's coming out exactly as forecast so far," Munro said.

GM started the year predicting 15 million sales and has held to it. Next year's sales are expected to fall in the same range, too, Munro said.

Prescott Ball & Turben's Davis bases his optimism for 1990 on the premise that the industry will succeed by using shorter, punchier incentives to draw buyers into showrooms.

He believes GM will take the lead this summer by offering more cash for shorter periods of time — and on fewer cars — to prod buyers because deals on the cars they want won't last long.

The offers will target specific regions of the country that need the most help, he said. That tactic will work to GM's advantage, Davis believes, because GM's size and dealer penetration gives it a superior grasp of the needs of regional markets.

Those efforts as well as new product offerings from the Big 3 will help boost industry sales to the 15.2 million mark next year, he predicts.

At the opposite end of the spectrum, Healy contends the market is hungover from six strong sales years. Next year is shaping up as payback time, he said.

The year will see higher interest rates, slower economic growth and nearly 2 million fewer sales than this year, Healy predicts.

Despite the range in forecasts, the analysts agree on one point: incentives have become as much a fixture in the auto industry as tires and gasoline.

And several believe incentives will become more inviting as automakers search for ways to attract jaded customers in a crowded marketplace.

"We think there are going to be some new and some very creative incentives to hold the line on sales," said William Pochiluk, president of Autofacts Inc., a forecasting firm based in Paoli, Pa.

Autofacts research shows that incentives are 40 percent less effective today than they were three years ago, Pochiluk said.

As a result, Pochiluk predicts manufacturers will wrap such goodies as car phones or travel vouchers into their incentive packages in an effort to make consumers wide-eyed again.

Others argue that there's little else automakers can do that they haven't done already. As Iacocca said, "When you're offering zero financing already, the only thing we could do is send a credit to their house."

In general, analysts expect the economy to be flat or slightly weaker through the end of the year. Jean-Claude Gruet at UBS Securities said consumers have been shying away from showrooms because of higher interest rates, concerns about the economy and their own debt loads.

"As more people become convinced that we are unlikely to have a recession in 1990, that marginal improvement in confidence plus lower rates will be a slight positive for demand."

Gruet predicts a soft landing for the economy in 1990. Michael Luckey, of the Michael Luckey Consulting Group, meanwhile, has charted a mild recession.

"Inflation and interest rates haven't hit their cyclical peak yet," Luckey said. "When they do, that usually spells trouble for the economy."

In addition, Luckey believes that cuts in federal defense spending plus tax increases at the state and local level will further strain economic growth.

Jack Kirnan, auto analyst at Kidder Peabody, sees a couple years of disappointing news ahead. One omen is in used-cars, where the market has been flooded after six years of strong new-car sales as well as by large volumes of nearly new product coming out of fleet use.

During the first four months of 1989, the average late-model used-car prices declined $144 to $431, or 2.03 to 3.92 percent, according to CCC Information Services, a Chicago-based data services firm.

"When you get a weakness in used-car prices, that is usually a harbinger of weak new car sales," Kirnan said.

Trade-in customers are getting less for their cars, which forces them to cough up more cash for a downpayment or finance a larger amount, Kirnan explained. That's a combination many households can't afford, particularly those that have seen house payments rise from adjustable-rate mortgages. If they do buy a car, he said, they'll be more inclined to pick a used car.

Analysts have found few surprises in the list of market-share gainers and losers so far this year. "It's sort of been like watching paint dry," said Ann Knight of Paine Webber.

Among imports, the car-share gains of less than a percentage point by Nissan, Toyota and Honda were expected. Those makers have been aided by the dollar's gain in strength versus the yen, which has helped them avoid price increases.

Some analysts had expected GM to gain market share in 1989 and therefore have been surprised to see the No. 1 automaker lose ground.

Several analysts said GM will get a push from the new Lumina sedan, while GM's new line of minivans is expected to help on the truck end. But this year's sluggish start may postpone GM's hopes of reversing its market-share slide in 1989.

Another mild surprise has been Hyundai. The Korean maker has coughed up 1.5 points of market share as sales have declined by nearly a third from year-ago levels. Hyundai's established model, the Excel, has been hurt by overall weakness in the subcompact segment.

Analysts pointed out that buyers in this end of the market tend to be the first to draw in their purse strings when there are concerns about the economy. They have also been affected by banks' tighter lending policies.

Analyst Maryann Keller of Furman Selz Mager Dietz & Birney suggested that the segment itself isn't very attractive. Ford's Escort and Chrysler's Omni/Horizon series, for example, are a decade old and have lost some of their appeal.

"The cars one notch up are so much nicer," said Keller. "The consumers are making a very rational judgment."

JAPAN

FROM PAGE 3

That image is built not only on introducing all-new models like the Silvia, 300ZX and Skyline (a stylish upmarket coupe and sedan), but also on risky limited-run boutique models like the Be-1, Pao and S-cargo, which resemble old toy cars.

The Be-1, introduced in 1987 and limited to production of 10,000 units, was a runaway hit and now sells on the used-car market for double its original price of $8,500 to $9,500.

Earlier this year, Nissan decided to come back with the Pao, a successor to the British Mini-inspired Be-1. It took orders for only three months and sold 51,657 of the cars, which were priced at $11,080 to $12,380. Even before the order books were closed, a Pao sold at an Osaka auction last March for $15,503.

But Toyota and Honda said they have no intention of chasing Nissan. They have their own product plans and said they will stick to them. But Nissan has definitely had an impact on the market and is a factor to consider.

While Toyota and Honda minimize the importance of market share, Nissan makes no bones that share is the name of the game. President Yutaka Kume has set a goal of 25 percent share by the end of the year and 30 percent by the early 1990s.

Nissan's major sales campaign in the months preceding the April tax change was launched in large part to gain market share. Yasuhiko Misaka, Nissan general manager for sales promotion, said an important factor for the company was March sales, the last month of the fiscal year, which would determine the share for the year.

Brand loyalty is a factor in 60 to 70 percent of sales in Japan, Misaka said, indicating that the company believes what it can pick up now is a key for the future. Nissan's target for January-March was to double orders. It actually booked 230 percent more orders than a year earlier.

While Nissan was pushing sales through dealer discounts, Toyota and Honda did not follow.

The result is declining market share for Toyota and Honda. And despite the new Integra and an all-new Accord slated for autumn, some analysts are predicting a difficult year for Honda in the Japanese market.

That might give Nissan a window of opportunity, the analysts add, that could last as long as a year before new Toyota and Honda models can make inroads into Nissan's gains.

Analyst Koji Endo of Nomura Securities said Nissan's upsurge at the expense of Toyota and Honda "certainly isn't forever." Endo said it should continue through the first half of the year, and possibly for the whole year.

Nissan executives, on the other hand, expect the window to remain open longer, perhaps two years, given the fact that it takes most Japanese automakers at least three years to bring a new product to the market.

While Nissan has found success with niche vehicles, Toyota has greater sales power, Misaka admits, and therefore Nissan must strengthen its sales organization. It will continue to consolidate those gains by seeking specific targets.

Truck output at May peak of 392,946

By Karen Detkowski
SPECIAL CORRESPONDENT

U.S. truckmakers set a production record for May with 392,946 units, surpassing the previous May high of 370,140 last year.

Meanwhile, car production was the highest for any month in 1989, but slightly below May 1988.

Last month's truck production was up 6.90 percent from April's 367,592 and 6.16 percent from the year-ago month.

Truckmakers built their two-millionth truck of 1989 last Wednesday, a week ahead of 1988.

Last week's scheduled production of 91,197 units was 25.12 percent above the previous week's 72,887 and 5.53 percent above the year-ago week's 86,420.

The 681,261 passenger cars built in May were up 6.92 percent from April's 637,187, but down 1.59 percent from 692,247 in May 1988.

Last week's targeted car output of 140,945 was 15.53 percent over the previous, holiday-shortened work week's 121,995. But it dipped 17.00 percent from the year-ago week's 169,807, even though several plants were down last year for model changeover.

Last week's scheduled car production was split as follows: General Motors, 44.99 percent; Ford Motor Co., 23.29 percent; Chrysler Motors, 14.47 percent; Honda of America Manufacturing, 5.50 percent; Mazda Motor Manufacturing U.S.A. Corp., 3.14 percent; New United Motor Manufacturing Inc., 2.84 percent; Nissan Motor Manufacturing Corp. U.S.A., 2.34 percent; Toyota Motor Manufacturing U.S.A., 2.32 percent; and Diamond-Star Motors, 1.11 percent.

The Pontiac Grand Prix line at GM's Fairfax, Kan., plant closed last week for 30 days for model changeover. GM's Doraville, Ga., plant closed last week for 25 days to add a four-door version of the Oldsmobile Cutlass Supreme.

Ford's Edison, N.J., plant closed May 22 to reduce inventory of the Escort, resumed output last week.

Ford's Wayne, Mich., plant is slated to resume output today after being idled to cut inventory.

Trucks at peak in Canada, too

Canadian truckmakers produced an all-time May high of 90,661 trucks last month, beating last May's record of 80,443 by 12.70 percent. Production was 9.88 percent above April's 82,509.

Last week's targeted truck output of 18,791 dipped 2.74 percent from the previous week's 19,321 and was 6.47 percent below the year-ago week's 20,091.

May car output totaled 91,762, up 7.59 percent from April's 85,286 but 17.12 percent below the year-ago month's 110,719.

Automakers' scheduled production of 19,759 units last week was 13.90 percent below the previous week's 22,950 and 27.34 percent below the year-ago week's 27,192.

Ford Motor Co.'s Oakville, Ontario, plant resumes output today after being closed for a week by problems in the paint operation.

U.S. CAR	Week Ended June 10, 1989	Week Ended June 11, 1988	Week Ended June 3, 1989	May Total	Jan. 1 to June 10, 1989	Jan. 1 to June 11, 1988
Horizon	700	2,537	722	3,622	8,676	44,307
Sundance	2,500	2,644	2,091	11,443	54,684	49,672
Reliant	0	3,297	0	0	0	49,073
Acclaim	3,000	0	3,253	12,628	57,523	0
Caravelle	0	170	0	0	0	9,673
Gran Fury	0	492	0	0	0	6,219
Total Plymouth	6,200	9,140	6,066	27,693	120,083	158,944
LeBaron K	0	0	0	0	0	7,955
LeBaron J	2,600	2,116	2,223	12,388	55,430	35,254
LeBaron GTS	0	280	0	0	2,946	4,366
N. Yorker C-Class	1,600	2,870	1,467	8,637	51,040	54,816
Fifth Avenue	0	336	0	0	0	14,202
Total Chrysler	4,200	5,602	3,690	21,025	109,416	114,893
Omni	800	2,508	710	4,236	10,053	43,898
Daytona	1,800	2,128	1,479	8,264	46,744	34,200
Shadow	2,100	2,290	1,797	9,812	52,837	51,266
Aries	0	3,083	0	0	0	41,437
Dodge 600	0	166	0	0	0	8,492
Dynasty	3,100	2,298	2,428	14,526	72,963	51,061
Lancer	0	171	0	0	1,528	4,867
Spirit	2,200	0	2,217	11,205	52,208	0
Diplomat	0	383	0	0	0	10,309
Total Dodge	10,000	13,027	8,631	48,043	236,333	245,530
CHRYSLER MOTORS	20,400	27,769	18,387	96,761	466,632	519,367
Escort	3,000	9,420	4,270	33,468	152,129	174,574
Mustang	4,136	4,579	3,316	16,983	104,868	97,893
Tempo	2,813	3,996	2,360	12,865	72,351	91,754
Taurus	8,076	9,623	6,257	35,093	181,442	186,536
Thunderbird	3,667	3,863	2,610	13,823	79,294	74,789
Total Ford Div.	21,692	31,481	18,813	112,232	590,084	625,546
Topaz	1,587	1,544	1,139	6,801	32,859	34,267
Cougar	2,416	2,587	1,748	11,497	66,411	55,739
Sable	2,534	3,062	1,990	11,311	59,111	65,217
Total Mercury	6,537	7,193	4,877	29,609	158,381	155,223
Continental	1,411	949	1,152	6,327	33,218	21,175
Mark VII	440	463	384	1,768	11,854	11,672
Lincoln	2,750	2,848	2,304	11,882	61,417	67,796
Total Lincoln	4,601	4,260	3,840	19,977	106,489	100,643
Total L-M Division	11,138	11,453	8,717	49,586	264,870	255,866
FORD MOTOR CO.	32,830	42,934	27,530	161,818	854,954	881,412
Skyhawk	0	0	0	1,178	6,857	11,350
Skylark/Somerset	1,405	1,521	1,146	6,223	26,939	21,959
Century	2,830	3,790	2,227	11,752	56,807	50,156
Riviera	224	159	186	1,089	10,828	3,211
Electra	1,415	2,259	1,693	8,004	39,353	40,613
LeSabre (fwd)	4,292	2,450	3,287	20,175	72,684	58,692
LeSabre (rwd)	70	224	65	305	3,654	4,630
Reatta	0	220	146	684	3,140	2,658
Total Buick	10,236	10,623	8,750	49,410	220,262	193,269
Cimarron	0	0	0	0	0	3,696
Eldorado	989	1,212	795	3,292	18,085	20,057
Seville	720	725	577	2,387	13,281	12,500
Brougham (rwd)	705	467	498	2,729	18,117	17,593
Deville (fwd)	4,105	3,423	3,277	18,297	101,251	84,047
Allante	75	56	60	225	1,513	1,128
Total Cadillac	6,594	5,883	5,207	26,930	152,247	139,021
Cavalier	6,973	7,926	6,652	34,788	180,509	162,664
Camaro	2,745	2,356	2,243	12,105	57,845	40,179
Celebrity	2,215	5,335	1,682	8,785	61,869	84,724
Corsica/Beretta	8,770	9,393	7,031	39,435	194,183	[illegible]
Caprice	4,450	5,692	3,215	17,811	93,469	91,911
Corvette	560	446	447	2,465	12,136	9,847
Total Chevrolet	25,713	31,148	21,270	115,389	600,011	578,023
Calais	2,195	3,040	1,758	9,586	45,204	55,250
Firenza	0	0	0	0	0	5,220
Cutlass Ciera	1,940	1,571	1,529	8,237	39,922	4,496
Cutlass Supreme	0	4,064	2,518	15,830	51,125	96,200
Toronado	315	478	246	711	4,816	8,771
88 (fwd)	2,952	3,956	2,186	17,817	75,842	77,776
88 (rwd)	200	149	180	867	3,784	5,722
Olds 98	1,095	1,560	883	4,591	38,819	38,476
Total Oldsmobile	8,697	14,818	9,300	57,639	259,512	291,911
Sunbird	3,147	2,151	2,510	14,966	71,244	49,982
Grand Am	4,800	6,174	3,878	22,721	115,446	114,367
Firebird	1,320	1,568	1,079	5,699	31,973	29,569
Grand Prix	0	3,264	3,188	17,564	69,565	57,405
Pontiac 6000	805	1,452	811	5,488	39,652	37,509
Bonneville	2,001	3,260	1,090	8,066	45,488	52,579
Safari/Parisienne	90	103	92	606	2,594	4,013
Fiero	0	503	0	0	0	9,167
Total Pontiac	12,163	18,475	12,648	75,110	375,962	354,591
GENERAL MOTORS	63,403	80,947	57,175	324,478	1,607,994	1,556,815
DIAMOND-STAR	1,566	0	1,250	5,504	21,793	0
HONDA	7,750	7,699	5,996	33,940	175,260	168,692
Civic	2,713	2,429	2,054	11,414	59,196	45,052
Accord	5,037	5,270	3,942	22,526	116,064	123,640
MAZDA†	4,427	2,541	3,533	17,848	107,371	39,254
NISSAN	3,294	2,594	2,165	11,115	53,504	45,398
NUMMI	4,000	3,311	3,410	18,622	90,659	73,611
Corolla	1,600	1,243	1,326	7,237	36,715	27,902
Geo Prizm/Nova	2,400	2,068	2,084	11,385	53,944	45,709
TOYOTA	3,275	0	2,529	11,175	48,635	0
VOLKSWAGEN	0	2,012	0	0	0	27,110
Golf/GTI	0	2,012	0	0	0	21,557
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	140,945	169,807	121,995	681,261	3,426,802	3,311,659
Total Cars, Canada	19,759	27,192	22,950	91,762	457,803	545,629
U.S., Canada Cars	160,704	196,999	144,945	773,023	3,884,605	3,857,288
U.S., Canada Cars and Trucks	270,692	303,510	237,153	1,256,630	6,390,953	6,235,796

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended June 10, 1989	Week Ended June 11, 1988	Week Ended June 3, 1989	May Total	Jan. 1 to June 10, 1989	Jan. 1 to June 11, 1988
Premier	1,275	1,681	0	3,749	19,909	33,494
CHRYSLER MOTORS	1,275	1,681	0	3,749	19,909	33,494
Tempo	0	3,285	3,342	8,042	66,072	93,792
Topaz	0	1,617	1,449	3,458	27,976	31,471
Crown Victoria	2,647	2,793	2,645	12,622	61,478	64,022
Grand Marquis	2,554	2,944	2,572	12,448	67,212	63,717
FORD MOTOR CO.	5,201	10,639	10,006	36,571	222,738	253,002
Celebrity	995	650	990	3,637	8,844	10,030
Cutlass Ciera	2,565	7,361	2,596	12,397	77,927	128,525
Lumina	5,785	0	5,089	17,108	46,560	0
Pontiac 6000	0	1,532	0	0	0	25,200
Regal	1,758	4,089	1,978	8,567	35,778	76,050
GENERAL MOTORS	11,103	13,632	10,653	41,709	169,109	239,805
HONDA	1,650	1,060	1,672	7,251	37,324	16,148
TOYOTA	350	0	437	1,690	4,760	0
VOLVO	180	180	180	792	3,963	3,180
Total Cars, Canada	19,759	27,192	22,950	91,762	457,803	545,629

U.S. TRUCK☆	Week Ended June 10, 1989	Week Ended June 11, 1988	Week Ended June 3, 1989	May Total	Jan. 1 to June 10, 1989	Jan. 1 to June 11, 1988
Caravan	2,200	1,596	2,045	10,005	51,655	46,504
Dakota	2,200	2,087	2,365	10,559	52,873	53,940
Caravan C/V	100	366	132	503	4,129	7,222
Ram pickups	2,400	2,065	2,387	10,602	53,130	32,679
Total Dodge	6,900	6,114	6,929	31,669	161,787	140,345
Cherokee	5,400	4,345	4,616	22,186	108,783	83,991
Comanche	600	1,000	508	2,608	15,055	21,959
Grand Wagoneer	300	350	270	840	6,343	6,930
Wagoneer	100	297	98	510	4,104	6,004
Total Jeep	6,400	5,992	5,492	26,144	134,285	124,084
Voyager	2,100	1,436	1,887	9,339	49,126	42,884
Town & Country	100	0	185	613	793	0
Total C-P Div.	2,200	1,436	2,072	9,952	49,919	42,884
CHRYSLER MOTORS	15,500	13,542	14,493	67,765	345,991	307,313
Aerostar	4,932	3,678	3,910	21,909	113,621	100,209
Bronco	1,448	1,284	1,270	6,709	38,837	28,338
Bronco II	2,978	2,509	1,941	11,012	61,039	62,858
Econoline	5,215	5,198	4,204	22,874	114,720	114,872
Heavy trucks	1,286	1,510	1,046	5,783	31,389	31,882
Light trucks	11,687	10,281	9,251	52,776	257,531	236,167
Ranger	7,604	7,891	4,847	27,503	160,549	169,230
Total Ford Div.	35,150	32,351	26,469	148,566	775,686	743,556
FORD MOTOR CO.	35,150	32,351	26,469	148,566	775,686	743,556
Astro	2,970	3,883	2,556	15,007	78,339	79,558
Blazer	565	679	527	2,539	13,039	12,850
Mediums/Heavies	0	433	0	0	1,312	8,352
P-Model	869	807	724	3,746	16,256	18,090
Pickups	8,099	7,518	6,267	35,093	164,660	154,184
S-10	5,074	5,900	2,486	21,701	123,835	133,667
S-10 Blazer	3,960	3,666	2,961	17,241	88,483	76,342
Sportsvan/Van	2,304	2,041	1,664	9,612	46,126	39,465
Suburban	1,594	1,780	1,505	7,147	36,386	33,978
Total Chevrolet	25,435	26,707	18,690	112,066	588,436	556,486
Jimmy	165	169	165	797	3,937	3,806
Mediums/Heavies	0	658	0	0	1,496	18,462
P-Model	97	194	110	510	2,146	2,559
Pickups	2,406	2,100	1,839	9,561	55,082	48,104
S-15	1,066	1,247	2,414	5,534	30,778	31,207
S-15 Jimmy	1,061	901	863	4,922	25,253	19,946
Safari	790	935	701	4,033	20,127	20,385
Suburban	601	763	565	2,824	14,536	16,007
Vandura/Rally Vans	650	468	458	2,596	12,538	16,927
Total GMC	6,836	7,435	7,115	30,777	165,893	177,404
GENERAL MOTORS	32,271	34,142	25,805	142,863	754,329	733,890
NAVISTAR	1,920	1,962	1,282	8,279	40,215	40,417
NISSAN	2,906	1,673	1,978	9,957	58,216	51,498
AM GENERAL	450	450	360	2,016	10,080	10,260
MISCELLANEOUS	3,000	2,300	2,500	13,500	62,600	52,440
Total Trucks, U.S.	91,197	86,420	72,887	392,946	2,047,117	1,939,374

CANADIAN TRUCK	Week Ended June 10, 1989	Week Ended June 11, 1988	Week Ended June 3, 1989	May Total	Jan. 1 to June 10, 1989	Jan. 1 to June 11, 1988
Caravan	2,988	2,982	2,501	13,250	69,161	68,606
Caravan C/V	336	324	287	1,426	5,752	6,720
Ram Wagon	0	563	530	2,997	13,098	11,437
Ram Van	0	1,469	1,371	7,486	33,900	29,510
Total Dodge	3,324	5,338	4,689	25,159	121,911	116,273
Voyager	2,820	2,615	2,241	11,289	61,224	62,764
Total Plymouth	2,820	2,615	2,241	11,289	61,224	62,764
Wrangler	1,700	1,080	1,512	7,878	38,232	23,065
Total Jeep	1,700	1,080	1,512	7,878	38,232	23,065
CHRYSLER MOTORS	7,844	9,033	8,442	44,326	221,367	202,102
FORD MTR. (lt. trks.)	3,648	3,518	3,431	15,521	79,024	81,528
Light trucks	3,510	3,747	3,719	14,383	72,452	67,502
Vans	1,447	1,533	1,454	5,676	31,031	28,669
Total Chevrolet	4,957	5,280	5,173	20,059	103,483	96,171
Light trucks	1,370	1,469	1,317	6,704	34,351	38,691
Vans	698	526	683	2,875	15,237	15,532
Total GMC	2,068	1,995	2,000	9,579	49,588	54,223
GENERAL MOTORS	7,025	7,275	7,173	29,638	153,071	150,394
NAVISTAR	274	285	275	1,176	5,769	5,110
Total Trks., Canada	18,791	20,091	19,321	90,661	459,231	429,134
U.S., Canada Trks.	109,988	106,511	92,208	483,607	2,506,348	2,378,508

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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NADA considers starting finance company

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

The National Automobile Dealers Association and investment banker First Boston Corp. are studying a plan that could create a $2 billion finance company for NADA members.

The feasibility study was authorized by the NADA board of directors at its June meeting in New York last week.

"This is an opportunity to harness the horsepower of the entire dealer body," NADA President Ron Tonkin said. "The size would be staggering."

He said the finance company eventually could provide retail and wholesale financing plus capital loans to dealers.

He added that the study will determine if NADA can feasibly add another division, NADAF — for NADA Finance.

Tonkin, the outspoken leader who has confronted the factories on a variety of dealer-related issues since he took office in February, said the finance company would be a division of NADA, owned and operated by dealers.

It would be similar to the current $2.5 billion National Automobile Dealers Insurance Trust and the $1 billion National Automobile Dealers Association Retirement Trust.

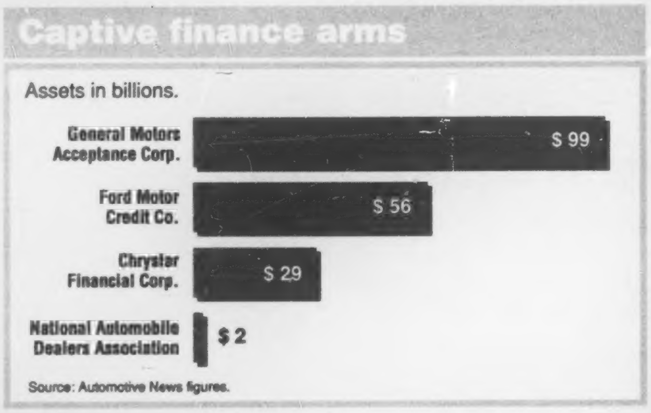
No fireworks as NADA nominates leaders, Page 3

The financial horsepower would come from individual dealer investments, Tonkin said. A $5,000 investment by each of 20,000 dealers would yield $100 million in capital that could be leveraged at a 20-to-1 ratio, using a variety of financial instruments, he said. "That would give us $2 billion from day one."

By way of comparison, General Motors Acceptance

see FINANCE, page 50

Captive finance arms



Source: Automotive News figures.

MIATA

Mazda sports car priced at $13,800

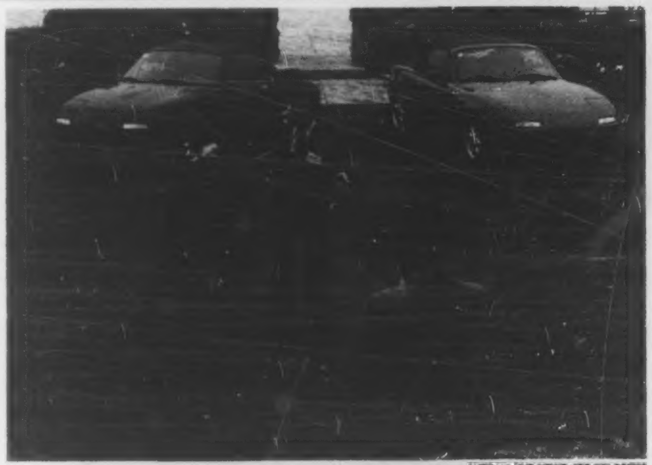
By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

Mazda Motor of America set a $13,800 base price for the 1990 MX-5 Miata two-seat convertible, establishing the sports car as "a symbol of Mazda's direction for the future."

The 2,180-pound vehicle will be marketed as an affordable sports car when it goes on sale July 1, positioned at the bottom end of the sports-car segment below the upscale Mazda RX-7, said George McCabe, deputy general manager and group vice president, sales and marketing for Mazda Motor of America.

Mazda ponders second channel for U.S., Page 6

But dealers may be poised to capitalize on the limited number of cars, only 20,000 for the balance of the calendar year, that Mazda plans to import. Eventually, the company is projecting annual sales of 40,000.



AUTOMOTIVE NEWS/JOE WILSSENS

Yoshinori Taura, center, president of Mazda Motor of America, chats with designers and product planners at the Mazda MX-5 Miata teleconference.

Dealers contacted said they expect to get $1,000 to $2,000 over sticker for at least the rest of 1989 because of limited supply and high consumer interest. All were enthused about the $13,800 base price.

"We have 27 pre-sales with deposits," said Dan Powers, Mazda sales manager at Jim Finney Pontiac-Mazda-GMC in San Diego. "There's always one or two dealers that won't add a pack, but almost every Mazda dealer around has a lot of pre-sales. The prices are certainly within market values — there's nothing like it on the market."

Zivee Calof, Mazda sales manager at Alex Satin Oldsmobile-Mazda in Los Angeles, said, "The trend is for most dealers to put a pack on it. The phone is ringing off the wall about it already. The only problem is going to be getting enough of them."

see MAZDA, page 51

Jeep-Eagle dealers flay model sharing

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — Angry Jeep-Eagle dealers, charging that Chrysler Motors management is diluting the Jeep image, have demanded a meeting with Chrysler Corp. Chairman Lee Iacocca.

The Jeep-Eagle National Dealer Council expects to meet with Iacocca within weeks, according to dealer sources.

The council will ask Iacocca to overturn a decision allowing sale of two Jeep-Eagle vehicles through the Dodge dealer network. The council will ask that the Eagle Premier sedan and the upcoming Jeep ZJ sport-utility vehicle remain exclusive to the Jeep-Eagle franchise.

In a recent interview, Chrysler Motors President Robert Lutz acknowledged the concerns of the Jeep-Eagle dealers, who had enjoyed an upbeat relationship with management since the 1987 purchase of American Motors by Chrysler.

Chrysler has said Dodge will sell a version of the Premier called the Dodge Monaco beginning in the mid-1990 model year.

In addition, Dodge will receive a version of the new "aero" Jeep Cherokee, code-named ZJ, when the sport-utility bows in 1992.

"The consensus of the dealer advisory board is to go to the man (Iacocca) and see if we can keep our products," said a dealer source. "Any dealer council would do this to protect its franchise. Any time you spread the butter, it gets thinner."

A Chrysler spokesman said he was unaware of any meeting scheduled between Jeep-Eagle dealers and Iacocca except the 1990-model announcement show in Reno, Nev., Aug. 18. But dealers said they have been told a meeting is planned, possibly in July.

Dealers are concerned about the sale of Monaco by Dodge, but they are particularly incensed over sharing the ZJ. The ZJ was initially developed at AMC as a replacement for the Cherokee. But in December, Chrysler approved a product plan calling for retention of the

see JEEP, page 50

CAFE crisis: Ford to count big cars as imports

The 23-mpg Mercury Grand Marquis and Ford Crown Victoria are 90 percent domestic now, but Ford will import 25 percent of the content in 1991.

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — Saying it is choosing the least onerous of options, Ford Motor Co. will boost the offshore content of two large car models to qualify them as imports under federal fuel economy rules.

The replacements for the current Ford Crown Victoria and Mercury Grand Marquis will have less than 75 percent North American content when they go into production in early 1991, said David Kulp, Ford's manager of fuel economy and compliance. That compares to about 90 percent currently, he said. As a result, some U.S. and Canadian suppliers will lose business.

Low fuel prices and strong sales for large cars in the face of increasing corporate average fuel economy standards are behind the move, Kulp said.

CAFE was rolled back to 26 mpg in 1986 by the Reagan administration and remained at that level until the current model year, when it was set at 26.5 mpg, 1 mpg below the congressionally enacted 27.5 mpg. The Bush administration has set CAFE at 27.5 mpg for the 1990 model year.

Under those rules, domestic makers divide their cars into two separate fleets: one for cars with at least 75 percent North American content, the other for those with less. The requirement is designed to prevent companies from using captive imports to meet CAFE and to encourage domestic small-car production.

Ford, for example, has an estimated 1989 model year fuel economy average of 26.6 mpg for its domestic passenger fleet, just 0.1 mpg over the standard, according to NHTSA figures. Its imported fleet has an estimated fuel economy average of 32 mpg for 1989.

The imbalance helped prompt Ford's decision to shift the Crown Victoria/Grand Marquis from the domestic side to the import side of the ledger.

The next-generation Crown Victoria and Grand Marquis, codenamed EN53, is scheduled to go into production in early 1991 at Ford's plant in St. Thomas, Ontario. The current

see FORD, page 52

The clean air debate:

President George Bush shaped the U.S. debate on air pollution last week. Stories on his proposal, how Brazil's alcohol fuel works, what Ford learned in Brazil, and the push in Europe for cleaner air are on Page 49.

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NADA picks '90 slate, gives Tonkin confidence vote

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — The National Automobile Dealers Association board nominated an unopposed slate of officers for 1990 and unanimously supported incumbent president Ron Tonkin in a vote of confidence at a board meeting here last week.

Tonkin immediately claimed the action of the 75-member board as an endorsement of his confrontational approach to relations with car manufacturers.

Ray Green, a Jacksonville, Ill., dealer and NADA first vice president, was nominated as the sole candidate for the one-year term as president, virtually assuring his election in October.

Frank R. Anderson Jr. of Raleigh, N.C., the NADA treasurer, was nominated as first vice president, which puts him in line to succeed Green in 1991. Mark S. Herrmann of Yonkers, N.Y., Region I vice president, was nominated as secretary.

Tonkin hailed the unopposed slate of candidates as evidence of continuity at NADA, especially in contrast to his hard-fought struggle for the first vice president's post in 1987 against three other candidates.

"It's gotten back to me that the manufacturers are going around telling people that my views really don't represent the views of dealers in the country at large; that I won't be around much longer; that it'll all be over once I'm gone. Well, it's not going to go away that easily," Tonkin said, following the board meeting.

Tonkin, a Portland, Ore., megadealer with 14 franchises in 10 stores, said he was "overwhelmed by this mid-year, unanimous vote of confidence. I damn near fell over."

Tonkin said there was even some sentiment to draft him for a second term, "which would have violated the NADA by-laws and

see NADA, page 50

Rocky, a sport-utility vehicle, and a new four-door Charade join Daihatsu's 1990 lineup.

Rocky and 4-door lift Daihatsu's hopes

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ALAMITOS, Calif. — Daihatsu America will start marketing in earnest this fall with an expanded product line, said Executive Vice President C.R. "Dick" Brown.

A new four-door Charade, which gives Daihatsu a second body style for its car line, and the Rocky sport-utility vehicle will join the lineup in October.

"Now we can fill up a showroom," Brown said.

Brown has maintained that advertising only a three-door body style for Daihatsu's single subcompact Charade model is inefficient. The problem eased somewhat this spring when Daihatsu added an automatic transmission.

"Before, if your advertising brought four subcompact prospects into a showroom, two wanted a four-door sedan, one three-door buyer wanted an automatic and only one wanted what we had," Brown said. This fall "our advertising can be more effective. We and our dealers will be much more aggressive."

Daihatsu currently has 230 dealers in 12 Sun Belt states.

Initial shipments to dealers this fall will favor four-door models until supplies of both body styles are balanced. Daihatsu expects the mix of four-door and three-door Charades to be about equal, or about 10,000 units apiece if its export allocation stays at 20,000 a year.

But Brown thinks Daihatsu's fortunes will be improved even more by the arrival of Rocky, which as a light truck is not subject to Japan's car export quotas and is projected at 30,000 units a year.

Rocky is a little larger than the Suzuki Samurai and will be positioned above it and closer to the Suzuki Sidekick-Geo Tracker.

The U.S. Rocky is based on a new-generation Rocky II recently introduced in Japan.

Rocky's wheelbase is 85.6 inches with an overall length of 145 inches. Height is 67.7 inches. Overall width is 68.2 inches, including fender extensions that cover a 58-inch track widened for extra stability.

The two-door Rocky is powered by a 1.6-liter, four-cylinder, 16-valve engine that produces 100 horsepower and is linked to a five-speed manual transmission.

Rocky will be offered in soft-top and higher-trim-level hard-top styles. Both are attached to an integral, functional roll cage that runs across the top from the B-pillar. Both styles also have a removable top panel.

The fiberglass hard top is removable and has pop-out side glass panels, while the soft top has plastic zip-out side panels.

The four-door Charade sedan will have 1- and 1.3-liter engine options. The smaller engine will be available only with a manual transmission while the larger will be offered with manual or automatic.

GM signs licensing pact with Australia's Orbital

By Podr Davis
SPECIAL CORRESPONDENT

General Motors, as expected, has signed a licensing agreement with an Australian firm for use of its two-stroke engine technology.

The agreement with Orbital Engine Co., a wholly owned subsidiary of Sarich Technologies of Perth, Australia, permits GM to manufacture, use and sell products worldwide incorporating the two-stroke engine technology invented by the Australian company.

The agreement specifies that the technology can be used in automobiles, trucks, motorcycles, along with aircraft, marine and industrial uses.

Meanwhile, Orbital Engine is expected to announce as early as the end of this month that it plans to build a U.S. manufacturing plant, probably in Michigan, with a consortium that would include Orbital Engine as well as one major auto company. It is expected that the plant will cost $250 million.

The licensing agreement between GM and Orbital Engine is similar to the one Orbital Engine signed with Ford Motor Co. late last year.

Though the companies would not reveal the financial details of the deal, it is believed to involve a multi-million dollar, up-front payment as well as royalties on each engine used. The royalties are believed to be on the order of $40 per unit.

GM would not discuss use of the Orbital engine. A GM spokesman said plans for the engine are not clear, but obtaining the licensing agreement guarantees the automaker the right to use the technology should the automaker decide to use it.

The licensing agreement with Orbital Engine comes on the heels of admissions by GM engineers that they have been unable to develop their own two-cycle engine that meets the more stringent emission standards expected in the future.

GM said work inside GM on two-stroke technology will continue despite the licensing agreement with Orbital.

Orbital Engine claims that its three-cylinder, two-stroke engine meets the more stringent emission standards being proposed for the United States.

According to Orbital, automotive applications have demonstrated emission level reductions of 30 percent for carbon dioxide, the primary culprit in creating the so-called greenhouse effect.

In addition, the technology also has demonstrated an 80 percent decrease in nitrogen oxide, 90 percent drop in carbon monoxide, and 50 percent decline in hydrocarbons, the Australian company has stated.

At the same time, because of the lower emissions, the engine probably would not require a catalytic converter, meaning the exhaust system would be less costly to produce. Rhodium is an expensive, precious metal used to make converters.

In addition to Ford and GM, Orbital Engine has full licensing agreements with Mercury Marine, Outboard Marine Corp. and Walbro Corp.

Orbital Engine said it plans to extend its licensing activities into Asia, Europe and Eastern Bloc countries.

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Fiat expects year-end decision on Soviet car

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

TURIN, Italy — Fiat will decide by the end of the year whether to form a joint venture in the Soviet Union for co-production of the Soviet Oka minicar.

The venture would turn out 300,000 cars annually, about 60,000 to 70,000 for export to the West, according to Cesare Romiti, Fiat S.p.A. managing director.

The Soviet-designed Oka will be produced in a plant now under construction in Jelabuga, about 60 miles from Moscow.

The Soviets approached Fiat for assistance last September, citing ambitious plans to double Soviet Union auto output from the current 1 million units per year during the 1990s.

"We have negotiations ongoing," Romiti said in a meeting with a group of British journalists at Fiat headquarters.

Romiti said the plan calls for Fiat to "rationalize and industrialize" the Russian design, rather than develop its own car.

But he said Fiat insists that the car be up to the automaker's own standards.

Fiat sources said the arrangement would be similar to the Italian company's assistance in preparing the Soviet Lada Samara subcompact for production.

Although prototypes of the Oka exist, Romiti said the Soviets believe three to 3½ years will be necessary to produce the car in a Jelabuga plant.

Fiat has a long history of cooperation with the Soviet Union through licensing agreements. The Italian company built the Soviets' massive Lada vehicle complex in Togliatti during the 1960s.

But Romiti said the current negotiations are more difficult because of the Soviets' preference for joint ventures with the West.

"By the end of this year, we shall have to either adopt this deal or withdraw," he said.

Fiat would hold a minority share. Romiti said the company's investment would be limited to the equity capital necessary to acquire its stake.

"The Soviets are going to spend the money, not us," Romiti said.

The total cost is estimated at $1 billion to $1.5 billion. Romiti said Fiat's equity capital would probably be no more than $200 million, but he suggested that amount may give Fiat as much as 30 percent of the operation.

The Italian government will not be involved in financing the project, but will guarantee a return on investment, he said.

Romiti said Fiat's role in the Oka program would be limited to final assembly.

"We are not interested in participating in the production of the engine or mechanical parts or the foundry-related parts," he said. The involvement would include provision of manufacturing technology and equipment.

Romiti said the Oka would be of a "higher class" than the new minicar that Fiat will license for production at the FSM plant in Poland beginning in the early 1990s.

He also disclosed that the Polish-built minicar, widely referred to as Topolino, will be called Micro.

Though Romiti said the Oka would be in the same engine class as Fiat's aging 700-cc Panda mini, he said the Soviet car would not replace the Panda in Europe. He said Fiat is planning its own replacement.

AUCTION DIRECTORY

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Wednesday Auto Auction. Exit 49 on I-270. Columbus, Ohio. Every Wednesday. Call: Area 614-497-2000.

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Dealers Auto Auction of Oklahoma City, P.O. Box 75757, Oklahoma City, OK 73147. Sale every Thursday, 10 A.M. GMAC, Chrysler Credit weekly. 405-947-2886.

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Remember

Auction advertising builds auction traffic

Judge halts tax on auction sales

A district court judge has enjoined city officials in Commerce City, Colo., from levying a new tax — $10 for every vehicle sold at the Colorado Auto Auction.

The ordinance, passed last August by the City Council, calls for a $10 tax on the transfer of ownership of vehicles sold there.

"The ordinance relates directly to the auction activity," said Robert Gehler, attorney for Commerce City. "City officials felt there was an environmental impact on the city due to the number of cars parked at the auction. The excise tax was needed to offset any expenses incurred."

Colorado Auto Auction is fighting the ordinance in court on the grounds that it is unfair to single out a business for a special tax. Colorado Auto Auction is the only auction in the community.

"This is a tax on a dealer-to-dealer transaction," said Jeffrey Springer, who represents the auction. "Nobody else is subject to this tax. There is an issue of equal protection when only one business is singled out to pay a tax that benefits the entire city."

Springer also argued that the tax stifles interstate commerce. Since dealers buying and selling cars at the auction are indirectly subject to the tax, they may take their business elsewhere.

The auction began setting aside the $10 tax in an escrow fund after it filed the lawsuit. Gehler said there is about $200,000 in the fund.

Springer has asked Adams County District Judge Harlan Bockman to rule the ordinance unconstitutional.

Bockman recently denied a motion from the city to reconsider his injunction ruling. He said city officials shouldn't have used the charter's emergency ordinance procedures to approve the ordinance.

Now, city officials are using the regular ordinance approval process to pass it and have vowed to appeal Bockman's ruling.

Colorado Auto Auction is owned by Atlanta-based Manheim Auctions, a subsidiary of Cox Enterprises.

AUCTION BRIEFS

CHARLES THOMAS

Fire razes auction

The Greater Rockford Auto Auction is operating in a three-lane tent after a May 22 fire destroyed the auction's arena and its administrative offices.

Jimmy Clark, manager of the Rockford, Ill., auction, said the company sustained $1 million in damages after a car caught fire in the auction arena and the fire spread to the rest of the facility. There were no injuries.

The only building that remained standing was the three-stall reconditioning center. It now serves as the administrative offices for the auction.

Clark said the auction missed only two Wednesday sales before it reopened June 7.

The auction had about 400 registrations per week before the fire. That went to 500 vehicles when the auction reopened and is now back to 400.

The auction will rebuild and add one lane, giving it four. Completion is slated for October.

NAAA surveys dealers

Dealers surveyed by the National Auto Auction Association earlier this year said they visit an average of seven auctions each month.

More than 80 percent of those responding to the survey said they travel 100 miles to attend auctions, while 44 percent travel 100 to 500 miles.

Fifty-three percent of the respondents said they attend auctions to buy for retail sales while 24 percent visit auctions to track the shape of the markets and 23 percent attend them to sell or trade.

The ratio of domestic franchises to imports among the dealers surveyed was 3-1, with each dealer representing 2.4 franchises. As a group, the dealers said they average 85 used vehicles on their lots. Ninety-six percent of them retail used vehicles.

Business start

Donald B. Fowler has left his post as vice president and national sales director of GE Auto Auctions to start Performance Remarketing Specialists in Barrington, Ill.

The firm will offer automotive remarketing services, consulting and representation to financial institutions and leasing companies.

"The company grew out of the need of many small- and medium-sized businesses to profit in their back-end automotive endeavors," said Fowler. "Our services offer everything from back room setup and auction representation for our clients' cars to comprehensive reports on the financial gains resulting from our efforts."

AUCTION DATES

Chrysler Motors

June 20 — American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Nashville Auto Auction, Nashville, Tenn.; Florida Auto Auction of Orlando, Ocoee, Fla.; Portland Auto Auction, Portland, Ore.; Riverside Auto Auction, Riverside, Calif.; and Greensboro Auto Auction, Greensboro, N.C.

June 21 — A.D.E. of Birmingham, Birmingham, Ala., and Butler Auto Auction, Gibsonia, Pa.

June 22 — Northway Exchange, Clifton Park, N.Y.; Aptco Auto Auction, Taylor, Mich.; Indianapolis Auto Auction, Indianapolis; Omaha Auto Auction, Omaha, Neb.; Southwest Auto Auction, Phoenix, Ariz.; Ark-La-Tex Auto Auction, Shreveport, La.; and San Antonio Auto Auction, San Antonio, Texas

June 23 — Manhiem Auto Auction, Manheim, Pa.

June 27 — Clanton's Auto Auction, Darlington, S.C.; Denver Auto Auction, Aurora, Colo.; Southern Auto Auction, Warehouse Point, Conn.; Hatfield Auto Auction, Hatfield, Pa.; South Seattle Auto Auction, Kent, Wash.; Golden Gate Auto Auction, Fremont, Calif.; and Dallas Auto Auction, Grand Prairie, Texas

Ford Motor Co.

June 20 — Greater Chicago Auto Auction, Chicago; Bay Cities Auto Auction, Hayward, Calif.; and South Seattle Auto Auction, Kent, Wash.

June 21 — Northway Auto Auction, Clifton Park, N.Y.; Albuquerque Auto Auction, Albuquerque, N.M.; and Indianapolis Auto Auction, Indianapolis

June 22 — Denver Auto Auction, Aurora, Colo.; Interstate Auto Auction, Mercer, Pa.; Minneapolis Auto Auction, Plymouth, Minn.; Nashville Auto Auction, Nashville, Tenn.; Southwest Auto Auction, Phoenix, Ariz.; Skyline Auto Exchange, Chandler, Ariz.; and 166 Auto Auction, Springfield, Mo.

June 27 — Newburgh Auto Auction, Newburgh, N.Y.

General Motors

June 20 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and Manheim Auto Auction, Manheim, Pa.

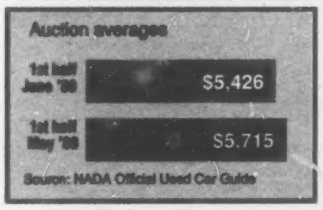
June 21 — Atlanta Auto Auction, Atlanta; Puget Auto Auction, Auburn, Wash.; Clanton's Auto Auction, Darlington, S.C.; Southern California Auto Auction, Fontana, Calif.; Mississippi Auto Auction, Hattiesburg, Miss.; and Omaha Auto Auction, Omaha, Neb.

June 22 — Mid Ark Auto Auction, North Little Rock, Ark.; Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Utah Auto Auction, West Bountiful, Utah

June 27 — A.D.E. of Birmingham, Moody, Ala.; Harrisonburg Auto Auction, Harrisonburg, Va.; and Florida Auto Auction of Orlando, Ocoee, Fla.

June 28 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

Used car sales



Source: NADA Official Used Car Guide

Model breakdown

Year	1st half June 1989	1st half May 1989	1st half April
1989	$10,866	$11,850	$10,974
1988	7,985	8,657	8,207
1987	5,873	6,611	6,280
1986	5,170	5,613	5,419
1985	4,247	4,543	4,418
1984	3,457	3,657	3,693
1983	2,570	2,689	2,860
1982	2,057	2,155	2,135
Overall Average	$5,426	$ 5,715	$5,481

Source: NADA Official Used Car Guide

Brazil's ethanol crisis spurs rebound in gasoline engines

By Rik Turner
STAFF CORRESPONDENT

SAO PAULO, Brazil — Lines are forming in front of some filling stations here as motorists try to find a fuel that has grown scarcer.

Other stations display a sign: "Sorry, we're out of alcohol."

Meanwhile, Brazil may be faced with a gasoline surplus.

A decade after the first ethanol pumps were installed in Brazil's filling stations, the government is reining in the world's most ambitious initiative in alternative fuels.

Brazil's Proalcool program to substitute gasoline with anhydrous alcohol (ethanol) made from sugar cane has replaced gasoline in nearly 4 million of Brazil's 11 million vehicles.

But recent ethanol shortages, low oil prices and a continuing need for diesel fuel have forced the government to order a 28 percent cut in the production of alcohol-powered automobiles and an increase in the price of ethanol.

Earlier this month, Vicente Fialho, this country's mines and energy minister, ordered the auto industry to cut production of alcohol-powered cars. The decision will result in an equal number of alcohol and gasoline cars being produced, compared with the current 70-30 ratio favoring alcohol-powered vehicles.

Last November, 85 percent to 90 percent of the approximately 190,000 vehicles that General Motors do Brasil produced were ethanol-powered, according to a company spokesman. Today, that has dropped to about 65 percent.

Brazil's ethanol program, designed to reduce the country's dependence on imported oil, was launched in 1975. The program has cost $7 billion in subsidies for planting sugar cane and constructing distilleries, and it has generated fuel worth $27 billion, Fialho said.

But Proalcool has caused monumental headaches for Petrobras, the state oil monopoly. This year's reduced cane crop and higher world sugar prices, which stimulated exports, provoked scenes reminiscent of the oil crisis days in the United States.

According to the Sao Paulo Sugar Producers Cooperative, the alcohol equivalent to a barrel of gasoline costs around $31 to produce. For alcohol to be competitive, the cooperative concluded that world petroleum prices need to be around $24 a barrel.

Current spot prices are in the $18-$20 range.

Ethanol is less efficient than gasoline, and it is more corrosive, requiring a stainless steel fuel system. When it launched the program in the 1970s the government provided incentives to buy alcohol-fueled cars: tax exemptions and a ceiling on ethanol prices, leveled at 65 percent of the price of gasoline. But that ceiling has already been broken as the price hit 70 percent of the price of gasoline.

Furthermore, ethanol replaces only gasoline — not other oil derivatives. Eighty percent of all Brazilian freight is shipped by truck so the demand for diesel fuel has continued to be high, requiring crude oil to be imported and refined.

A byproduct of the diesel refining process is gasoline. Thus Petrobras has a surplus of the fuel.

Petrobras has chalked up handsome sales in recent years, exporting 100,000 barrels of gasoline daily to the United States. The problem, according to the superintendent of Petrobras' industrial department, will come when the company plans to expand.

Petrobras wants to double its petroleum production and refining capacity by 1995, making Brazil virtually self-sufficient in oil. So Petrobras faces an increasing gasoline surplus and difficulty increasing sales to the competitive U.S. market.

Industry awaits details of air plan

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Automakers are awaiting details and deadlines that will flesh out President George Bush's dramatic new initiative to clean America's air.

Bush last week proposed to tighten tailpipe emissions standards and to have the manufacturers make a half million methanol-powered vehicles in 1995 and a million a year by 1997.

Automakers may be forced to commit to new product programs as early as this year.

The proposal will speed the development of alternative fuel vehicles and force filling stations to fuel the cars.

While auto executives generally praised the president for a flexible plan, they are anxiously awaiting the timetables. Detailed legislation could be submitted to Congress within two weeks.

In an industry that takes years to bring a new product to market, the deadlines are critical, and Bush provided few of them.

"Four or five years is the typical lead time for a new gasoline vehicle," said Richard J. Wineland, senior research engineer for alternative fuels engine research at Ford Motor Co. "For an alternate fuel vehicle, you have to tack a couple years on top of that. So if you are talking about building our share of 500,000 vehicles by 1995, that decision has to be made today. Has Ford made it? No. Are we looking at it? Yes."

The Big 3 and major foreign makers already have vehicles that can run on methanol or other alcohol fuels, but they prefer a more limited pilot program to study the introduction of such vehicles to the marketplace.

Many in the auto industry adopted a can-do reaction to Bush's challenge.

Fred Schaafsma, chief engineer at Chevrolet, said, "I know that some of these alcohol fuels are going to be sold. And I know that the president sort of left it up to the economy to decide how it goes. But no matter how it goes, we're going to be ready."

Bush proposed that the limit for hydrocarbon emissions for light trucks be cut roughly in half. That could pose a problem for Chrysler Motors, which holds more than half of the domestic minivan market.

But Albert Slechter, Chrysler Motors' director of federal government affairs, said the challenge of meeting a stricter hydrocarbon standard for the minivan would be "another chore, but not out of the question. We would have to add it to the list of things we have to do."

In his address last Monday, Bush did not specify how customers will be encouraged to buy alternatively fueled vehicles and how the infrastructure to deliver such fuels will be built.

The Environmental Protection Agency is reviewing the details of the administration proposal. EPA officials said the legislation may be delivered to Congress in about two weeks if it is not delayed by the Office of Management and Budget. The President called for his clean air legislation to be passed this year.

The President proposed a 10-year plan to introduce vehicles that run on alternative fuels in the nine urban areas with the worst ozone pollution. (See chart.)

Ozone, the major component of smog, can cause or exacerbate breathing problems. It is formed when nitrogen oxides and hydrocarbons react with sunlight.

Bush's clean air plan also covers other industries, including the electric utility industry.

The National Association of Fleet Administrators cautiously praised Bush's proposal, but said it was short on specifics.

In a statement, Frank W. Kraus, the group's past president, said the administration's clean air proposal may be more workable than other alternative fuel legislation now before Congress.

The president's proposal also calls for tighter vehicle tailpipe emission standards. Two bills already under hot debate in the House of Representatives focus on tighter tailpipe emissions.

Bush's plan calls for:

● Hydrocarbon emission standards to be tightened from .41 grams per mile to .25 gpm.

● Emissions of nitrogen oxides to be cut from 1.0 gpm to 0.7 gpm.

Bush proposed that light-duty trucks, which for the purposes of the Clean Air Act presumably include minivans, pickups and sport-utilities, would have to meet the same hydrocarbon emission standard — .41 gpm — now required for automobiles. The current light-truck standard is .8 gpm.

Bush's plan would allow an automaker to "trade emissions" with another, which might give some flexibility for nonconforming vehicles if other vehicles are below the standards. But those provisions have yet to be defined.

Bush sees a clean future

President George Bush announced his plan for clean air June 12. These are the major provisions affecting automakers and the fuel industry:

- Light trucks meet car-emission standards
- Hydrocarbon emissions reduced for cold weather starts and idling engines

- Sales quotes for alternative fuel cars:
  1995 - 500,000
  1996 - 750,000
  1997-2004 - 1,000,000
- Alternative fuel required in 9 polluted areas:
  Los Angeles, Houston, New York City, Milwaukee, Baltimore, Philadelphia, Connecticut, San Diego, Chicago

- Vapor catchers on gas pumps
- Less evaporation from gas tanks and fuel lines
- Less volatile gasoline in summer

Source: Automotive News research.

AUTOMOTIVE NEWS / C. BEEFER

U.S. can learn from Ford work in Brazil case

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — Roberta Nichols believes the U.S. auto industry can learn from Brazil's experience as it faces the prospect of selling half a million alternative fuel domestic vehicles in 1995.

But Nichols, principal research engineer of Ford Motor Co.'s engineering staff, said one difference is that the United States doesn't have a dictator who can guide consumers into alternatively powered cars.

In 1975, Brazil began shifting from gasoline to ethanol made from sugar cane. Ford of Brazil and other automakers faced their share of challenges, Nichols said.

Their task was simplified because Brazil had no emissions standards, but they did have to make changes in the fuel system. Ethanol, like the methanol that would be used in the United States, is more corrosive than gasoline, so automakers had to develop new, corrosion-resistant materials.

The company also added larger fuel tanks to its fleet because cars powered by ethanol or methanol require more fuel per mile than gasoline-powered cars.

The methanol challenge will be doubly difficult in the United States. Methanol is even less energy-intensive than ethanol, and current vehicles provide little room for a larger fuel tank.

Two concerns about alternative fuels are motivating people to buy the cars and availability of fuel.

In that respect, Brazil had an edge.

"I'm not advocating a dictatorship, but in some situations it does have its advantages," Nichols said.

Brazil's government encouraged the use of ethanol by allowing three-year financing on the purchase of ethanol-powered cars. Loans on gasoline-powered cars had to be paid back within a year.

Gasoline stations were closed on weekends, Nichols said, but ethanol stations were open all week.

Such steps promoted a quick transition, Nichols said. Ford of Brazil produced its first ethanol vehicle in 1979; seven years later, 99 percent of its cars and 85 percent of its trucks ran on the fuel.

But there were growing pains.

Some water naturally exists in ethanol without affecting performance, Nichols said. When some unscrupulous service station owners discovered this, they added water of their own.

Europe heads for U.S.-level emission rules

By Jean-Jacques Renaux
STAFF CORRESPONDENT

LUXEMBOURG — The ministers of environment of the European Community voted to impose U.S.-like exhaust emissions standards on small cars by the end of 1992, bringing those requirements in line with tighter limits that had been proposed earlier for larger cars.

The short timetable, if approved by the full European Commission, will force carmakers and suppliers to invest in crash programs to develop or buy fuel injection systems and three-way catalysts, which control hydrocarbons, carbon monoxide and nitrogen oxides.

The tougher rules cover cars with engines of less than 1.4 liters — an estimated 60 percent of cars in Europe. Some automakers condemned the three-year deadline as unrealistically short; at the same time, some were pleased a decision had ended uncertainty.

After a two-day debate, 10 of the 12 member states voted for the new standard June 9. Greece and Denmark voted no; they wanted more stringent standards.

The new standard limits carbon monoxide emissions to one-third of the current limit. The limit for combined hydrocarbon and nitrogen oxide emissions will be cut 74 percent.

The ministers also decided that any country may promote the new standard with tax incentives to buyers before the compulsory dates. The incentives can pay for up to 85 percent of the cost of the required new emissions components on new cars.

Those incentives will expire when the standards become mandatory — July 1992 for any new model introduced and Dec. 31, 1992, for all new cars.

The Council of Environmental Ministers also said the European Commission will take up new emission proposals by year's end as part of a plan to add a new highway test procedure.

Many carmakers were relieved by the small car decision, because it ends years of uncertainty.

But some still worry because the decision to take up revisions later this year could lead to more legislation within two years.

Renault, the state-owned French automaker, welcomed the decision but said the short lead time might make it difficult to get the right supply of fuel injection systems and catalysts in time.

FINANCE

FROM PAGE 1

Corp. reported that on Dec. 31, 1988, it had $99.04 billion in total assets. Ford Motor Credit Co. had $56.28 billion in total assets, and Chrysler Financial had $28.75 billion.

GMAC, with $7.1 billion in equity, was leveraged 12.7 to one. Ford Credit had $4.26 billion in equity and was leveraged 12.2 to one. Chrysler Financial reported $2.63 billion in equity and was leveraged 9.9 to one.

William R. Battey Jr., a First Boston director identified by Tonkin as the project head, declined to be interviewed.

Tonkin acknowledged that even $2 billion would dwarf in comparison to GMAC, Ford Credit and Chrysler Financial. "It would be a starting point" he said. "If dealers use the services, it would grow very rapidly."

He said the objectives of such an NADA finance company would be to guarantee retail and wholesale financing for all NADA members, particularly "multi-line dealers who are at the mercy of captive finance arms," as well as make money for the dealer investors. It also would likely make money for NADA.

"There is a sword, or threat, hanging over the heads of dealers that somebody could pull their financing. You might have financing for one (franchise), but if you've got seven or eight, there's no guarantee a captive can't come along and say they'll only handle their products," Tonkin said

"This isn't happening currently, but you never know what tomorrow will bring."

He conceded that some factory officials might consider the feasibility study an NADA attempt to gain bargaining leverage in disputes with the factories.

"We're not looking for leverage, we're looking for profit opportunities," Tonkin said.

But he again criticized the factories for takeaways.

"If we can't make a buck because of decreased warranty allowances and we can't make a buck because we have to pay for their advertising and we can't make a buck because there's no 5 percent carryover allowance and we can't make a buck because we have to buy all the expensive data processing equipment — we'll just have to find another way," Tonkin said.

Tonkin, a multi-franchise dealer in Portland, Ore., conceded that not every dealer is in a position to invest $5,000, but that many others — like himself — would want to invest more than $5,000.

He said finance income has become an important profit center in every dealership. Since dealers generate that finance income for themselves and their factories' finance arms — as well as banks and other finance companies — and know the business, a dealer-owned finance company makes sense.

"Ultimately, we could handle all finance needs, including capital loans," Tonkin said. "We have close to 21,000 members. There are about 4,000 dealers who are not members of NADA, but I guarantee you, if we can do this, all the dealers would join NADA in a hot second."

The NADA board last week appointed a committee of state NADA directors to investigate the NADAF possibility. Ramsay H. Gillman of Houston, the new South Texas director, is chairman. Other members are Bob Brest of Lynn, Mass.; C. William Briggs of Minneapolis; Robert J. Maguire of Bordentown, N.J.; and Larry Crnkovich of Idaho Falls, Idaho.

Automotive News Staff Reporter Jim Henry in New York contributed to this report.

NADA

FROM PAGE 3

a lot of other things."

Tonkin threw down the gauntlet early in his tenure, establishing the Rough Riders dealer group to oppose "take-aways" and "cost-passing" by the factories at the expense of dealer profits. The issue of fleet subsidies is at the top of Tonkin's hit list.

Among his other complaints are General Motors' cancellation of the 5 percent carryover allowance, dealer improvement programs that interfere with a dealer's independence and factory-run customer satisfaction indexes that are used to determine if a dealer will continue to hold a franchise.

As for the Rough Riders' rocky start, Tonkin said several dealers who were named in the initial announcement and balked at their names being used without permission have reconsidered and joined the fold.

Last Thursday Tonkin said there were "nearly 500" Rough Riders, and he predicted there would be "almost 1,000" by the end of July.

"There are several things I've been trying to do to unite the dealers, and the Rough Riders is one. The Rough Riders are doing far better than my wildest dreams," Tonkin said.

Green, Tonkin's likely successor, has been a new-car dealer since 1958. He was NADA secretary in 1987; vice president of region 3 in 1985-1986; and trustee of the dealer election action committee and national fundraising chairman in 1988.

Green chaired the dealership operations committee in 1983-1984. Green serves on several committees including building, industry relations, Project 2000 and as NADA/American International Automobile Dealers Association liaison.

A former chairman of the Toyota line group, Green also has franchises with Chevrolet, Mazda, Volkswagen, Audi, Porsche, Jeep-Eagle and Yugo.

Green

The nominee for first vice president, Anderson, is president of Sir Walter Chevrolet in Raleigh, N.C. He has been a franchised new-car dealer since 1970.

Anderson is chairman of NADA's finance committee and serves on the building committee. He is executive committee liaison to the policy and by-laws committee, and he has served on several committees including governmental relations, public affairs, finance, policy and by-laws, and building.

Herrmann, the nominee for secretary, has been a dealer since 1967. His franchises include Buick, Subaru and GMC Trucks. He serves on the nominating committee and is executive committee liaison to the public affairs committee. Herrmann is also advisor to the Automotive Consumer Action Program for NADA Consumer Affairs. He originated the Greater New York Automotive Consumer Action Program.

Mercedes doffs its kid gloves

Soft-sell image ads dumped as dealers ask for hard-hitters

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

In response to pressure from its dealers, Mercedes-Benz of North America is changing its advertising from soft-sell image ads to a hard-hitting, fact-oriented campaign.

The first of the new breed of Mercedes ads appeared last month with the message, "Take a look at one now." It is a retail-oriented campaign funded partly by Mercedes dealers. It will be followed by a brand campaign for Mercedes' 1990 models that will break in July and will speak more directly to consumers.

"We are going to be talking about Mercedes-Benz and what makes Mercedes-Benz stand out above the rest," said Will Metzger, executive vice president and management supervisor on the Mercedes-Benz account at McCaffrey and McCall in New York.

The change in tone resulted from pressure by Mercedes dealers on the importer and McCaffrey and McCall. Dealers, who have watched Mercedes sales drop 19 percent in 1989, asked Mercedes to give them harder-hitting ads that would bring customers into the showroom.

Neither campaign will mention other car companies or other models, a tactic several Mercedes' competitors have used. Buick and BMW have shown Mercedes models in their national advertising. The Southern California Acura dealers call the Acura Legend "A Mercedes-Benz replacement part."

"Mercedes-Benz is taking the higher road," said Kent Sednaoui, senior vice president and management supervisor on Mercedes-Benz dealer advertising at McCaffrey and McCall.

Mercedes will present a series of statistics from surveys and automotive enthusiast magazines that laud Mercedes-Benz models. In the past, Mercedes has presented facts in print or television with a beauty shot of a car driving down a road. The new retail campaign takes a more direct approach by using several spokespersons to deliver the facts, Metzger said.

The television spots begin by showing a question on the screen. One ad asks, "Is satisfaction luxury?" A young, professional woman appears on the screen talking about Mercedes-Benz's repeat buyer statistics.

"You know, it's one thing to love a luxury car the day you buy it. But . . . later?" says the spokeswoman. "Yet just last year, more Mercedes-Benz owners said they'd buy another (Mercedes) than the owners of any other make sold in America."

Another ad addresses resale values and yet another presents the option of leasing.

All television commercials show the spokesperson at the beginning of the spot and close with a full view of a Mercedes. Print ads show the spokesperson and the car. Radio ads are similar to the voiceovers in the television spots.

To start the campaign with a punch, Mercedes purchased several spots on network television. The rest of the campaign will run locally and will be funded by Mercedes and its 250 dealer groups through its advertising co-op program. Mercedes-Benz contributes $100 to $125 per car in a dealer matching program instituted in the 1988 model year.

The new national brand commercials will begin airing in July to introduce Mercedes' 1990 lineup but will not be a "call to action" campaign like the current dealer pitch. Spots like the 1989 television ads showing German and American businessmen driving on the autobahn in a Mercedes at high speed will be replaced by ads that are "a lot more direct and hard-hitting," said Metzger.

"Those type of ads were perfect for the market at the time; but the market has changed and those kind of ads are not hard-hitting enough for today's competitive environment," he said.

Mercedes is launching its dealer and corporate campaigns just as consumers are beginning to see advertising for Toyota's Lexus and Nissan's Infiniti luxury cars, which are aimed squarely at Mercedes' market. Metzger and Sednaoui said the introduction of those cars is not solely responsible for the change in Mercedes advertising.

The new corporate campaign will continue to use the themeline "Engineered like no other car in the world." The dealer campaign uses "Like no other dealers in the world" as its primary themeline with "Take a look at one now" as the secondary theme.

JEEP

FROM PAGE 1

present Cherokee into the next decade and production as well of the more aerodynamically styled ZJ.

Sale of the ZJ by Dodge is a threat to Jeep's strong image and identity in the market, protesting dealers claim, and will undermine the brand by confusing buyers.

"We feel ZJ should be kept by Jeep. It would bring down the Jeep nameplate. It represents a threat to Jeep-ness," the source said.

Following Chrysler's acquisition of AMC in 1987, Chrysler senior management said it would not sanction badge engineering, the use of different nameplates on the same basic vehicle.

"Their position has changed 180 degress in two years. This is badge engineering," said a Jeep-Eagle dealer. "That's why we want to sit down and talk."

The Dodge version of the ZJ will have exterior cosmetic changes to differentiate it from the Jeep vehicle, a dealer source said. The changes include body side moldings, taillamps, headlamps and possibly colors.

Drivetrains and powertrains will also differ. Powertrain decisions have not been finalized, but it has been decided that Jeep will receive the more powerful powerplants.

The dealer source said Chrysler is considering mounting a 4.5-liter six-cylinder engine in the Jeep ZJ and using the current Cherokee's 4-liter six in the Dodge version. Also under consideration is use of Chrysler's new 3.3-liter V-6 and possible development of a V-8, the source said.

It has also been determined that Dodge will not receive the Jeep four-wheel-drive system, the source said.

The production ZJ will be similar to this vehicle, displayed on the auto show circuit earlier this year.

AUTOMOTIVE NEWS-JOE WILSSENS

"Dodge will either develop a new one or use what it has today," the source said.

Jeep-Eagle dealers are concerned that Dodge will cannibalize Jeep sales and encroach on the bottom end of the Jeep market.

"We're looking two or three years down the line and where Jeep will be in the public eye," the source said.

"If we don't get the customer into our store and tell him the differences in the vehicle, he will never know. The customer will get a clone of the Jeep but without the componentry."

Jeep-Eagle dealers have told Chrysler management that Jeep dealers could sell the anticipated production capacity of 200,000 ZJ units annually.

National dealer council representatives have met with Chrysler Motors Chairman Bennett Bidwell and Lutz in an effort to overturn the product decisions.

At those meetings, Chrysler management reportedly said that even prior to the AMC purchase, the company had planned to offer through Dodge a 4wd sport-utility in the 1990s.

A source said that Chrysler management claimed it is too costly to develop and produce two separate sport-utility vehicles.

Lutz recently acknowledged Jeep-Eagle dealer concerns during a discussion of the Dodge Monaco.

The Monaco will differ from the Premier through use of a distinctive Dodge grille and other Dodge-specific trim such as taillamp applique, two-tone paint treatment and wheel trim.

"Obviously, the Eagle dealers would have preferred to keep the car exclusive to them," Lutz said. "We have had a lot of very frank discussions about it with the Jeep-Eagle dealer council. In the final analysis, while they didn't like the decision, they could understand the need for it."

Chrysler is offering the Dodge Monaco to increase production at its Bramalea, Ontario, assembly plant, which has an estimated annual production capacity of 200,000 units. Chrysler produced 19,909 Premier cars at Bramalea from Jan. 1 to June 10, 1989.

In addition, when Chrysler acquired AMC in August 1987, it agreed to sell at least 300,000 Premiers between 1988 and 1992 or pay a penalty to Renault, which supplies Premier componentry.

"Any plant that just sits there with partial capacity utilization represents some financial drain and, worse yet, a plant can't really keep itself efficient if it's operating at a very low capacity utilization level," Lutz said. "It's just like using your muscles. There are all kinds of good reasons to (offer a Dodge version) and get the capacity utilization up."

Mercedes battles 'bad-faith' penalty in parts theft

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Mercedes-Benz of North America has asked a federal court in Los Angeles to set aside $4.5 million in damages a jury assessed against Mercedes-Benz for "bad faith" in a case against Hartford Accident and Indemnity Co.

And Hartford has filed a similar request to set aside $100,000 in breach-of-contract damages awarded to Mercedes-Benz in the complex case.

Mercedes-Benz filed suit against Hartford in 1986, alleging Hartford had improperly failed to pay Mercedes-Benz about $700,000 in claims in connection with the theft of parts from its La Mirada Parts Distribution Center in California from 1977 to 1982.

Mercedes-Benz, based in Montvale, N.J., said the parts were stolen by five employees who were covered by a "fidelity bond" purchased by Mercedes-Benz as insurance against theft by insiders.

Based on its investigation into the insurance claim, Hartford countersued Mercedes-Benz for "bad faith" for concealing key facts and documents from Hartford, including evidence that Mercedes-Benz had suspected one of the five employees as early as 1979, but took no action.

That suspicion, which was documented in the employee's personnel file, should have invalidated the "fidelity bond" that Mercedes-Benz cited in suing Hartford with respect to that one employee, said Robert N. Block, one of the Los Angeles attorneys who represented the insurance company.

Block said the five employees were arrested in 1982 in connection with the theft of about $2,000 worth of parts. They pleaded guilty to misdemeanor theft and were placed on probation. Their records were expunged after they completed their probation, Block said.

But in the Hartford lawsuit, Mercedes-Benz attempted to attribute several hundred thousand dollars' worth of parts disappearances to the group, he said.

In its May 25 verdict, a six-member federal jury awarded Mercedes-Benz $100,000 in damages in connection with the parts thefts, but socked Mercedes-Benz with $4.5 million in punitive damages and $5,000 in compensatory damages.

In its petition to set the verdict aside, Mercedes-Benz argued that the punitive damages were "excessive" and alleged several technical errors in the seven-week trial. In the absence of a directed verdict issued by Judge A. Wallace Tashima, Mercedes-Benz asked for a new trial.

A hearing has been set for July 17 on the motions of both parties to set aside the verdict, Block said.

Sales rise, but cars are weak

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Retail sales of new U.S.-built cars and light trucks in the first 10 days of June crept ahead of last year's equivalent 10-day period by 1.02 percent.

Early-June deliveries totaled 317,619 units, compared to 314,417 in 1988. Both periods had nine selling days.

Car sales were weak both years. The eight U.S. carmakers delivered 201,248 units compared to last year's depressed count of 198,647, when most incentives had been reduced. This year's increase was 1.31 percent, or 2,601 units, despite stronger incentives.

Truck sales were good in both 10-day periods. The four U.S. truckmakers reported a gain of 0.52 percent on deliveries of 116,371 compared with 115,770 in early June last year. General Motors and Chrysler Motors were up while Ford Motor Co.'s light-truck deliveries lagged. Transplant Nissan reported the biggest 10-day loss.

The car situation was different: Ford's sales were up and GM's were down slightly. Among the Big 3, Chrysler's U.S.-built car sales fell the most from last year's comparable 10-day total. Nissan was the only transplant to report a major 10-day slide.

In the first 10 days of June, Ford delivered 5.21 percent more domestic cars than it did in the comparable 1988 period. At Ford Division, Mustang and Taurus sales improved and Probe sales more than doubled. Mercury's Topaz, Sable and Tracer were stellar sales performers. Extended incentives bolstered Continental, Lincoln and Mark VII deliveries, too.

GM sold 0.70 percent fewer cars than in the equivalent year-ago period, but four of its five divisions reported gains. Chevrolet's new-car sales climbed 11.33 percent. Only Oldsmobile sold fewer cars; its 10-day deliveries dropped 18.61 percent from last year's.

All Chrysler Motors division sold fewer cars this year, but the Dodge dip was minimal — only 20 units.

Among the transplants, Toyota sold more than three times as many U.S.-built cars as it did in the same period last year. Sales of domestically produced Civics were responsible for most of Honda's 16.38 percent increase.

Mazda sold 9.88 percent more U.S.-built MX-6s this year; the gain was 60 units. Nissan reported a drop of 45.91 percent in early-June domestic car sales, although its year-to-date sales of U.S.-built Sentras are up. Mitsubishi, which was not building cars at the Diamond-Star plant in Normal, Ill., last year, sold 835 Eclipses in early June.

DOMESTIC CAR SALES

	June 1-10, 1989	June 1-10, 1988
Eagle	1,246	1,342
Chrysler	5,373	6,698
Plymouth	7,094	7,508
Dodge	12,211	12,231
Chrysler Motors	25,924	27,779
Ford	40,755	39,949
Mercury	13,972	12,622
Lincoln	6,780	5,890
Ford Motor Co.	61,507	58,461
Buick	13,678	13,323
Cadillac	5,075	4,818
Chevrolet	44,052	39,570
Oldsmobile	16,603	20,399
Pontiac	22,700	22,611
General Motors	100,017	100,721
Volkswagen	—	917
Honda	7,788	6,692
Nissan	1,308	2,418
Toyota	3,202	1,052
Mazda	667	607
Mitsubishi	835	—
U.S. Car Total	201,248	198,647

Mack goes outside for president

Reins leaves supplier to take truck post; Curcio still chairman

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Curcio

Reins

Ralph Reins, senior vice president of ITT Corp. and president of ITT Automotive in Troy, Mich., has been named president and chief operating officer of Mack Trucks in Allentown, Pa.

Reins will be elected to Mack's board of directors Wednesday, exactly nine years after John B. Curcio was named president and chief operating officer of the company.

Curcio has been chairman, president and chief operating officer of Mack since 1983. In an interview, he said it was normal for major corporations to have at least a two-man team at the top.

With Reins running the company on a day-to-day basis, "I intend to spend more time on the strategy and planning side of the business, without worrying day-to-day how things are going at a given manufacturing plant," Curcio said.

"I also intend to spend more time than I've been able to with our field organization, our distributors and customers. It's difficult to do that when you have to look after the store all by yourself," he added.

During the past five years, Mack has been restructured, Curcio said. It closed some older facilities and opened its new Winnsboro, S.C., plant. It also added major new vehicle lines, engines and other truck components.

With its $500 million capital investment program completed, the company is starting a new five-year program. "We felt the timing was right to make an addition to the team," Curcio said.

He said Mack began its search for a president a year ago. Reins was selected because of his strong operating experience, technical background in engineering and manufacturing and international experience.

"The truck industry is so globalized today. In order to understand the worldwide competition, as well as the material and supply side, you need someone with a good understanding of the international marketplace," Curcio said.

Reins has 25 years' automotive experience, 17 of them in the heavy-duty truck segment. He began his career in 1963 with General Motors, moved to Rockwell International in 1973 and has served in Rockwell's North American and European automotive operations.

In 1980, he became vice president and general manager of Rockwell's axle division, and in 1982, he was named president and general manager of Rockwell's on-highway operations, an officer of the corporation and a member of the corporate management committee.

He joined ITT Corp. in 1985 as president and chief executive officer of ITT Automotive and was named senior vice president of the corporation in 1987. ITT Automotive produces a wide variety of automotive components, ranging from windshield wiper systems to anti-lock brakes.

Curcio pointed out that "when you bring in a chief operating officer you're also bringing in someone who hopefully will someday succeed the CEO."

Curcio is 55; Reins is 48.

Although Curcio does not have retirement plans, he said he considered that a "good age spread" to set up a future succession. Curcio said there are no plans to name any additional top-level people to new jobs at Mack.

FORD

FROM PAGE 1

models also are produced there.

By counting the 1991s as imports, Ford expects to boost its domestic CAFE average by 0.6 or 0.7 mpg, Kulp said. Ford's imported fleet rating will correspondingly fall by more than that amount, Kulp said, because of the volume of the Crown Victoria/Grand Marquis.

Last year, Ford sold more than 228,000 Crown Victoria and Grand Marquis models. They are powered by a 5-liter V-8 engine and are among the largest and least fuel efficient in Ford's lineup. Their fuel economy is listed at 23 mpg for CAFE purposes.

Kulp said that with sales trends favoring larger cars, Ford has decided to balance the mix of small and large cars in the domestic and imported fleets. The alternative was to build some large cars offshore, he said.

"The intention is to make sure that both groups remain comfortably above the 27.5-mpg standard," Kulp said.

Ford also plans to increase its domestic fuel economy rating by including two models that are currently counted as imports — the Ford Probe, which will offer a Ford V-6 in 1990, and the replacement for the Mercury Tracer.

The Tracer, built at a Ford plant in Hermosillo, Mexico, will be replaced next spring under the same program that will provide a successor for the Ford Escort.

The new model is expected to carry 75 percent North American content, Kulp said. Even though it will be assembled in Mexico, it will count as a domestic by virtue of its North American content level.

The Probe, built for Ford by Mazda in Flat Rock, Mich., is also expected to reach the 75 percent domestic content mark within a year, he said.

North American sourcing for the Grand Marquis/Crown Victoria will probably fall in the 73 to 74 percent range, Kulp said. He said all the non-North American parts will be "relatively small components." A Ford source said they will come from nine countries.

In 1985, Ford threatened similar action on the Crown Victoria/Grand Marquis. At the time, Ford and General Motors petitioned NHTSA to lower CAFE requirements from 27.5 mpg to 26 mpg.

Ford dropped the plan after CAFE standards were rolled back. But the idea was resurrected about a year ago, Kulp said, partly out of the belief the rollbacks were temporary.

The offshore sourcing changes planned for 1991 will not involve engines, the source said. Ford is expected to equip the EN53 series with a new 4.6-liter modular V-8 slated for production in Romeo, Mich., next year.

Ford has taken issue with U.S. fuel standards by arguing that the system unfairly punishes domestic full-line manufacturers. The company contends that U.S. makers are at a competitive disadvantage because their strength is in full-sized cars — and consumers want them. As a result, Ford argues, it must sell high volumes of domestic small cars — where imports are strongest — to offset sales of less-fuel-efficient large cars.

It advocates a system that would require each maker to improve fuel economy by an equal percentage.

Don Richardson, president of Canadian Auto Workers Local 1520 in St. Thomas, acknowledged that Ford faced a difficult decision. But he maintained that Ford could meet fuel economy requirements without reducing North American content. He fears loss of jobs.

OBITUARIES

Joseph G. Pais

WEST PALM BEACH, Fla. — Joseph G. Pais, 79, retired director of personnel for Cadillac, died May 17. He began a 47-year career at General Motors as an hourly worker in 1925. His son, Donald A. Pais, is vice president of GM's materials management staff.

Rudolf Uhlenhaut

STUTTGART, West Germany — Rudolf Uhlenhaut, 82, former head of car development at Mercedes-Benz, died May 8. He retired in 1972 after 41 years with Mercedes. In the late 1930s, he led the automaker's Grand Prix race team and helped develop its Silver Arrow race cars.

Robert Carter

OAKVILLE, Ontario — Robert Carter, 47, general counsel and secretary of Ford of Canada, died of a heart attack May 24. A 12-year veteran of Ford, he was appointed to his last job in March 1986.

Henry B. Cutler

BOSTON — Henry B. Cutler, 80, retired owner of Cutler Buick in Cohasset, Mass., died May 25.

Joseph S. Santin

MYSTIC, Conn. — Joseph S. Santin, 90, former owner of Santin Chevrolet here, died May 31. He ran the store for 52 years. It was sold in 1972 and later moved.

Ford to shut two Escort plants again

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

For the second time in a month, Ford Motor Co. will close its Escort assembly plants due to slow sales. The company's Wayne, Mich., and Edison, N.J., facilities will be idled June 26.

The one-week shutdowns will trim the industry's weekly output by about 8,5[illegible]0 units and will result in temporary layoffs for 4,600 hourly workers. Ford idled both Escort plants in late May a[illegible]d early June because of slow sales. Those were the first shutdowns of U.S. Ford plants for high i[illegible]ories since 1983. On June [illegible] [illegible]d a 94-day supply of Esc[illegible]

Chrysler Motors is c[illegible] [illegible]n expansion and moderni[illegible] 52-year-old Warren, Mic[illegible] [illegible]k plant. A four-week model changeover began today, and the plant is expected to be ready to resume production in July.

The plant's paint shop will be enlarged by 90,000 square feet, and another 24,000 square feet will be added to the final assembly area. Hourly and salaried employees have been involved in extensive training programs in preparation for assembly of the Dodge Ram, Dodge Dakota and the new Dakota Club Cab pickups.

Meanwhile, General Motors idled the Allante line at its Detroit-Hamtramck plant today due to high inventories. The line is expected to resume output June 26.

Earlier this month, GM ended production of its compact Buick Skyhawk. The Skyhawk, which was built at the Janesville, Wis., plant, will not be offered in the 1990 model year.

Last week's scheduled domestic auto output of 141,151 rose slightly (0.46 percent) over the previous week's 140,501 but fell substantially (14.81 percent) from the year-ago week's 165,688.

So far this year, 3,567,509 cars have been built, 2.64 percent more than the 3,475,808 completed last year at this point.

Truckmakers targeted last week's production at 88,887, a bit below (0.25 percent) the prior week's 89,110 but slightly above the year-ago week's 88,129.

Year-to-date, 2,133,917 trucks have been produced, 5.34 percent more than the 2,025,712 built last year at this time.

Canada output takes big jump

Last week's scheduled Canadian car output of 24,447 was 29.20 percent more than the prior week's 18,922 but 1.14 percent below the year-ago week's 24,730.

So far this year, 481,413 cars have been assembled, 15.59 percent fewer than the 570,350 completed last year at this point.

Truck output was targeted at 21,332 units last week, 18.67 percent more than the previous week's 17,976 and 5.99 percent above the year-ago week's 20,127.

Year-to-date, 479,748 trucks have been built, 4.36 percent more than the 459,705 assembled last year at this time.

U.S. CAR	Week Ended June 17, 1989	Week Ended June 18, 1988	Week Ended June 10, 1989	June to Date	Jan. 1 to June 17, 1989	Jan. 1 to June 18, 1988
Horizon	500	2,161	849	1,638	9,325	46,844
Sundance	2,400	2,666	2,564	5,800	57,148	51,816
Reliant	0	3,174	0	0	0	52,370
Acclaim	3,700	0	3,315	8,316	61,538	0
Caravelle	0	0	0	0	0	9,843
Gran Fury	0	303	0	0	0	6,711
Total Plymouth	6,600	8,304	6,728	15,754	128,011	167,584
LeBaron K	0	0	0	0	0	7,955
LeBaron J	0	2,707	2,443	3,332	55,273	37,370
LeBaron GTS	0	269	0	0	2,946	4,546
N. Yorker C-Class	1,700	2,941	1,794	4,081	52,934	57,686
Fifth Avenue	0	327	0	0	0	14,638
Total Chrysler	1,700	6,244	4,237	7,413	111,153	120,495
Omni	500	2,098	941	1,725	10,694	46,406
Daytona	0	2,697	1,592	2,184	46,536	36,328
Shadow	2,100	2,359	2,149	4,968	54,986	53,156
Aries	0	2,829	0	0	0	44,520
Dodge 600	0	0	0	0	0	8,658
Dynasty	2,800	2,380	3,106	6,877	75,769	53,359
Lancer	0	166	0	0	1,528	4,988
Spirit	2,300	0	2,177	5,364	54,485	0
Diplomat	0	501	0	0	0	10,792
Total Dodge	7,700	13,030	9,965	21,117	243,998	258,207
CHRYSLER MOTORS	16,000	27,578	20,930	44,285	483,162	546,286
Escort	7,654	9,407	2,966	12,328	159,749	184,022
Mustang	4,510	3,782	4,096	9,932	109,338	102,173
Tempo	2,830	3,877	2,932	6,706	75,300	95,747
Taurus	8,022	9,096	7,926	18,451	189,314	195,820
Thunderbird	3,651	3,538	3,585	8,280	82,863	78,582
Total Ford Div.	26,667	29,700	21,505	55,697	616,564	656,344
Topaz	1,570	1,561	1,468	3,494	34,310	35,819
Cougar	2,429	2,344	2,413	5,541	68,837	58,249
Sable	2,503	2,859	2,479	5,778	61,559	68,116
Total Mercury	6,502	6,764	6,360	14,813	164,706	162,184
Continental	1,461	916	1,408	3,330	34,676	22,124
Mark VII	441	494	452	1,047	12,307	12,144
Lincoln	2,792	2,885	2,741	6,455	64,200	70,671
Total Lincoln	4,694	4,295	4,601	10,831	111,183	104,939
Total L-M Division	11,196	11,059	10,961	25,644	275,889	267,123
FORD MOTOR CO.	37,863	40,759	32,466	81,341	892,453	923,467
Skyhawk	0	3	0	0	6,857	11,352
Skylark/Somerset	1,405	1,651	1,406	3,269	28,345	23,480
Century	2,750	3,388	2,759	6,400	59,486	53,593
Riviera	491	131	224	789	11,319	3,344
Electra	1,332	2,246	1,367	3,376	40,637	42,872
LeSabre (fwd)	100	2,500	88	1,503	68,580	61,142
LeSabre (rwd)	4,172	197	4,186	8,384	11,942	4,825
Reatta	0	193	0	58	3,140	2,883
Total Buick	10,250	10,309	10,030	23,780	230,306	203,491
Cimarron	0	0	0	0	0	3,696
Eldorado	901	1,009	948	2,167	18,945	21,065
Seville	656	611	708	1,595	13,925	13,103
Brougham (rwd)	715	397	622	1,536	18,749	17,576
Deville (fwd)	4,135	3,549	3,983	9,429	105,264	87,470
Allante	75	0	75	174	1,588	1,135
Total Cadillac	6,482	5,566	6,336	14,901	158,471	144,045
Cavalier	6,973	9,223	6,922	16,556	187,431	171,247
Camaro	2,725	2,501	2,757	6,379	60,582	42,578
Celebrity	2,235	5,237	2,222	5,130	64,111	89,879
Corsica/Beretta	9,030	9,204	8,916	20,758	203,359	198,129
Caprice	4,485	4,861	4,094	9,865	97,598	96,629
Corvette	560	447	560	1,299	12,696	10,283
Total Chevrolet	26,008	31,473	25,471	59,987	625,777	608,745
Calais	2,195	2,648	2,207	5,105	47,411	58,290
Firenza	0	0	0	0	0	5,220
Cutlass Ciera	1,990	1,761	1,937	4,539	41,909	6,239
Cutlass Supreme	0	4,026	0	1,007	51,125	100,249
Toronado	0	419	300	398	4,801	9,167
88 (fwd)	2,904	3,456	2,871	6,649	78,685	81,197
88 (rwd)	210	133	172	454	3,966	5,877
Olds 98	1,065	1,593	1,069	2,487	39,858	40,036
Total Oldsmobile	8,364	14,036	8,556	20,640	267,735	306,275
Sunbird	3,147	2,418	3,088	7,239	74,332	52,552
Grand Am	4,800	4,943	4,834	11,185	120,280	119,581
Firebird	1,355	1,677	1,357	3,144	33,365	31,365
Grand Prix	0	3,756	0	1,275	69,565	60,851
Pontiac 6000	830	1,669	874	2,028	40,551	37,691
Bonneville	2,116	2,734	1,882	4,434	47,485	55,338
Safari/Parisienne	100	86	96	233	2,700	4,098
Fiero	0	488	0	0	0	9,650
Total Pontiac	12,348	17,771	12,131	29,538	388,278	371,126
GENERAL MOTORS	63,452	79,155	62,524	148,846	1,670,567	1,633,682
DIAMOND-STAR	1,561	0	1,557	3,618	23,345	0
HONDA	7,750	7,525	7,684	17,832	182,944	176,391
Civic	2,700	2,483	2,699	6,221	61,882	47,484
Accord	5,050	5,042	4,985	11,612	121,062	128,907
MAZDA†	4,390	2,681	4,452	10,255	111,786	41,946
NISSAN	2,800	2,724	3,302	6,976	56,312	47,982
NUMMI	4,000	3,299	4,285	9,649	94,944	76,922
Corolla	1,600	1,196	1,688	3,818	38,403	28,295
Geo Prizm/Nova	2,400	2,103	2,597	5,831	56,541	48,627
TOYOTA	3,335	0	3,301	7,648	51,986	0
VOLKSWAGEN	0	1,967	0	0	0	29,122
Golf/GTI	0	1,967	0	0	0	23,569
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	141,151	165,688	140,501	330,450	3,567,509	3,475,808
Total Cars, Canada	24,447	24,730	18,922	52,549	481,413	570,350
U.S., Canada Cars	165,598	190,418	159,423	382,999	4,048,922	4,046,158
U.S., Canada Cars and Trucks	275,817	298,674	266,509	637,187	6,662,587	6,531,575

Monthly estimates may contai[illegible] [illegible] of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended June 17, 1989	Week Ended June 18, 1988	Week Ended June 10, 1989	June to Date	Jan. 1 to June 17, 1989	Jan. 1 to June 18, 1988
Premier	1,275	0	1,307	2,582	21,216	33,569
CHRYSLER MOTORS	1,275	0	1,307	2,582	21,216	33,569
Tempo	3,360	3,256	0	4,697	69,432	96,136
Topaz	1,440	1,604	0	2,020	29,416	33,529
Crown Victoria	2,420	2,808	2,617	6,095	63,868	66,791
Grand Marquis	2,380	2,873	2,604	6,013	69,642	66,685
FORD MOTOR CO.	9,600	10,541	5,221	18,824	232,358	263,141
Celebrity	995	615	995	2,380	9,839	10,680
Cutlass Ciera	2,565	7,032	2,559	6,162	80,486	135,466
Lumina	6,066	0	4,814	12,916	51,655	0
Pontiac 6000	0	1,393	0	0	0	26,592
Regal	1,666	3,769	1,652	4,109	37,338	80,139
GENERAL MOTORS	11,292	12,809	10,020	25,573	179,318	252,877
HONDA	1,650	1,200	1,699	4,018	39,023	17,403
TOYOTA	450	0	495	1,120	5,355	0
VOLVO	180	180	180	432	4,143	3,360
Total Cars, Canada	24,447	24,730	18,922	52,549	481,413	570,350

U.S. TRUCK☆	Week Ended June 17, 1989	Week Ended June 18, 1988	Week Ended June 10, 1989	June to Date	Jan. 1 to June 17, 1989	Jan. 1 to June 18, 1988
Caravan	2,000	2,370	2,456	5,274	53,911	48,100
Dakota	2,200	1,978	2,307	5,453	55,180	55,827
Caravan C/V	100	413	150	303	4,279	7,588
Ram pickups	2,200	1,909	2,317	5,472	55,247	34,594
Total Dodge	6,500	6,670	7,230	16,502	168,617	146,109
Cherokee	5,000	3,837	4,611	11,457	112,994	88,336
Comanche	600	818	578	1,381	15,633	22,959
Grand Wagoneer	300	350	325	733	6,668	7,280
Wagoneer	100	135	92	231	4,196	6,301
Total Jeep	6,000	5,140	5,606	13,803	139,491	130,076
Voyager	1,800	2,189	2,259	4,814	51,085	44,320
Town & Country	100	0	223	397	1,016	0
Total C-P Div.	1,900	2,189	2,482	5,211	52,101	44,320
CHRYSLER MOTORS	14,400	13,999	15,318	35,516	360,209	320,505
Aerostar	5,010	4,454	4,892	11,466	118,591	104,779
Bronco	1,435	1,318	1,401	3,344	40,225	29,683
Bronco II	2,974	2,546	2,968	6,718	64,003	65,362
Econoline	5,070	5,232	5,218	11,970	119,793	120,070
Heavy trucks	1,300	1,715	1,277	2,995	32,680	33,645
Light trucks	11,716	10,270	11,613	27,029	269,173	246,519
Ranger	7,624	7,849	7,626	17,189	168,195	177,130
Total Ford Div.	35,129	33,384	34,995	80,712	810,660	777,188
FORD MOTOR CO.	35,129	33,384	34,995	80,712	810,660	777,188
Astro	2,977	2,935	3,060	7,059	81,406	82,759
Blazer	684	595	546	1,441	13,704	13,517
Mediums/Heavies	0	266	0	0	1,312	8,785
P-Model	868	949	810	1,968	17,065	18,900
Pickups	8,075	7,297	7,946	18,528	192,582	161,290
S-10	4,707	7,073	5,06[illegible]	10,763	128,530	139,880
S-10 Blazer	3,960	4,374	3,[illegible]	8,964	92,303	79,634
Sportsvan/Van	1,916	2,359	1,0[illegible]	3,680	46,836	41,863
Suburban	1,595	1,798	1,549	3,746	37,936	35,759
Total Chevrolet	24,782	27,646	23,891	56,149	611,674	582,387
Jimmy	316	193	168	550	4,256	3,984
Mediums/Heavies	0	759	0	0	1,496	19,120
P-Model	100	106	139	283	2,288	2,753
Pickups	2,335	1,641	2,389	5,460	57,400	49,890
S-15	1,066	1,355	1,156	3,188	31,934	32,560
S-15 Jimmy	1,060	897	1,090	2,495	26,342	20,842
Safari	783	767	813	1,876	20,933	21,149
Suburban	601	578	595	1,422	15,131	16,769
Vandura/Rally Vans	546	663	317	1,046	12,751	17,478
Total GMC	6,807	6,959	6,667	16,320	172,531	184,545
GENERAL MOTORS	31,589	34,605	30,558	72,469	784,205	766,932
NAVISTAR	1,849	1,765	1,833	4,245	42,027	42,466
NISSAN	2,470	1,626	2,906	6,167	60,686	53,171
AM GENERAL	450	450	450	1,044	10,530	10,710
MISCELLANEOUS	3,000	2,300	3,000	7,000	65,600	54,740
Total Trucks, U.S.	88,887	88,129	89,110	207,152	2,133,917	2,025,712

CANADIAN TRUCK	Week Ended June 17, 1989	Week Ended June 18, 1988	Week Ended June 10, 1989	June to Date	Jan. 1 to June 17, 1989	Jan. 1 to June 18, 1988
Caravan	2,988	2,950	2,985	6,373	72,146	71,588
Caravan C/V	336	334	387	838	6,139	7,044
Ram Wagon	1,690	556	0	1,902	14,788	12,000
Ram Van	660	1,459	0	1,208	34,560	30,979
Total Dodge	5,674	5,299	3,372	10,922	127,633	121,611
Voyager	2,820	2,720	2,839	6,555	64,063	65,379
Total Plymouth	2,820	2,720	2,839	6,555	64,063	65,379
Wrangler	1,700	1,069	1,863	4,168	40,095	24,145
Total Jeep	1,700	1,069	1,863	4,168	40,095	24,145
CHRYSLER MOTORS	10,194	9,088	8,074	21,645	231,791	211,135
FORD MTR. (lt. trks.)	3,648	3,515	3,500	8,520	82,524	85,046
Light trucks	3,510	3,319	3,502	8,500	75,954	73,064
Vans	1,574	1,473	791	2,947	31,949	30,202
Total Chevrolet	5,084	4,792	4,293	11,446	107,903	103,266
Light trucks	1,370	1,801	1,412	3,309	35,763	38,825
Vans	766	664	423	1,462	15,728	16,058
Total GMC	2,136	2,465	1,835	4,771	51,491	54,883
GENERAL MOTORS	7,220	7,257	6,128	16,217	159,394	158,149
NAVISTAR	270	267	274	654	6,039	5,375
Total Trks., Canada	21,332	20,127	17,976	47,036	479,748	459,705
U.S., Canada Trks.	110,219	108,256	107,086	254,188	2,613,665	2,485,417

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain errors of one or two units due to rounding.

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Small-car content shift leads GM's CAFE plan

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

General Motors will shun Ford Motor Co.'s off-shore-sourcing strategy and move to bolster its fuel-economy rating by increasing the domestic content of two North American-built small cars that are currently counted as imports.

Ford recently said it will reduce the North American content of its Ford Crown Victoria and Mercury Grand Marquis. The move, to take effect in 1991, will enable Ford to count the gas-thirsty big cars as imports for corporate average fuel economy purposes.

That's not the approach GM will take, said J.T. Battenberg III, head of GM's Buick-Oldsmobile-Cadillac Group. Although it had discussed the idea, it will improve its rating in other ways, he said.

Meanwhile, an aide to Rep. John Dingell, D-Mich., pointed to Ford's strategy as a warning to environmentalists who think that proposals to mandate higher fuel economy standards won't carry side effects.

And Chrysler Motors President Robert Lutz said the United States could be opening the doors to an invasion of big, fuel-guzzling imports if a substantially higher standard becomes law. He pointed to the CAFE credits that many importers have built up through years of being well above the CAFE standard.

The strategies to respond to stricter fuel economy standards for 1990 and possibly tighter rules later in the 1990s came to light last week after a show of unity on the part of U.S. automakers.

The Big 3 confirmed that their top officers met privately June 6 to discuss environmental and fuel-economy issues on the agenda in Washington. The unusual huddle took place days before President Bush revealed details of his proposal for cleaner air.

The automakers did not provide details, but Chrysler's Lutz said the meeting indicated "a willingness of American industry to work together in non-competitive areas to get the job done."

Ford also said it will increase domestic content above 75 percent in the Mercury Tracer subcompact, built in Mexico, as well as the Mazda-built Ford Probe. The Probe, assembled in Michigan, will be helped by the addition of a Ford V-6 engine this fall.

The 75 percent level is the cutoff for whether cars sold by domestic makers are counted as imports or domestics for CAFE purposes.

Unlike Ford, GM said it is not going to increase the foreign content of big cars in order to avoid counting those cars in its domestic fuel-economy number.

The Geo Metro, which goes into production this fall at a joint-venture plant with Suzuki in Ontario, will have at least 75 percent North American content, GM said. Currently, the car is imported from Japan.

In addition, the California-built Geo Prizm, produced with Toyota, should reach 75 percent domestic content by 1990 or 1991, GM said.

The changes will help GM meet the higher 27.5-mpg CAFE standard that takes effect in the 1990 model year.

GM will also attempt to move faster with multi-valve engines and to improve the fuel economy of larger cars, officials said.

Under federal rules, cars sold by domestic makers are divided into two separate fleets: one for their "domestic" cars — those with more than 75 percent U.S. and Canadian content — and another for their "imports" — those with less than that amount.

see CAFE, page 61

Dissident Don Douglas was defeated in his bid for election as a UAW regional director.

UAW dissidents lose out; Bieber programs hailed

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

ANAHEIM, Calif. — In an impressive display of political power culminating at the UAW Constitutional Convention last week, the union's administration won overwhelming support to expand its cooperative programs with the automakers and bar dissidents from the union's highest levels.

New Directions dissidents, who claim management is undermining the union through the joint programs that emphasize a cooperative rather than an adversarial relationship, said most delegates did not represent the growing frustration of the rank and file.

Dissidents said the power of that plant-floor unrest will grow as joint programs with the automakers fail to stem plant closings and concessions.

But the tangible power demonstrated here overshadowed that prediction.

UAW President Owen Bieber, presiding with new-found forcefulness over the 2,000-member delegation, permitted an airing of dissident objections to UAW strategy that has included cooperative joint programs and the acceptance of the team method of production. New Directions positions and candidates were nonetheless soundly defeated.

see UAW, page 57

LEXUS: *Toyota will jump the gun on introduction of luxury car; sales begin in early August*

By Peter Brown
AUTOMOTIVE NEWS EDITOR

KOHLER, Wis. — The first Lexus luxury cars will be in the hands of some buyers nearly a month before the official introduction on Sept. 1.

Toyota's new luxury channel will start shipping cars to some of its 70 dealers Aug. 2, and those dealers may start selling the cars immediately, said J. Davis Illingworth, Lexus vice president and general manager.

That aggressive launch meshes with the assault Lexus is mounting on the U.S. luxury market: aggressive pricing, aggressive lease terms, and an aggressive warranty and service.

Lexus plans to pursue lease customers by projecting a high residual value for the flagship LS400 sedan. Illingworth said the division assumes a 60 percent residual value at the end of a 24-month lease, and a 52 percent residual value after 48 months.

That high residual value, guaranteed in a closed-end lease through Toyota Motor Credit Corp., would tend to minimize monthly payments because the lessee would be charged for consuming less of the value of the car than if residual values were lower.

In contrast, a lease program by BMW of North America assumes its 535i retains 60 percent of its value after 24 months, or 48 percent after 48 months.

see LEXUS, page 58

MIKE GASPAR

Lexus plans a major leasing pitch for its flagship LS400 sedan.

VW to sell remaining Westmoreland equipment to China

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

Volkswagen AG plans to sell the remaining tooling and equipment from its closed U.S. plant in Westmoreland County, Pa., to a partner in China.

Peter Schelien, a VW spokesman in Germany, confirmed that a contract has been signed between Volkswagen AG and First Automobile Works in the city of Changchun. The agreement calls for removal and shipment of the plant's remaining contents to China. But he said the deal needs final approval from Chinese authorities.

The contract was apparently signed before the violent June 4 suppression of student demonstrations for democratic reform. Thomas McDonald, a Volkswagen of America spokesman in Troy, Mich., said about 30 Chinese nationals arrived in Westmoreland eight weeks ago to undergo training on the equipment and eventually supervise its disassembly and shipment. The process is expected to be completed within six months.

Disclosure of the deal comes at a time other automakers are slow in returning their personnel to China.

While Japanese and U.S. firms withdrew their employees, Volkswagen decided to evacuate only some dependents of German employees. Shanghai-Volkswagen was closed only one day. As a result, Shanghai Mayor Zhu Rongji paid a well-publicized visit to the plant on the outskirts of the city to deliver a personal message of thanks to Burkhard Welkener, the commercial executive director, and his German colleagues.

While production has resumed at the other plants, companies are slow to send back their non-Chinese employees. Chrysler Motors Corp. said it may send back two or three employees in early July to Beijing Jeep, its joint venture with Beijing Automotive Works. Chrysler had eight employees and two consultants at the plant.

see CHINA, page 57

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Chrysler aims to boost sales with defense work

Paul Wright, Chrysler's defense chief

By Diana T.-Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — When Lee Iacocca regretfully sold Chrysler Corp.'s tank company in 1982 to raise cash, he promised the automaker would be back in the defense business.

Now back in the black, Chrysler has made two key acquisitions, consolidated its operations under the Chrysler Technologies banner and is gunning to take the unit from $1.3 billion in sales last year to $5 billion by 1996.

But during Chrysler's forced hiatus from defense, the business changed. Rather than tanks and missiles, the emphasis is on sophisticated electronics. New disarmament treaties between the United States and the Soviet Union along with budget balancing defense cuts means intelligence — spy, communications systems — are the only growth areas remaining.

So when Chrysler returned to the business with a 1987 acquisition, it has moved with the times, focusing on building military planes and telecommunications systems used for intelligence gathering.

Chrysler moved its new high technology and defense unit, Chrysler Technologies Corp., to Washington — where all the defense spending decisions are made — and hired a former aerospace and communications heavy-hitter last fall, Paul E. Wright, to run the subsidiary. Wright, former president and chief operating officer of Fairchild Industries, reports directly to Iacocca. He works in the same building as Chrysler's government affairs personnel — the lobbyists who are in daily contact with the government and can influence its spending.

The subsidiary is off the ground and growing but not at the expense of Chrysler's real business, which Wright frequently refers to as "the auto company." Chrysler Technologies' mandate is not to become a giant like GM Hughes Electronics Corp. or Ford Aerospace Co., but rather a profitable and highly specialized defense contractor.

"Chrysler Technologies is growing at a moderate pace, is self-funding and operates at a positive cash flow," said Wright, 57, an engineer who has spent his entire career in the aerospace and defense industry, most of it at RCA Corp.

In the year that Chrysler Technologies has been pursuing military contracts, its defense business has increased from just over $10 million to $210.86 million, good for 70th among the nation's top 100 defense contractors. This position is primarily due to the acquisition of Electrospace Systems in 1987. That's still significantly less than the $650 million in sales the tank division had in 1982 when Chrysler sold it to General Dynamics Corp. for $348.5 million.

And it pales in comparison to the $3.6 billion in contracts awarded General Motors and $790 million to Ford Motor Co. during the 1988 fiscal

see DEFENSE, page 61

CHRYSLER MOTORS
TRENTON EN
3.3 LITER

BOB McKEOWN

Chrysler's V-6 is born
Four Chrysler officials display a V-8's worth of fingers for the company's new V-6, a 3.3-liter powerplant being built at the Trenton, Mich., engine plant. The engine will be standard equipment in the 1990 Dodge Grand Caravan, Plymouth Grand Voyager and Chrysler Town & Country minivans and Chrysler Imperial and Chrysler New Yorker Fifth Avenue luxury sedans (story on Page 61). The happy leaders at the press conference last week are Robert A. Lutz, Chrysler Motors president; Richard E. Dauch, executive vice president; John J. "Jack" Fallon, engine plant manager; and Frank M. Clark, general manager of powertrain operations.

SHOT DOWN? *Slow sales of Cadillac Allante may kill costly air-bridge setup*

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — While Cadillac denies it will abandon its novel and expensive air-bridge system of transporting Allante bodies from Turin, Italy, to Detroit, sources confirm the division is talking to land/sea shippers about an alternative method.

The air-bridge system calls for flying Pininfarina-assembled bodies of the luxury convertible from Turin to Detroit. But lagging sales have reduced the thrice-weekly flights to one per week.

The same planes transport shortened Eldorado platforms that serve as Allante underbodies to Turin, where Pininfarina assembles and paints the bodies and installs the interiors. The cars are then air-freighted back to Detroit, where production is completed at General Motors' Detroit-Hamtramck plant.

Sources in Europe say Cadillac is looking at land/sea transport and that it may abandon the air-bridge as early as the 1990 model year.

The air-bridge has been lauded by GM and Pininfarina because it minimizes transit damage. But sources here say the system is proving too expensive for Allante's low volume. Instead, they say, Cadillac will probably decide to transport the bodies by truck in specially designed containers to Bremerhaven, West Germany, and then ship them to America by sea.

"... our plans still call for continuing the air-bridge. We have a long-term contract with the air carriers."

But no trucking contract has been awarded.

A Cadillac spokesman denied that there are any plans to change the transport system.

"We're always reviewing parts of our business, but our plans still call for continuing the air-bridge. We have a long-term contract with the air carriers," he said.

The original plan called for three weekly flights to Detroit carrying 56 Allante bodies per plane on Italy's Alitalia and West Germany's Lufthansa airlines. The schedule was based on expected annual production of 6,500 to 7,000 Allantes. A fourth flight was to be added when production hit 8,000.

But Allante's low sales volume has required only one flight per week — on Alitalia. Allante sales in the first five months of 1989 totaled 1,398, down from 1,454 in 1988. Total sales in 1988 were 3,065, up from 2,517 the year before. Allante's 1989 production in Hamtramck through June 24 totaled 1,588, up from 1,135 for the same period in 1988. Production in May was 225 units.

"They are studying other possibilities, but I don't think any decision has been made," said Pininfarina S.p.A. spokeswoman Lorenza Pininfarina. "That is a question better asked of Cadillac."

She said Allante production at Pininfarina is proceeding at the rate of 13 units per day.

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T-Bird/Cougar ex-boss reviews development woes

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — The early retirement of the man who headed the team that created the new Ford Thunderbird has focused attention on some pressing product development problems inside Ford Motor Co.

Tony Kuchta, 58, left the company May 31. And last week, after 32 years at Ford, he was toasted at a sell-out retirement party.

But his program was also the subject of some critical attention from Ford's senior management. Earlier this year, after the Thunderbird Super Coupe picked up Motor Trend magazine's Car of the Year award, the Thunderbird/Cougar team was summoned to a meeting with four top officers.

At that meeting the Ford brass chastised the team for overshooting targets on cost and weight. The session also carried a message for the rest of Ford's product development troops: If you sign on to meet a target, you'd better meet it.

Insiders say the meeting was led by Vice Chairman Harold Poling and also included Chairman Donald Petersen, Executive Vice President Philip E. Benton Jr. and Max Jorsek, Ford's vice president of car product development. It was not the first sign that all was not well with the program.

Kuchta

The development process exposed a range of weaknesses, including gaps in tracking costs, a shortage of manpower, surprise quotes from suppliers, and confusion over the project's mission. The magnitude of the cost overruns, Kuchta said, wasn't realized until less than a year before Job 1.

Some of the problems aren't exclusive to this program. As the Thunderbird/Cougar wind up their first model year on the market, the company is conducting an internal study to find out why product development targets are missed.

There is some feeling within Ford that Kuchta's departure was linked to senior management's displeasure with the program. Others say there was no connection, that after 32 years in Ford engineering trenches on three continents, Kuchta — a father of eight and grandfather of nine — had earned the right to call it quits.

Kuchta says it was his idea. "I asked to retire," he said in a telephone interview. "I wasn't asked to."

Despite the program's troubles, Kuchta is bullish about Ford, the Thunderbird and Cougar, and the company's new approach to product development. Many of the problems his team faced have been resolved, he said. Others have been identified and will be settled in future programs.

Kuchta believes the troubles stemmed in large part from a system that was trying to adapt to that new way of developing cars. As the first all-new cars launched after that change (the 1988 Continental was derived from the Taurus/Sable), the Thunderbird and Cougar

see FORD, page 61

Pilot models roll for Ferrari 348; September intro slated

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

MARANELLO, Italy — Ferrari's new 348 replacement for the 328 two-seater is in pilot production. But despite talk of a launch this summer, company officials say the car won't be unveiled until the Frankfurt auto show in September.

Meanwhile, a new front-engine Ferrari coupe that will replace the four-place 412 will be introduced in 18 to 24 months, according to sources here.

Ferrari gave a small group of journalists a first look at the new two-seater on the production line, though it banned cameras.

Ferrari reportedly considered introducing the car before the Frankfurt show to avoid being overshadowed by BMW's 850i coupe. But company officials said it will debut at the German show.

Some 50 to 70 units of the 348 will be finished in time for the launch. The car will go on sale in Europe early this fall and is expected to be available in the United States four or five months later.

The 348 succeeds the 14-year-old 308/328 range that has been Ferrari's best-selling model. Last year, Ferrari delivered 1,863 328GTB/GTS models worldwide, including 544 in the United States. The 348 is expected to sell at about the same rate.

The new car is long overdue. Spy photos date back at least three years and the car was once expected to bow at the Frankfurt show in September 1987.

Total Ferrari sales in 1988 were 3,940, compared to 3,956 the year before. In addition to the 328GTB/GTS models, last year's total included 1,053 Testarossas, 511 Mondials, 379 208s for the Italian market only, 91 412s and 43 F-40s.

U.S. deliveries last year totaled 1,027, including 544 328GTB/GTS models, 346 Testarossas and 137 Mondials. The 1987 total was 1,054.

As with the 328, the new two-seater will be offered both in coupe and targa versions. The Pininfarina design, with its intake slats on the flanks, bears a strong resemblance to the larger, 12-cylinder Testarossa. The wheelbase of the new car is almost four inches longer than the previous model at 96.4 inches, and width is 2.8 inches greater at 68.1 inches.

HIDDEN IMAGE/HANS G. LEHMANN

Ferrari's long-awaited 348 model bears a close resemblance to the larger 12-cylinder Testarossa.

A Ferrari official here said the car has a lower center of gravity than its predecessor because the engine is mounted five inches lower.

Power comes from a new 3.4-liter 32-valve version of the existing Ferrari V-8, which debuted earlier this year in the 2+2 Mondial T. The engine, which develops 300 horsepower, is mounted longitudinally, instead transversely as in the previous model. Unofficial top-speed estimates for the 348 range as high as 175 mph.

Production of the 328 will end this summer, and the 412 coupe is also being phased out. Production of the 412 for all of 1989 is expected to total no more than 35 units, down from 91 in 1988.

But a new front-engine coupe replacement, to be dubbed the 512, won't be introduced for 1½ to two years, a Ferrari official said.

The 512 is expected to get an all-new five-valve-per-cylinder V-12 engine that reportedly will develop about 360 hp. The same powerplant will eventually be fitted in the mid-engine Testarossa.

N.Y. targets auto leases with high termination fees

By Helen Kahn
SENIOR CORRESPONDENT

New York Attorney General Robert Abrams has asked the state legislature to curb exorbitant early-termination charges on auto leases. He said a study by his office shows that excessive penalties are being charged for early termination in as many as 80 percent of long-term leases.

The year-long analysis of 10 major lease firms operating in the state led to three legislative proposals:

- Limit consumer payments for ending a lease early.
- Limit consumer liability if the leased car is destroyed or stolen.
- Require a leasing company to give consumers a chart disclosing how much it would cost on a month-by-month basis if the lease is ended early.

Abrams claimed that many companies extract huge penalties instead of limiting early termination payments to amounts that offset a company's reasonable losses.

"Early termination clauses that subject consumers to extraordinary penalties are commonly written in mind-boggling legalese and are beyond the comprehension of virtually all consumers," he said.

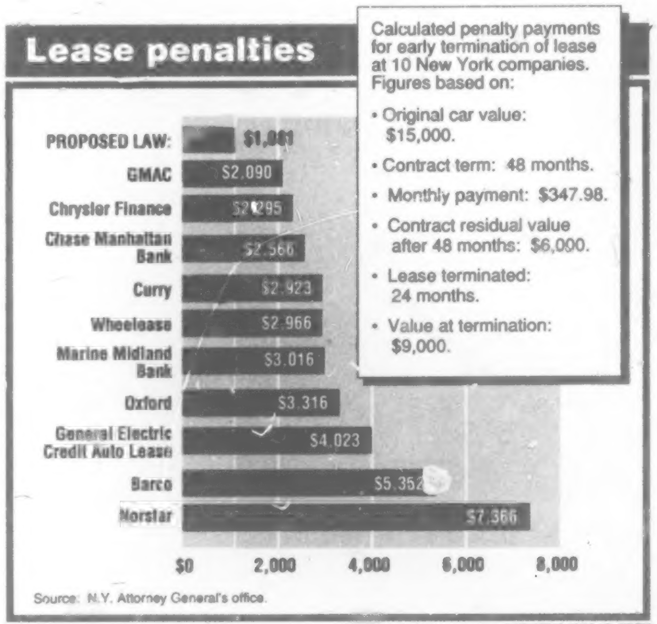
A typical lease in the attorney general's study used a car worth $15,000 and a 48-month contract with monthly payments of $347.98 and a residual value of $6,000 at the end of the term.

The analysis shows how much the consumer would have to pay if he/she terminated the lease after two years with the car's value calculated at $9,000. Consumers would be faced with payments ranging from $2,090 to $7,366.

Abrams proposed a law that would limit liability of a consumer with such a lease to $1,080.74, an amount his office figures is the difference between the value of the vehicle at the time it was leased and its retail value at the time of early termination. The calculation gives the consumer credit for payments made toward the vehicle's depreciation.

In the case of a stolen or destroyed vehicle, Abrams said that since insurance covers the loss, the consumer facing an inadvertent early termination should be liable only for the insurance policy deductible.

As an alternative, Abrams proposed that leasing companies offer consumers the choice of paying an extra reasonable charge to cover the risk of any deficiency between the insurance proceeds and the amount the lessor claims under the lease.



Calculated penalty payments for early termination of lease at 10 New York companies. Figures based on:

- Original car value: $15,000.
- Contract term: 48 months.
- Monthly payment: $347.98.
- Contract residual value after 48 months: $6,000.
- Lease terminated: 24 months.
- Value at termination: $9,000.

Source: N.Y. Attorney General's office.

AUTOMOTIVE NEWS / C. WINTER

Chrysler adds air bag to models

HIGHLAND PARK, Mich. — Chrysler Motors said air bags will be standard equipment on 16 car lines, representing about 1 million units in the 1990 model year.

The models include almost all Chrysler models built in the United States and one import, Chrysler's TC by Maserati.

The U.S. models are Chrysler Imperial, Chrysler LeBaron coupe and convertible, Chrysler New Yorker Landau, Chrysler New Yorker Fifth Avenue, Chrysler New Yorker Salon, Chrysler LeBaron sedan, Dodge Dynasty, Dodge Daytona, Dodge Spirit, Dodge Shadow, Dodge Omni, Plymouth Acclaim, Plymouth Sundance and Plymouth Horizon.

The Eagle Premier and Dodge Monaco, which are built in Canada; Plymouth Laser and Eagle Talon, built by Diamond-Star Motors in Normal, Ill.; and imported cars other than the TC will be equipped with motorized belts.

Chrysler made driver's side air bags standard equipment on six car lines late in the 1988 model year. The company estimates it will have produced more than 250,000 cars with the device by the end of the 1989 model year.

The company said all its 1990 U.S.-built cars, including Laser and Talon, will be equipped with integral lap and shoulder restraints for outside rear-seat passengers.

Chrysler said four-wheel anti-lock brakes will be standard on Chrysler Imperial and Chrysler's TC by Maserati and optional on the New Yorker Fifth Avenue, New Yorker Landau, New Yorker Salon and Dodge Dynasty.

Four-wheel anti-lock brakes will be optional on Jeep Cherokee, Cherokee Limited and Wagoneer Limited sport-utility vehicles.

Rear-wheel anti-lock brakes will be standard on eight Dodge pickup truck models, eight full-sized vans or wagons and Dodge Ramcharger.

Reseda awarded $2.9 million in IDFC dispute

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Reseda Finance Corp., a California-based finance company, has been awarded $2.9 million in damages by the American Arbitration Association in a dispute with its marketing firm, International Dealer Financial Corp.

Officers of International Dealer Financial attended the arbitration hearings, apparently representing themselves, according to Reseda's attorney, M. Edward Franklin.

Whether International Dealer Financial in Carlsbad, Calif., is still operating is unknown. Repeated attempts by Automotive News to reach the company were unsuccessful.

Barry A. Kritzberg, president and chief executive of Reseda, said the award vindicates his company even though it has lost profits and business since the imbroglio began nearly a year ago.

"The most important thing is that Reseda Finance has been vindicated," Kritzberg said. "The way we do business and what our intentions are have been vindicated."

Reseda purchases high-risk retail automotive contracts from car dealers. It has about $100 million in its loan portfolio, Kritzberg said.

Last July, International Dealer Financial filed suit against Reseda and some of its officers in Los Angeles County Superior Court, charging breach of contract, conversion and unfair competition.

But the judge ruled the dispute should be heard by the American Arbitration Association because of the binding arbitration clause in the contract.

Under the contract, International Dealer Financial would act as a "buy center" for Reseda, acquiring retail sale and lease contracts from car dealers for buyers with marginal credit.

Subsequently, new-car dealers complained they were stuck with the cost of sold vehicles. They alleged that International Dealer Financial failed to fund them.

International Dealer Financial blamed Reseda for not purchasing contracts that the marketing firm had solicited from dealers and provided for funding, while Reseda blamed International Dealer Financial for not giving Reseda sufficient advance notice about the amount of funding that would be needed to purchase the contracts.

According to the arbitration award, International Dealer Financal and its parent, U.S. Video Com, violated the terms of the agreement. The arbitrator said International Dealer Financial's "acts resulted in false and erroneous information being circulated in the automotive sales industry all to the detriment of the claimants (Reseda)."

Now, Reseda will ask the court to enter the arbitration award as a judgment against International Dealer Financial.

TRUCK INDUSTRY

May truck sales by manufacturer and segment

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1989	TOTAL 1988
CHRYSLER-PLYMOUTH	MO	18,379						18,379	21,710
	YR	80,125						80,125	83,383
DODGE	MO	54,750						54,750	56,600
	YR	243,537						243,537	255,092
JEEP	MO	23,629						23,629	22,216
	YR	100,997						100,997	101,265
TOYOTA	MO	20,408						20,408	23,714
	YR	91,995						91,995	100,848
NISSAN	MO	9,009						9,009	14,310
	YR	66,168						66,168	69,916
MAZDA	MO	6,946						6,946	8,936
	YR	35,757						35,757	44,447
ISUZU	MO	8,018						8,018	6,781
	YR	37,647						37,647	31,642
MITSUBISHI	MO	3,635						3,653	3,705
	YR	17,437						17,437	20,815
SUZUKI	MO	2,351						2,351	6,074
	YR	11,519						11,519	29,022
RANGE ROVER	MO	391						391	222
	YR	1,990						1,990	1,367
FORD	MO	132,801	2,353		870	2,705	1,702	140,431	140,103
	YR	597,495	11,453		3,945	13,526	6,746	633,165	656,602
FREIGHTLINER	MO						2,121	2,121	1,609
	YR						10,238	10,238	9,756
CHEVROLET	MO	123,295		39	640	861		124,835	124,087
	YR	544,526		113	2,712	3,765		551,116	567,024
GMC	MO	36,382		454	647	1,474		38,957	39,665
	YR	150,852		1,606	2,388	5,679		160,525	166,759
KENWORTH	MO					18	1,618	1,636	1,365
	YR					165	7,482	7,647	6,550
MACK	MO				128	169	1,896	2,193	2,556
	YR				886	1,179	8,383	10,448	9,906
MERCEDES	MO				86	147		233	287
	YR				375	531		906	1,248
NAVISTAR	MO		12	11	854	2,559	3,214	6,650	6,691
	YR		70	56	5,750	12,802	14,541	33,219	35,166
PETERBILT	MO					35	1,399	1,434	1,416
	YR					246	6,788	7,034	6,423
VOLVO/GM HEAVY	MO					96	1,342	1,438	1,557
	YR					421	6,778	7,199	6,114
HINO	MO	23		53	69	89		234	205
	YR	102		188	219	436		945	886
NISSAN DIESEL	MO	40		54	45	41		180	121
	YR	196		335	163	294		988	858
ISUZU TRUCK	MO	597	69	30	78	134		908	507
	YR	2,688	281	78	400	329		3,776	2,879
MITSUBISHI FUSO	MO	131		56	41	82		310	342
	YR	739		273	146	283		1,441	1,055
SCANIA	MO						14	14	24
	YR						34	34	85
IVECO TRUCKS	MO	122	37	25	16			200	170
	YR	481	221	115	58			875	872
WESTERN STAR	MO						165	165	119
	YR						668	668	681
OTHER DOMESTICS	MO				45	—	81	126	115
	YR				50	116	313	479	379
GRAND TOTAL	MO	440,925	2,471	722	3,519	8,410	13,552	469,599	485,267
	YR	1,984,251	12,025	2,764	17,082	39,772	61,979	2,117,873	2,211,040
1988 YR to DATE		2,073,320	7,780	3,729	25,094	43,237	57,761		

NOTE: May 1989 includes 0 Subaru Brats. YTD includes 0 Subaru Brats.

Mack Truck unveils E7, new line of sixes

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Mack Trucks has introduced its E7 engine family, a new six-cylinder series that will be used in most of the Class 8 vehicles it designs for local and long-distance hauling and refuse and construction work in the 1990s.

Mack supplies about 95 percent of its own engines, according to Terry L. Warmkessel, director of marketing and product planning. The company is the third-largest Class 8 engine producer behind Cummins Engine Co. and Caterpillar Inc., based on Motor Vehicle Manufacturers Association data.

Warmkessel said the new 12-liter, six-cylinder engines feature improved fuel economy and extended horsepower ranges over the E6 series, which will be discontinued in December 1990. Mack plans to begin producing a portion of the E7 family in July.

All E7 engines have been certified for use in 50 states and Canada. They will "serve as the foundation for much of Mack's powertrain evolution in the next decade," Warmkessel said.

The E7 initially will be produced with four separate horsepower ratings: the EM-250, 250 horsepower at 1,750 rpm and 58 percent torque rise at 1,020 rpm; E7-300, 300 hp at 1,750 rpm with 58 percent torque rise at 1,020 rpm; E7-350, 350 hp at 1,800 rpm and 25 percent torque rise at 1,250 rpm; and E7-400, 400 hp at 1,800 rpm with 25 percent torque rise at 1,250 rpm.

All have chassis-mounted charge air cooling and advanced turbocharging and are available with Maxidyne high torque rise or conventional torque rise engines.

Mack will begin producing the E7-300 series in October. That is a conventional torque rise engine that does not produce as much horsepower as the Maxidyne but delivers higher fuel economy.

In January 1990, it will begin producing three additional models, including another version of the E7-300 for application with automatic transmissions.

General Motors' Allison transmission division has had several delays in introducing its new world transmission. GM's current automatics cannot handle the 1,700- to 1,800-rpm cruising level in the over-the-road engines Mack and other manufacturers offer or are planning to introduce. So Mack will provide an E7-300 with 300 hp at 1,950 rpm to fit the current Allison automatic.

Mack also will offer an E7-425 with 425 hp at 1,800 rpm and an additional Maxidyne version, the EM7-275, with 275 hp at 1,750 rpm. Other versions are planned.

The E7 is based on the E6, the most popular Mack engine, which the company redesigned to generate higher horsepower and meet 1990s emissions standards.

Mack increased engine displacement for more power output capacity, raised peak cylinder pressure to extract improved operating efficiency and incorporated a new engine cooling system with a wet/dry cylinder sleeve design, Warmkessel said.

The latter design feature represents a major difference between the E7 and E6 engine blocks. In the E7, the coolant flows around the cylinder sleeves, providing a "wet" area at the top where temperatures are lower and actual coolant passages are unnecessary.

The arrangement provides improved cooling efficiency and structural integrity, along with a significant weight saving due to three fewer gallons of engine coolant and one less wall of cast iron, the company said.

The engines have higher cylinder pressure capabilities, permitting increased levels of fueling and turbocharging, with flexible injection timing. That allows higher horsepower ratings, increased operating ranges and better fuel economy.

The E-7 does not require a particulate trap to meet 1991 emission standards.

BRIEFS

Wabco ABS for trailers

SOUTHFIELD, Mich. — Wabco Automotive Products Group, a major manufacturer of anti-lock brake systems for heavy-duty trucks, has introduced an anti-lock brake system for trailers.

The system is designed for use by original-equipment manufacturers or to retrofit existing trailers. It is available in a range of configurations from two-sensor/one-valve designs to six-sensor/three-valve designs.

The anti-lock brake system is designed to work with any tractor.

Truck cap group formed

NORTH BETHESDA, Md. — Dealers, manufacturers and suppliers to the truck cap industry have formed the Truck Cap Industry Association.

The group plans to hold annual meetings, the first scheduled in February 1990. The association will be headquartered in Maryland.

Members of the group's executive committee are: Dillard Fletcher, 20th Century Fiberglass, Elkhart, Ind., president; Dave Frank, A.M.A. Truck Toppers, Omaha, Neb., first vice president; Dave Wright, Durakon Industries, Lapeer, Mich., second vice president; and John Steel, Tri-Glass Industries, Daleville, Ala., secretary.

Also: Carl Silva, Tri-County Truck Tops, Algonquin, Ill., treasurer; Ron Moquist, Glasstite Industries, Dunnell, Minn., director; and Chuck Morrison Jr., Cap City U.S.A., Waldorf, Md., director.

Frank W. Brown is the association's executive director.

Chicago truck show

The third annual Central States Truck Show, scheduled Nov. 10-12 at Chicago's McCormick Place North, will have a 250 percent increase in exhibit space.

Considered one of the top five truck shows nationally, it will feature more than 400 national and regional exhibitors, such as Nissan Diesel America, Navistar International and WhiteGMC. Technical seminars also are planned.

The Illinois Trucking Association expects 20,000 to 25,000 persons to attend.

U.S. parts gain in import aftermarket

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

Domestic parts makers have gained momentum in their campaign ~~to~~ capture the lion's share of the import-car aftermarket, according to a Frost and Sullivan study.

The study estimated that in 1987, domestic parts manufacturers had 39.1 percent of the import-car aftermarket and by 1993 they will have 44.8 percent. That fast-growing market comprises accessories, batteries and chemicals as well as replacement parts for cars and light trucks.

According to the New York-based research firm, domestic parts makers are pulling ahead in that market because second and third owners of foreign cars have no connection with the original new-car dealership and its service department. Those owners go to local gas stations or garages for service and repairs.

Most of the replacement parts the gas stations and garages order — such as filters, belts, hoses, water pumps and alternators — come from U.S. parts manufacturers, Frost and Sullivan said.

The U.S. aftermarket for imported cars and light trucks is growing more than three times as fast as the aftermarket for domestic vehicles, Frost and Sullivan said.

The study puts the size of the aftermarket at the importer-manufacturer level at $5.57 billion in 1987 and forecasts expansion to $9.34 billion in 1993. Frost and Sullivan expects sales at the retail level to spiral from $13.5 billion in 1987 to $22.7 billion in 1993.

In an analysis of all phases of that burgeoning market, the study concludes that domestic parts manufacturers, with their 44.8 percent market share, will be dominant by 1993, overtaking the parts suppliers of foreign-vehicle manufacturers, whose market share is expected to shrink from 46.6 percent in 1987 to 42.7 percent in 1993.

According to Frost and Sullivan, that shift in market share is not expected to happen automatically.

The study points out, "Import vehicle manufacturers' parts systems have taken aggressive strides toward becoming parts wholesalers to independent aftermarket channels." During 1985-87, they actually increased market share despite the declining dollar by absorbing cost increases from their offshore suppliers. Those expensively bought advances will surely be defended vigorously, Frost and Sullivan said.

To meet the challenge, Frost and Sullivan said, domestic parts makers must commit more of their budgets to marketing and education, particularly educating those installers who shy away from fixing foreign vehicles.

The research firm noted that foreign vehicles will soon make up 30 percent of the repairs as more and more reach prime repair age (three to 10 years) in the next five years.

The growing size of the import aftermarket — especially as more vehicles leave the warranty cycle and are sold to second and third owners — is a major factor favoring the domestic parts makers, Frost and Sullivan said.

Niche players, such as expediters and specialty importers, also are doing well in the aftermarket, according to the study, but that category as a whole is expected to lose market share, from 14.3 percent in 1987 to 12.5 percent in 1993.

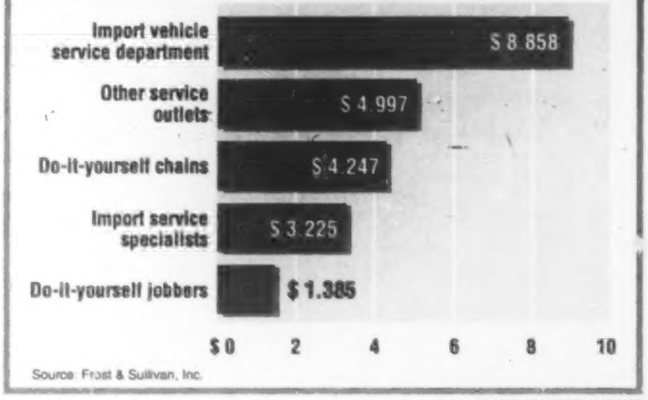
The 196-page study also analyzes the outlook for individual products in the marketplace.

As an example, the market for ball and roller bearings is expected to decline from $31 million in 1987 to $27 million in 1993, in part because of "lubed for life" wheel bearings, Frost and Sullivan said.

But timing belts, according to Frost and Sullivan, tend to fail at around 30,000 miles — one of the factors in the bullish market for valve and valve train components, which is expected to rise to $90 million by 1993 from $53 million in 1987.

U.S. import car aftermarket

Sales forecast for 1993 by type of service outlet.
Figures in billions.



Source: Frost & Sullivan, Inc.

AUTOMOTIVE NEWS / C. WINTER

Ford job fairs hunt dealer mechanics

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — Ford Motor Co. is conducting job fairs across the United States to help its dealers recruit skilled technicians.

"The Dealership Service Technician Job Fair will be a one- or two-day event at which Ford parts and service division personnel will help dealers find the help they need for their service departments," said Tom Kubeshesky, the division's project manager for service and planning and development.

"The goal of the program is to attract both experienced and entry-level service technician candidates for interviews at the job fair with dealership management personnel," Kubeshesky said.

He said the job fairs will be advertised in local newspapers and on radio and television. Applicants will be screened and tested, then directed to appropriate dealers at the fair for interviews. Applicants will be directed to a given dealer based on qualifications, geographic location, applicant preferences and dealer need.

"Dealers are always looking for good service technicians, or people with the potential to become good technicians," Kubeshesky said. "Ford and Lincoln-Mercury dealers have a special need to recruit new employees because of the sales success they have enjoyed for several years in a row."

The first job fair, sponsored by 23 Ford and Lincoln-Mercury dealers in the Atlanta area last week, attracted "more than 136 highly qualified applicants" for some 70 job openings, Kubeshesky said.

Eight technicians were hired on the spot at the Atlanta job fair, while 46 others made appointments for second interviews at dealerships, Kubeshesky said.

A dealer said the job fair "is the best thing Ford Motor has ever done for dealers in the 25 years I have been in business."

The second job fair is slated for the Los Angeles area, but dates have not been set, Kubeshesky said.

He said the Atlanta fair was the first for Ford Motor in the service area.

"Job fairs have been used by other departments, such as sales and engineering, to recruit employees, but never before in service," he said.

Chuck Clancy of Chuck Clancy Ford in Marietta, Ga., was enthused about the Atlanta fair.

"Being highly skilled and technically proficient are the new requirements for today's automotive technicians," Clancy said. "Gone are the days of the do-it-yourselfers and the shade-tree mechanics. We have an obligation to make service more accessible to our customers."

Experienced service technicians (except those currently employed by Ford and L-M dealerships), mechanics, recent vocational school graduates and related industry technicians are being invited to attend the job fairs, Kubeshesky said.

"The fair is not intended to be a raid on service personnel at other dealerships," he said. "I don't know of any dealer who accused us of raiding in the Atlanta labor market. As a matter of fact, employees shift from dealership to dealership on a daily basis."

Registrations in the Atlanta area indicate that a majority of the applications will come from technicians in independent garages and related industries who want to upgrade themselves and get better jobs, Kubeshesky said. Several applicants, he said, were Eastern Airlines mechanics who are on strike, he said

Applicants who provide documentation that they have been certified by the National Institute for Automotive Service Excellence will not be required to take the test, Kubeshesky said.

Dick Blanc, Atlanta parts and service district manager said steadily-increasing sales are a major reason for the greater demand for skilled technicians.

"Total repair shop work, both parts and labor, has increased 25 percent during the last two years," Blanc said. "There's a great demand for service work in the Atlanta area."

Clancy said Ford's emphasis on customer satisfaction has encouraged many Atlanta-area dealers to increase their service department operations.

"For most dealers, that means hiring more technicians," said Clancy, who plans to add another shift so that he can extend his service hours. "We need to work the hours in the day that our customers prefer, not just the hours we want to be open."

At long last, a bit of success

Reporter beats some of the kids in Plymouth Trouble Shoot

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — It took several years, but I finally managed to repair a car faster than some of the high school kids participating in the Plymouth Trouble Shooting Contest.

The contest, co-sponsored by the American Automobile Association, is an annual event to determine which team of the two best high school automotive technicians from each state and Canada can repair a car quickest. The students also take a written test of their knowledge of automotive repair. In the finals here, each team was charged with the repair of a 1989 Plymouth Acclaim equipped with a 2.5-liter, fuel-injected, four-cylinder engine and identical malfunctioning parts.

For several years, I have participated on a demonstration team, the purpose of which is to point out the ineptitude of untrained technicians. But this year, Glenn T. Minami, an automotive technology industrial education instructor from Kaiser High School in Honolulu, was my partner. The fix was in.

Minami led his students to the Hawaii state championship from 1984 to 1987.

It took Minami only 35 minutes to lead the repairs on the Plymouth Acclaim. With a methodical approach, he assembled and installed the distributor and found a faulty wire to the fuel injector. Meanwhile, I replaced a fuse for the dashboard lights, replaced the right front headlamp bulb and found a loose vacuum line hose. We were working like a well-oiled machine. The car still wouldn't start, and the first of the high school teams had their cars up and running.

It turned out, as Minami soon found, that the distributor pick-up sensor was faulty. In the electronic labyrinth of modern computer-controlled engines, that not only prevented the spark plugs from sparking, but also prevented the fuel injector from injecting.

We replaced the sensor, timed the engine and buttoned it up, only about 15 minutes behind the fastest team of Glenn Tagawa and Mason Namiki from Kaimuki High School in Honolulu.

The overall winners, based on their scores in both the written test and the hands-on repair competition, were Mike Seresun and Walter Yagen of Ingraham High School in Seattle. They repaired their car in 36 minutes, and each won a choice of a $2,500 scholarship or savings bond.

Their instructor, Richard Thompson, received the AAA President's Cup.

Steve Marschke of the Bismarck Public School Vocational-Technical Center in Bismarck, N.D., won the Lee A. Iacocca Scholastic Achievement Trophy and a $5,000 scholarship for scoring the highest marks on the written test.

Archie Romney, an instructor for the Arizona team from Sahuarita High School in Sahuarita, was named the Automotive Teacher of the Year by Valvoline Oil Co., based on his students' scores in the state competition and national written test. He also won the teacher's award in 1986 and 1987.

Head gasket omits flanges

BIRMINGHAM, Mich. — Victor products division of Dana Corp. has developed a "flangeless" automotive cylinder head gasket. The company said it will improve engine efficiency.

According to John Damusis, Victor engineering director, the new gaskets do not require metallic elements such as the steel flanges or grommets that are used on traditional head gaskets to seal an engine's combustion opening.

The gasket, Damasis said, helps minimize cylinder bore distortion, thus reducing the amount of piston wear that occurs during normal engine operation. He said that in light-duty applications, the Victor flangeless head gasket reduced bore distortion 35 percent.

Damusis said more than 2½ years of research and development were devoted to the new product.

He said it is 10 percent less expensive than a comparable gasket with steel combustion flanges. Similar flangeless head gasket designs are currently used in air-cooled engines, exhaust manifolds, intake manifolds and for throttle body mounting applications, he added.

The new Victor gasket is available for V-6 gasoline engines. Plans are under way to expand coverage to other light- and heavy-duty applications.

Shop volume returns to plus side

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

April service and parts business for new-car dealers bounced back from a decline in March and topped the volume in April 1988.

According to the Automotive News Service Index, shop volume in April rose 1.3 percent over the year-earlier month. The gain followed a year-to-year decline of 1.7 percent in March.

For the first four months of 1989, the index was up 0.04 percent.

The service index is compiled from figures on parts and service operations supplied by a cross-section of dealerships throughout the United States.

Repair orders written dipped 3.3 percent in April from the year-ago month and 3.5 percent for the first four months of this year.

Still, gross profit on all labor, parts and accessories sales was up 2.3 percent in April and for the year-to-date period.

Sales of all parts and accessories in April were 2.5 percent ahead of the volume for the same month a year ago, but dipped 0.4 percent for the first four months of 1989.

Total labor sales (customer paid and warranty) slipped 0.6 percent in April, but four-month volume was 2.5 percent above last year's.

Shop parts sales (customer paid and warranty) were off for April but up for the year-to-date. The April dip was 2.2 percent, and the four-month gain was 1.9 percent.

SERVICE INDEX
101.3*

	April '89 vs. April '88	4 mos. '89 vs. 4 mos. '88
Gross Profit on All Labor and P&A Sales	+2.3%	+2.3%
Repair Orders Written	−3.3%	−3.5%
Total Labor Sales (Customer & Warranty)	−0.6%	+2.5%
Shop Parts Sales (Customer & Warranty)	−2.2%	+1.9%
Sales of All P&A...........	+2.5%	−0.4%

* Survey by Automotive News shows that dealers' service and parts business in April 1989 was 101.3 percent of business in April 1988. Service business in the first 4 months of 1989 was 100.0 percent of business in the corresponding period in 1988.

The National Automobile Dealers Association

responds to

at the 1990

Las Vegas, Nevada
February 10-13, 1990

NADA
NATIONAL AUTOMOBILE DEALERS ASSOCIATION

New Georgia program updates technicians

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

Georgia has joined Ohio and Florida in launching a new statewide automotive technical training program designed to bring auto technicians up to date.

The program will provide Automotive Service Excellence certification to technicians through 29 schools around the state, starting this year.

The four-part curriculum will focus on computer command systems, steering and suspension componentry, fuel injection systems and auto electronics.

In all three states, the continuing education program deals primarily with state-of-the-art technical issues rather than introductory technical classes, according to a program spokesman.

Approximately 7,000 technicians already have been certified in Ohio and Florida, where 32 vocational schools and two-year colleges have been conducting a pilot program since 1987. Ohio is expected to certify another 3,000 technicians this year.

According to program directors, long-range plans call for an eventual nationwide introduction of the program on a state-by-state basis. Vocational education officials in California and Kentucky are studying the concept, which is promoted by the National Automotive Technicians Education Foundation in Reston, Va.

"The technical training issue is extremely important right now," said Louis Rice, a member of the Georgia Board of Technical and Adult Education and senior vice president of Atlanta-based Genuine Parts Co. "And the state vocational education system is probably the best resource we have in America for distributing that training and improving the technical skills of our adult work force."

Rice illustrated the need for updated technical skills by citing his own company. Genuine Parts wholesales a line of about 125,000 auto parts to 6,500 National Automotive Parts Association stores around the country.

"Five years ago, half the parts we now carry didn't even exist," he said. "Obviously, someone working at a dealership or an independent service center who was trained five years ago needs to be brought up to date. Where better to do it than at a school in his own city at night or on the weekends?'

A National Automotive Technicians Education Federation spokesman said service industry surveys have indicated that technicians typically are willing to seek training updates only if they are available in their own city without disrupting regular work hours.

Automotive Service Excellence certification, which is also required of the state program instructors, is granted to participants after completing a specified number of course hours in a subject. All states, except Connecticut, Hawaii, Louisiana and Rhode Island, participate in Automotive Service Excellence education on some basis.

The foundation spokesman said assistance was available to any state vocational education board interested in launching the program.

Nissan expands PRO CAP

CARSON, Calif. — Nissan Motor Corp. in U.S.A. has donated 43 cars to 38 Southern California high schools and community colleges for use in automotive education.

The donation kicked off the Southern California phase of the national Professional Apprenticeship Program, which Nissan calls PRO CAP. It is a cooperative effort between community colleges, Nissan and its dealers.

The program, which will be run through Long Beach Community College, will select and train apprentice technicians while they are still in school and will provide them with employment at a Nissan dealership. Upon completion of the training program, the student will receive an associate of arts degree in automotive service technology.

Nissan said its donation will provide students with vehicles equipped with the latest in automotive technology.

"This program began last year in Arizona and has proven to be remarkably successful," said Ted D'Orazi, field service manager for Nissan's Los Angeles region.

"Right now, there is a deficit of more than 100,000 qualified automotive technicians throughout the United States" he said. "This program, which is now expanding to each of our 11 regions, should help alleviate this shortage."

Shop management is ASTN topic

BIRMINGHAM, Ala. — Automotive Service Consultants and Automotive Satellite Television Network of Dallas, have co-produced a weekly series on one of the most competitive areas within the auto dealership — the service department. The series will run for a year.

Called "Service Management," it will begin July 5 on ASTN's "Shop Talk" program. For dealers who wish to participate, Automotive Service Consultants will track service department performance during the series to monitor improvements, according to William Whitehead, vice president of Automotive Service Consultants. ASTN will provide forms to help service managers implement new strategies.

Targeted toward the dealer principal, service manager and service adviser, the initial 17-week series will feature variable rate structures, job pricing guides, shop loading and dispatching and traffic building, said Mitchell Smartt, producer of the show.

Two other series will cover service profitability and shop productivity. The program also will outline price-competitive strategies and merchandising to recover revenue franchised dealers have lost to specialty service operations, ASTN said.

Import sales down 7%; 5-month total off 98,115

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — Imported-car sales firmed a bit in May compared to 1989 as a whole, but importers posting volume losses continue to outnumber gainers.

Import sales totaled 259,737 in May, off 9,529, or 3.54 percent, from May 1988. Calendar 1989 sales were 1,151,916, down 98,115 or 7.85 percent from the first five months of 1988.

Japanese-branded imports are faring well this year, domestic automakers' Asian-built captive imports are holding their own and Europeans are generally down.

On a percentage basis, the three biggest losers are Yugo, Maserati and Porsche. Yugo was off 62.71 percent in May to 936 units and down 70.64 percent to 4,267 cars for five months as its Chapter 11 woes continue.

Maserati fell 66.27 percent in May to only 28 cars and was off 56.05 percent to 139 units for the year. Porsche slowed its bleeding in May, down 23 percent to 1,003 sales, but still had only 3,600 sales through five months, down 50.36 percent.

Sterling posted a slight sales improvement in May using heavy incentives. It was up 3.32 percent to 653 cars, but it was down 34.12 percent for five months.

Alfa Romeo and Hyundai both posted May sales in line with the rest of this year and were down 34.10 percent and 31.30 percent, respectively, for 1989.

After a 26.18 percent drop in May, Mercedes-Benz was down 18.73 percent for five months to 29,186 cars. Audi was down 20.38 percent to 7,413 units for the year after cutting the May slippage to 12.32 percent.

Merkur and Saab, down 13.28 percent and 12.09 percent, respectively, closed out the import-only companies posting sales losses greater than the market.

Five imports — Subaru, Peugeot, Volkswagen, Jaguar and Isuzu — basically broke even for the first five months, showing absolute sales losses but no worse than or within a percentage point of average market performance.

May was a tough month for all five, with percentage losses ranging from 8.79 percent for Jaguar to 22.91 percent for Peugeot. For both Peugeot and Subaru, which was down 19.78 percent, May slumps wiped out sales gains for the first four months of 1989.

Captive import cars — Chrysler-branded products built by Mitsubishi in Japan, Ford Festiva built by Kia in South Korea, Pontiac LeMans from South Korea's Daewoo and Chevrolet's Isuzu-built Spectrum and Suzuki-built Sprint — also were close to market average as a group. Together, they were off 2,469 units or 7.16 percent to 32,028 in May and off 9.83 percent to 148,757 cars for five months, about 2 percentage points more than all imports.

Seven non-captive marques showed up on the positive side for five months.

The only Europeans to make the list were Volvo and BMW. Volvo gained 10.62 percent to 9,258 cars in May and 7.12 percent to 43,348 cars for five months. BMW, in contrast to rival Mercedes, rose a modest 1.31 percent for the year to 29,008 cars despite being off 1.92 percent in May.

Daihatsu posted gains of 33.22 percent for May and 31.94 percent to 5,622 cars for 1989.

Other Japanese gainers were Acura (up 24.63 percent in May and 14.16 percent for five months), Nissan (29.68 percent and 11.85 percent), Mitsubishi (35.85 and 8.76 percent) and Honda (31.78 and 1.33 percent). The Nissan, Mitsubishi and Honda numbers include imported-car sales only.

SIZE CLASS SHARES, May 1989

	Total Sales	Pct. of Total
SUBCOMPACT	219,735	22.65
COMPACT	240,373	24.78
INTERMEDIATE	369,905	38.12
STANDARD	120,613	12.43
SPECIALITY	19,589	2.02
TOTAL	970,215	100.00

IMPORT CAR SALES BY MODEL

	May 1989	May 1988	5 Mos., 1989	5 Mos., 1988
ACURA	13,483	10,818	56,982	49,913
Integra	8,404	5,088	30,855	22,452
Legend	5,079	5,730	26,127	27,461
ALFA ROMEO	223	338	1,465	2,223
Milano	47	127	610	1,179
Spider	176	211	855	1,044
AUDI	1,722	1,964	7,413	9,311
4000	3	60	35	409
5000	22	1,199	194	3,730
80	289	338	2,098	2,627
90	391	367	2,121	2,545
100/200	828	0	2,249	0
100/200 Quattro	189	0	716	0
BMW	5,632	5,742	29,008	28,633
3-Series	2,884	3,013	14,040	16,221
5-Series	1,808	1,369	9,049	5,780
635 CSi	146	188	663	699
7-Series	658	937	4,289	4,817
M3	79	159	498	759
M5	23	27	202	142
M6	34	49	267	215
CHEVROLET	11,271	11,096	47,280	51,069
Spectrum	5,975	7,416	24,859	31,341
Sprint	5,296	3,680	22,421	19,728
CHRYSLER MOTORS	9,879	11,505	49,278	57,727
Colt	5,515	8,027	27,389	37,453
Conquest	670	1,154	2,856	4,356
Medallion	429	696	3,263	7,890
Summit	1,827	0	9,289	0
Vista	1,275	1,628	5,945	8,028
TC	163	0	536	0
DAIHATSU	1,227	921	5,622	4,261
FORD Festiva	5,660	5,659	31,440	29,182
HONDA	26,134	19,831	100,690	99,373
Civic/CRX	7,581	9,134	28,253	52,079
Accord	12,863	7,070	51,402	27,208
Prelude	5,690	3,627	21,035	20,086
HYUNDAI	16,254	24,269	82,753	120,452
Excel	13,512	24,269	73,639	120,452
Sonata	2,742	0	9,114	0
ISUZU	1,975	2,379	8,044	8,807
I-Mark	1,356	1,628	6,215	5,991
Impulse	619	751	1,829	2,816
JAGUAR	1,650	1,809	7,477	7,989
XJ6	1,267	1,375	5,609	6,027
XJS	383	434	1,868	1,962
MASERATI	28	83	139	430
MAZDA	19,655	20,263	87,788	95,919
323	6,006	7,860	33,576	39,020
626	6,638	6,041	21,938	27,476
MX-6	118	653	1,579	5,490
Miata	45	0	45	0
929	1,924	2,484	8,851	10,647
RX-7	1,438	3,225	8,242	13,286
MPV	3,486	0	13,557	0
MERCEDES BENZ	6,104	8,269	29,186	35,912
190	1,397	1,832	5,238	6,802
260E	398	779	1,724	3,247
300	1,632	2,669	9,076	10,546
300 SE	523	0	2,706	0
300SDL Turbo	1	7	1	85
300SEL	371	528	1,635	2,999
420SEL	474	769	2,616	4,136
560SEL	384	417	2,038	2,288
560SL	729	120	3,274	3,982
560SEC	112	1,035	612	1,663
Tourist	83	63	266	164
MERKUR	690	1,365	3,971	4,579
XR4Ti	499	403	2,375	2,145
Scorpio	191	962	1,596	2,434
MITSUBISHI	8,715	6,415	31,261	28,742
Starion	69	329	511	1,558
Cordia	8	716	327	2,855
Tredia	0	24	10	400
Mirage	3,667	778	7,383	4,776
Galant	3,267	2,424	14,672	6,526
Precis	1,538	1,570	7,547	9,918
Van/Wagon	166	574	811	2,709
NISSAN	38,585	29,753	171,258	153,112
Sentra	9,243	10,500	53,807	63,123
Pulsar	2,571	5,892	11,009	20,306
Stanza	5,547	1,924	18,291	25,108
Axxess	756	0	1,587	0
Maxima	9,381	7,993	44,542	27,143
240SX/200SX	7,307	1,623	31,140	6,291
300ZX	3,562	1,670	9,580	9,572
Hawaii	218	151	1,302	1,569
PEUGEOT	582	755	2,566	2,714
PONTIAC LeMans	5,218	6,237	20,759	26,950
PORSCHE	1,003	1,303	3,600	7,252
924S	17	139	77	805
944	147	301	538	1,789
944S	40	23	85	243
944 Turbo	88	137	296	899
911 Coupe/Carrera 4	282	291	977	1,517
911 Turbo	174	113	575	494
911 Cabriolet/Speedster	158	187	682	877
928S	97	112	370	628
SAAB	3,196	3,107	13,807	15,705
900	449	566	2,061	2,715
900S	707	883	2,975	4,156
900 Turbo	901	745	4,101	3,636
9000S	264	244	1,252	1,448
9000 CD	542	0	1,438	0
9000 Turbo	301	634	1,636	3,629
Tourist	32	35	344	121
STERLING	653	632	2,788	4,232
SUBARU	10,181	12,691	60,488	60,724
Hatchback	112	436	1,331	2,780
3-Door	351	784	2,788	3,240
4-Door Sedan	2,816	2,327	19,967	10,862
Legacy	2,607	0	3,210	0
Loyale	1,464	0	2,402	0
XT/XT6	617	1,507	4,426	6,025
Station Wagon	1,011	5,656	15,819	25,296
Justy	1,203	1,981	10,545	12,521
SUZUKI	460	0	2,460	0
TOYOTA	44,084	57,917	189,423	228,572
Corolla	11,988	15,327	44,023	57,758
Tercel	8,336	8,997	40,080	34,639
Celica	4,899	6,544	23,227	26,171
Supra	1,415	2,449	6,992	9,124
Camry	12,821	19,933	53,325	77,643
Cressida	1,757	853	8,697	4,889
Land Cruiser	439	685	2,257	3,400
Van	409	448	2,100	2,597
4Runner SR 5	1,408	1,972	6,297	8,306
MR2	612	709	2,425	4,045
VOLKSWAGEN	15,279	12,906	57,355	61,249
Cabriolet	1,467	1,212	4,683	5,804
Jetta	6,174	4,448	23,356	25,479
Golf/GTI	2,673	0	9,279	0
Vanagon	587	471	2,066	2,601
Quantum	129	219	684	1,200
Scirocco	96	237	737	1,342
Fox	4,153	6,319	16,550	24,824
VOLVO	9,258	8,369	43,348	40,468
240 Series	3,714	3,144	17,511	18,023
740 Series	4,464	4,106	19,258	17,392
760 Series	805	885	5,611	4,210
780	167	143	768	588
Tourist	108	91	200	255
YUGO	936	2,510	4,267	14,531
IMPORT TOTAL	259,737	269,266	1,151,916	1,250,031

*Volkswagen has reported sales of U.S.-built Golf and GTI models as imports after June 30, 1988

Compiled by Karen Detkowski

American Sunroof Company Licensed Sales and Service Centers

Alabama
Birmingham
Custom Auto Vinyl Tops

Arizona
Havasu City
Kelly's Arizona Auto Restyling
Mesa
Sunroof Specialties
Phoenix
Arizona Auto Restyling
Arizona Sun Tops
Tucson
Jamis Auto Upholstery

California
Azusa
Arizona Auto Restyling
Daly City
San Francisco Sunroof
Emeryville
East Bay Sunroof
Fresno
D & D Kustom Vans
Hayward
San Francisco Sunroof
Los Angeles
American Sunroof — West Coast
Pacheco
Dealer Support Industries
Sacramento
Sierra Coach Sunroof
San Diego
American Sunroof — San Diego
San Jose
Quality Sunroofs
San Marcos
Precision Auto Sunroof of San Diego
Santa Ana
American Sunroof — Britax
American Sunroof — Orange County
Santa Barbara
Upholstery Galore Incorporated
Santa Clara
San Francisco Sunroof
Southgate
International Sunroof Inc
Stockton
Stockton Sunroof
Van Nuys
American Sunroof — Valley
Ventura
Ventura Sunroofs

Colorado
Denver
Automotive Design

Connecticut
E. Hartford
Automotive Styling Concepts Inc
Milford
Knight Coach Systems, Inc

Delaware
New Castle
Auto Port Inc

Florida
Boca Raton
Kelley's Custom Auto Trim
Clearwater
American Sunroof of Florida
Fort Meyers
Florisun Custom Coach
Longwood
Auto Sunroofs & Accessories
Oakland Park
Sunroof of Florida, Inc
Orange Park
Florida Automotive Restyling Inc
Orlando
American Sunroof of Orlando
Pensacola
Precision Auto Works
Sarasota
American Sunroof of Sarasota

Georgia
Conyers
Kiser Upholstery
Marietta
Custom Auto Styling, Inc

Illinois
Evanston
Broadway Auto Top
Lombard
Uni-Sun Incorporated
Northbrook
Lang's Auto
Palatine
Tucker Automotive

Indiana
Fort Wayne
Fabini's Auto Trim Co., Inc
Indianapolis
Indy Auto Sound

Iowa
Davenport
Spectrum Automotive

Kansas
Kansas City
Top King Inc

Kentucky
Lexington
Car Customizing Co
Louisville
Car Customizing Co

Louisiana
Baton Rouge
Tops Unlimited Incorporated
Harahan
Top Hatch Inc
Shreveport
Faries Top & Trim

Maine
S. Portland
Automotive Enhancements Inc

Maryland
Capital Heights
Creative Customs
Glen Burnie
American Auto Classics
Rockville
Adler & Mandel
Sure Fit Seat Covers

Massachusetts
Brockton
ADI Automotive Designs Inc
Chicopee
ADI Automotive Designs Inc
Woburn
ADI Automotive Designs Inc

Michigan
Ferndale
Ideal Customizing
Flint
Kelley's Custom Trim
Grand Rapids
Remes Auto Parts

Michigan
Okemos
Henderson Glass Inc
Troy
Auto Sunroofs & Accessories

Minnesota
Mendota Heights
Sunroofs Etc
Minneapolis
E & G Classics

Missouri
St. Louis
Central Service Co

Nebraska
Omaha
Exclusive Coach Automotive

Nevada
Las Vegas
Glorified Bodies
Reno
Trim Line of Reno

New Hampshire
Hooksett
Automotive Customizing

New Jersey
Abescon
Auto Styling Center
Allaire
Coastal Sunroof Incorporated
Bellmawr
Craftsman Automotive
Bogata
Purich Inc
Cinnaminson
Auto Sunroof Inc
Clifton
Auto Sunroof Inc
Middletown
Autobahn Custom Car

New York
Albany
American Auto & Plate Glass Co
Bohemia
Superior Auto Glass & Trim
Brooklyn
Classic Auto Co
Mac Gregor's Auto Restyling Center
Buffalo
Foxy's Tops and Accessories
J.R. Pride Auto Center
Cornwall
Auto Sunroof of Larchmont
Huntington Station
Metro Coach & Sunroof
Metro Coach & Sunroof
Mineola
Superior Auto Glass
Rochester
Tim's Trim
Syracuse
Rayco Auto Service Incorporated

North Carolina
Charlotte
Charlotte Sunroofs, Inc
Fayetteville
C & C "T" Top Shop
Kernersville
Tops and Trends Inc

Ohio
Akron
J.R. Pride Auto Center
Cincinnati
Jim Hayden Inc
Cleveland
Conrad Tire Service
Columbus
Auto Options
Toledo
Keystone Auto Glass
Warren
Warren Auto Seat

Oklahoma
Oklahoma City
Sunroofs Unlimited
Tulsa
Auto Tops of Tulsa

Oregon
Portland
Western Sunroof

Pennsylvania
Allentown
Auto Sunroof Inc
Exton
Automotive Concepts Inc
Gibsonia
Executive Motors Inc
Horsham
Automotive Concepts Inc
Shamokin
Keystone Restyling

Rhode Island
Providence
H.M. Howe Co. of New England

South Carolina
Spartanburg
Sparkle City Sunroof

Tennessee
Alcoa
Southern Auto Specialties
Nashville
Tennessee Auto Tops

Texas
Farmers Branch
Texas Auto Tops
Fort Worth
Southside Trim & Glass
Houston
Ochterbeck Distributing Co
Top King of Houston
Plano
Texas Auto Tops

Utah
Salt Lake City
Trim Line of Utah Inc

Virginia
Arlington
Sure Fit Seat Covers
Roanoke
Maxey Seat Cover Center Inc
Virginia Beach
Auto Sunroof & Accessories Inc
Woodbridge
Lim's Custom Top and Upholstery

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May sales flat; long-awaited European dip may be near

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — European new-car sales slowed in May, but the total for the first five months remained ahead of last year's.

Fiat S.p.A. continues to hold a firm grip on first place among carmakers, while General Motors, on a percentage basis, is growing at a faster rate than the other five full-range manufacturers in Europe.

Combined sales in 17 Western European countries were up only 0.44 percent in May — the second time in the last three months that growth has been relatively flat compared with the year-earlier period. This suggests that the long-expected slowdown in the European market may be at hand.

May's volume totaled 1,185,900 units, according to industry estimates compiled by Automotive News, up from 1,180,700 during May 1988.

January-May sales climbed 6.54 percent to 6,105,900 units, increasing from 5,731,000 during the five-month period last year.

In 1988, Western Europe's calendar-year sales finished at a record level of just under 13 million units.

Fiat, which ended 1988 nearly tied for first place with Volkswagen Group, boosted sales 3.5 percent in May to 181,500 units, primarily on the strength of sales in Italy where it holds about 60 percent of the market.

For the five-month period this year, Fiat sold 962,700 units, a 9 percent rise, giving it a 15.8 percent market share. The Fiat total includes Fiat, Alfa Romeo and Lancia brands.

Second-place Volkswagen Group, including Audi and Seat, was up 2.4 percent in May to 181,300 units. VW sold 884,900 units in the January-May period, an increase of 7.5 percent over the year-earlier period. It holds 14.5 percent of the market.

May sales at France's Peugeot S.A. fell 2.8 percent to 145,000 units as the French market declined 7.5 percent overall. PSA, including the Peugeot and Citroen brands, remains 9.4 percent ahead of 1988's pace for the five-month period with sales of 798,500 units. It holds a 13.1 percent market share in Europe.

Ford holds fourth place with an 11.3 percent share. Sales increased 5.3 percent to 691,400 units in the first five months. In May, Ford's sales rose a mere 0.1 percent to 141,500 units. May sales in the United Kingdom, the automaker's biggest European market, slipped 8.6 percent to 54,400 units.

GM, helped by the success of its new Opel Vectra/Vauxhall Cavalier compact, recorded sales of 669,600 units for the five-month period, a gain of 10.1 percent. The automaker held a 11 percent share. Last year, GM finished with a 10.6 percent share in Western Europe.

GM's sales were up 5.5 percent in May to 130,300 units.

Renault was hurt by the falling French market: May sales slipped 9 percent to 107,400 units. For the January-May period, Renault is 5.8 percent ahead of 1988's pace. Its five-month volume totaled 623,300 cars, giving it a 10.2 percent market share.

Among specialist makers, BMW is 19.8 percent ahead of last year for the five-month period, with sales of 176,700 and a 2.9 percent share of the European market. In May BMW's sales rose 7.4 percent across Europe to 34,600.

But arch-rival Mercedes-Benz — with an aging product lineup compared with BMW — continued to lose ground last month, as sales slipped 7.4 percent to 37,800 units. For the January-May period, Mercedes was down 4.8 percent to 194,900 units. Market share has shrunk to 3.2 percent, compared with 3.6 percent in the first five months of 1988.

May's combined Japanese sales rose 2.7 percent to 136,000 units. Japanese makes are up 3 percent for the five-month period to 647,100 units, giving the group a 10.6 percent share.

Nissan is tops, up 10.1 percent over last year with 176,500 units, giving it a 2.9 percent share of the market. Toyota is next with 148,700 units for the first five months, a 1.5 percent decline from 1988. It holds a 2.4 percent share.

Among national markets, West Germany — Europe's largest — fell 5.1 percent in May to 253,600 units. The drop is in line with expectations of a decline in Germany's sales this year. Sales for the January-May period, however, remain 3.9 percent ahead of the year-earlier period, totaling 1,255,400 units.

Second-place Italy rose 7.5 percent in May to 223,500 units. Italy's sales for the five-month period ran 12.1 percent ahead of 1988's record pace, as volume climbed to 1,159,200 units.

The United Kingdom was up 7.5 percent in May, as unit sales reached 199,300 for the month. Total sales through May were 9.1 percent ahead of the year-earlier period, giving it a five-month total of 1,021,700.

France's sales last month dropped 7.3 percent to 170,000 units.

Spain's growth rate continues to slow: Sales were up 2.8 percent in May, to 100,400 units. The year-to-date total of 487,900 units remains 10.5 percent ahead of the year-earlier pace when Spain's sales topped 1 million units for the first time.

EUROPEAN SALES

Manufacturer	5 months 1989	1989 share*	5 months 1988	Change 89 vs 88
Fiat Group**	962,700	15.8	883,400	+ 9.0
VW-Audi-Seat	884,900	14.5	823,400	+ 7.5
PSA***	798,500	13.1	729,800	+ 9.4
Ford	691,400	11.3	656,800	+ 5.3
General Motors****	669,600	11.0	608,100	+10.1
Renault	623,300	10.2	589,200	+ 5.8
Mercedes-Benz	194,900	3.2	204,700	− 4.8
Austin Rover	181,800	3.0	192,500	− 5.6
BMW	176,700	2.9	147,500	+19.8
Nissan	176,500	2.9	160,300	+10.1
Toyota	148,700	2.4	151,000	− 1.5
Volvo	122,100	2.0	120,900	+ 1.0
Mazda	104,200	1.7	110,000	− 5.3
Mitsubishi	74,000	1.2	66,700	+10.9
Honda	60,000	1.0	61,800	− 2.9
Others	236,600	3.9	224,900	+ 5.2
Total	6,105,900	100.0	5,731,000	+ 6.5

* Total does not add up to 100 percent because of rounding
** Includes Alfa Romeo
*** Peugeot, Citroen, Talbot
**** Opel, Vauxhall, Isuzu, GM-U.S./Canada

NEW-CAR SALES BY COUNTRY IN EUROPE

Country	5 mos., 1989	Percent gain/loss
West Germany	1,255,400	+ 3.9
Italy	1,159,200	+12.1
United Kingdom	1,021,700	+ 9.1
France	961,700	+ 5.7
Spain	487,900	+10.5
Netherlands	267,800	+ 0.2
Belgium-Luxembourg	226,500	− 0.6
Switzerland	160,800	+ 9.2
Sweden	134,000	− 8.9
Austria	128,900	+12.8
Finland	88,600	+ 8.0
Portugal	86,300	+ 3.4
Ireland	40,900	+23.9
Denmark	38,400	−13.9
Greece	25,800	+11.7
Norway	22,000	−29.6
Total	6,105,900	+ 6.5

Autolatina co-op: Ford uses VW engine

By Rik Turner
STAFF CORRESPONDENT

SAO PAULO, Brazil — The first hybrid car from Autolatina partners Ford Motor Co. and Volkswagen AG was introduced June 14 when Ford unveiled an Escort powered by a 1.8-liter VW engine.

Autolatina, which sells cars in both Brazil and Argentina, was formed in 1987.

Autolatina hopes to revive Escort sales, which have lagged as the result of a reputation of being high-priced and underpowered with Ford's 1.6-liter powerplant.

It also marks the first step in joint development of Ford and VW products.

The next steps, according to Jair Bernadino, president of Assobrav, Brazil's VW dealer association, will be taken at the end of this year and the beginning of 1990, when first a Ford then a VW version of Europe's Ford Orion hit the market. Both will use VW engines.

Bernadino said the Ford Verona will be marketed as a standard car, while the VW Apollo will be an upscale model.

Bernadino said, Assobrav and Abradif, the Ford dealer association, last month signed agreements with their companies.

The agreements were preceded by highly sensitive negotiations, particularly in the case of VW, whose dealers felt they would lose in the deal, since VW already is the market leader and has a reputation for engineering quality.

Assobrav spent most of the last two years at loggerheads with Autolatina, going so far as to threaten legal action against the company for allowing Ford to get what Assobrav considered to be superior VW engines.

As a result of the agreements, the dealers apparently have buried the hatchet.

VW's 371,603 vehicle sales last year (domestic and export) represented 67.8 percent of Autolatina's total and Ford's 176,399 represented 32.2 percent. Under the agreement, Autolatina is committed to maintaining that proportion for VW this year.

Brazil sales continue to rise

SAO PAULO, Brazil — Domestic sales by Brazil's auto industry rose in May, according to the National Association of Automotive Vehicle Manufacturers.

Sales totaled 51,339 units in May, up from April's 46,203. Sales for the first five months of 1989 were up 1.47 percent, to 278,625 units.

Exports dipped to 94,914 in the first five months of the year compared to 142,219 a year earlier.

Export earnings through May dipped to $1.2 billion, down from $1.3 billion in 1988.

In addition to the continuing problem of an overvalued cruzado squeezing margins on exports, the industry is facing the end of the government's Befiex fiscal incentives program for manufacturers that sell abroad.

In place since the early 1970s, the program is one of the main reasons Brazil last year chalked up a record $3.2 billion in auto exports. There are no plans to replace the incentives when they expire later this year.

— **Rik Turner**

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Auto output is 138,869, year's low

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Entering the summer model changeover season, last week's targeted U.S. auto output was the lowest of any week this year, aside from holiday weeks.

Automakers scheduled 138,869 cars last week, 2.59 percent below the prior week's 142,566.

The total also was 13.20 percent below the 159,987 assembled in the corresponding week last year.

So far this year, 3,707,793 cars have been produced, 1.99 percent more than the 3,635,402 completed last year at this point.

Companies split last week's scheduled production as follows: General Motors, 44.20 percent; Ford Motor Co., 27.46 percent; Chrysler Motors, 11.16 percent; Honda of America Manufacturing, 5.58 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.15 percent; New United Motor Manufacturing Inc., 2.88 percent; Toyota Motor Manufacturing (U.S.A.) Corp., 2.43 percent; Nissan Motor Manufacturing Corp. U.S.A., 2.02 percent; and Diamond-Star Motors, 1.12 percent.

Model changeover downtime has yet to affect truck output as the makers scheduled 83,239 units last week, 7.25 percent below the previous week's 89,745 but 0.54 percent above the year-ago week's 82,788.

Year-to-date, 2,218,014 trucks have been built, 5.25 percent more than the 2,107,319 assembled last year at this time.

Ford closed its Wayne, Mich., and Edison, N.J., plants today for one week due to high inventories of Escorts.

The Eldorado, Seville, Riviera and Toronado lines at GM's Detroit-Hamtramck plant remain down for model changeover until Aug. 14.

The Allante line at Detroit-Hamtramck resumed production today after a one-week shutdown due to high inventories.

As reported earlier, Chrysler's Warren, Mich., truck plant and its St. Louis (No. 1) car plant are idle for model changeover.

The Warren facility is expected to resume operations July 10, and St. Louis is scheduled to reopen July 17.

Ford slated overtime last Saturday at its Wayne, Mich., truck plant.

Canadian cars climb for week

Canadian auto production was scheduled at 24,160 last week, 2.98 percent more than the previous week's 23,461 but 0.17 percent below the year-ago week's 24,200.

So far this year, 504,587 cars have been built, down 15.16 percent from the 594,744 completed last year at this point.

Truckmakers targeted 21,137 units last week, nine more than the prior week's 21,128 and 5.28 percent above the year-ago week's 20,077.

Year-to-date, 500,681 trucks have been assembled, 4.45 percent more than the 479,352 built last year at this time.

U.S. CAR	Week Ended June 24, 1989	Week Ended June 25, 1988	Week Ended June 17, 1989	June to Date	Jan. 1 to June 24, 1989	Jan. 1 to June 25, 1988
Horizon	800	2,510	711	2,649	10,336	48,505
Sundance	2,500	0	2,574	8,474	59,822	51,882
Reliant	0	2,151	0	0	0	54,244
Acclaim	2,800	0	3,926	11,344	64,566	0
Caravelle	0	0	0	0	0	9,743
Gran Fury	0	524	0	0	0	7,014
Total Plymouth	6,100	5,185	7,213	22,467	134,724	171,388
LeBaron K	0	0	0	0	0	7,955
LeBaron J	0	1,716	0	3,332	55,273	40,077
LeBaron GTS	0	0	0	0	2,946	4,615
N. Yorker C-Class	1,700	2,853	1,838	5,919	54,772	60,527
Fifth Avenue	0	349	0	0	0	14,865
Total Chrysler	1,700	4,918	1,838	9,251	112,991	126,339
Omni	900	2,383	706	2,833	11,802	48,104
Daytona	0	1,699	0	2,184	46,536	39,025
Shadow	2,100	0	2,189	7,157	57,175	53,215
Aries	0	1,881	0	0	0	46,149
Dodge 600	0	0	0	0	0	8,558
Dynasty	3,000	2,232	3,107	10,184	79,076	55,639
Lancer	0	0	0	0	1,528	5,004
Spirit	1,700	0	2,432	7,196	56,317	0
Diplomat	0	408	0	0	0	11,193
Total Dodge	7,700	8,603	8,436	29,553	252,434	266,887
CHRYSLER MOTORS	15,500	18,706	17,487	61,272	500,149	564,614
Escort	8,465	9,742	7,628	20,767	168,188	194,901
Mustang	4,521	4,528	4,342	14,285	113,691	106,205
Tempo	2,934	3,701	2,890	9,700	78,294	99,619
Taurus	7,997	9,599	8,041	26,467	197,330	205,164
Thunderbird	2,894	3,331	3,712	11,235	85,818	81,688
Total Ford Div.	26,811	30,901	26,613	82,454	643,321	687,577
Topaz	1,466	1,451	1,510	4,900	35,716	37,381
Cougar	2,675	3,121	2,459	8,246	71,542	61,226
Sable	2,491	3,117	2,496	8,262	64,043	71,174
Total Mercury	6,632	7,689	6,465	21,408	171,301	169,781
Continental	1,430	912	1,471	4,770	36,116	23,039
Mark VII	431	485	453	1,490	12,750	12,653
Lincoln	2,826	2,817	2,824	9,313	67,058	73,562
Total Lincoln	4,687	4,214	4,748	15,572	115,924	109,254
Total L-M Division	11,319	11,903	11,213	36,980	287,225	279,035
FORD MOTOR CO.	38,130	42,804	37,826	119,434	930,546	966,612
Skyhawk	0	5	0	0	6,857	11,359
Skylark/Somerset	1,405	1,544	1,412	4,681	29,757	25,149
Century	2,785	3,653	2,741	9,176	62,262	57,341
Riviera	0	120	520	818	11,348	3,475
Electra	1,332	2,241	1,357	4,733	41,994	45,091
LeSabre (fwd)	4,060	2,485	4,279	9,742	76,819	63,642
LeSabre (rwd)	90	234	97	4,399	7,957	5,052
Reatta	0	173	0	58	3,140	3,080
Total Buick	9,672	10,455	10,406	33,608	240,134	214,189
Cimarron	0	0	0	0	0	3,696
Eldorado	0	1,018	1,060	2,326	19,104	22,074
Seville	0	605	727	1,666	13,996	13,714
Brougham (rwd)	720	483	621	2,162	19,375	18,059
Deville (fwd)	4,135	3,365	4,055	13,484	109,319	91,019
Allante	0	0	75	174	1,588	1,135
Total Cadillac	4,855	5,471	6,538	19,812	163,382	149,697
Cavalier	6,973	8,997	6,933	23,489	194,364	180,463
Camaro	2,765	2,353	2,739	9,158	63,361	44,846
Celebrity	2,423	5,137	2,164	7,482	66,463	94,961
Corsica/Beretta	8,975	9,484	9,050	29,753	212,354	206,685
Caprice	4,500	5,427	4,111	13,991	101,724	102,246
Corvette	560	443	560	1,859	13,256	10,735
Total Chevrolet	26,196	31,841	25,557	85,732	651,522	639,936
Calais	2,195	2,758	2,213	7,318	49,624	60,794
Firenza	0	0	0	0	0	5,220
Cutlass Ciera	1,990	1,820	1,941	6,480	43,850	8,160
Cutlass Supreme	0	3,892	0	1,007	51,125	104,100
Toronado	0	413	44	442	4,845	9,586
88 (fwd)	2,892	3,375	2,912	9,549	81,565	84,645
88 (rwd)	305	121	183	732	4,244	5,965
Olds 98	1,065	1,543	1,044	3,531	40,902	41,627
Total Oldsmobile	8,447	13,922	8,337	29,060	276,155	320,097
Sunbird	3,147	2,219	3,106	10,347	77,440	54,967
Grand Am	4,800	5,994	4,802	15,987	125,082	125,428
Firebird	1,330	1,560	1,341	4,460	34,681	32,697
Grand Prix	0	3,730	0	1,275	69,565	64,552
Pontiac 6000	825	1,597	862	2,885	41,408	39,370
Bonneville	2,116	2,777	2,187	6,621	49,672	58,072
Safari/Parisienne	0	42	90	223	2,690	4,144
Fiero	0	498	0	0	0	10,146
Total Pontiac	12,218	18,417	12,390	41,798	400,538	389,376
GENERAL MOTORS	61,388	80,106	63,228	210,010	1,731,731	1,713,295
DIAMOND-STAR	1,559	0	1,641	5,257	24,984	0
HONDA	7,750	7,597	7,602	25,434	190,546	183,916
Civic	2,700	2,461	2,784	9,005	64,666	50,044
Accord	5,050	5,136	4,818	16,430	125,880	133,872
MAZDA†	4,372	2,862	4,401	14,638	116,169	44,871
NISSAN	2,800	2,782	2,859	9,835	59,171	50,784
NUMMI	4,000	3,329	4,227	13,876	99,171	80,221
Corolla	1,600	1,191	1,614	5,432	40,017	29,491
Geo Prizm/Nova	2,400	2,138	2,613	8,444	59,154	50,730
TOYOTA	3,370	0	3,295	10,978	55,326	0
VOLKSWAGEN	0	1,801	0	0	0	31,089
Golf/GTI	0	1,801	0	0	0	25,536
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	138,869	159,987	142,566	470,734	3,707,793	3,635,402
Total Cars, Canada	24,160	24,200	23,461	75,723	504,587	594,744
U.S., Canada Cars	163,029	184,187	166,027	546,457	4,212,380	4,230,146
U.S., Canada Cars and Trucks	267,405	287,052	276,900	905,675	6,931,075	6,816,817

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended June 24, 1989	Week Ended June 25, 1988	Week Ended June 17, 1989	June to Date	Jan. 1 to June 24, 1989	Jan. 1 to June 25, 1988
Premier	1,375	0	1,299	3,981	22,615	33,569
CHRYSLER MOTORS	1,375	0	1,299	3,981	22,615	33,569
Tempo	3,360	3,241	3,260	7,957	72,692	99,392
Topaz	1,440	1,635	1,364	3,384	30,780	35,133
Crown Victoria	2,420	2,841	2,409	8,504	66,277	69,599
Grand Marquis	2,380	2,911	2,366	8,379	72,008	69,558
FORD MOTOR CO.	9,600	10,628	9,399	28,223	241,757	273,682
Celebrity	821	572	989	3,201	10,654	11,230
Cutlass Ciera	2,116	6,269	2,562	8,275	82,599	142,227
Lumina	6,374	0	5,371	18,595	57,334	0
Pontiac 6000	0	1,490	0	0	0	27,985
Regal	1,594	3,976	1,527	5,564	38,793	83,908
GENERAL MOTORS	10,905	12,307	10,449	35,635	189,380	265,350
HONDA	1,650	1,090	1,677	5,695	40,700	18,603
TOYOTA	450	0	457	1,577	5,812	0
VOLVO	180	175	180	612	4,323	3,540
Total Cars, Canada	24,160	24,200	23,461	75,723	504,587	594,744

U.S. TRUCK☆	Week Ended June 24, 1989	Week Ended June 25, 1988	Week Ended June 17, 1989	June to Date	Jan. 1 to June 24, 1989	Jan. 1 to June 25, 1988
Caravan	2,000	1,964	2,084	7,358	55,995	50,470
Dakota	0	1,932	2,051	5,304	55,031	56,805
Caravan C/V	100	309	127	430	4,406	8,001
Ram pickups	0	1,915	2,085	5,357	55,132	35,503
Total Dodge	2,100	6,120	6,347	18,449	170,564	150,779
Cherokee	4,100	4,381	5,495	16,052	117,589	91,423
Comanche	400	921	660	1,841	16,093	23,427
Grand Wagoneer	300	350	325	1,058	6,993	7,580
Wagoneer	100	0	96	327	4,292	6,336
Total Jeep	4,900	5,652	6,576	19,279	144,967	133,966
Voyager	1,800	1,533	1,934	6,748	53,019	46,309
Town & Country	100	0	175	572	1,191	0
Total C-P Div.	1,900	1,533	2,109	7,320	54,210	46,309
CHRYSLER MOTORS	8,900	13,305	15,032	45,047	369,741	331,054
Aerostar	4,936	4,374	4,859	16,251	123,376	109,219
Bronco	1,412	1,515	1,418	4,739	41,620	31,159
Bronco II	2,909	1,926	2,949	9,602	66,887	67,313
Econoline	5,101	5,190	5,033	17,034	124,857	125,305
Heavy trucks	1,305	1,442	1,299	4,299	33,984	35,098
Light trucks	11,700	10,107	11,696	38,709	260,853	256,829
Ranger	7,682	6,482	7,604	24,851	175,857	183,786
Total Ford Div.	35,045	31,036	34,858	115,486	845,434	808,709
FORD MOTOR CO.	35,045	31,036	34,858	115,486	845,434	808,709
Astro	2,968	3,611	2,923	9,973	84,320	86,376
Blazer	565	563	665	1,967	14,250	14,018
Mediums/Heavies	0	390	0	0	1,312	9,051
P-Model	844	848	874	2,818	17,915	19,846
Pickups	8,124	6,981	7,754	26,331	200,385	168,731
S-10	4,876	5,485	5,638	16,570	134,337	145,988
S-10 Blazer	3,957	3,370	4,114	13,075	96,414	83,920
Sportsvan/Van	1,935	2,017	1,857	5,556	48,712	44,210
Suburban	1,596	1,392	1,882	5,629	39,819	37,273
Total Chevrolet	24,865	24,657	25,707	81,939	637,464	609,413
Jimmy	165	92	187	586	4,292	4,143
Mediums/Heavies	0	691	0	0	1,496	19,879
P-Model	124	172	89	396	2,401	2,859
Pickups	2,476	2,400	2,410	8,011	59,951	51,753
S-15	897	1,231	566	3,585	32,331	33,587
S-15 Jimmy	1,063	854	1,108	3,604	27,451	21,552
Safari	792	872	806	2,691	21,748	22,087
Suburban	599	577	676	2,096	15,805	17,241
Vandura/Rally Vans	523	728	536	1,559	13,264	18,160
Total GMC	6,639	7,617	6,376	22,528	178,739	191,261
GENERAL MOTORS	31,504	32,274	32,083	104,467	816,203	800,674
NAVISTAR	1,870	1,855	1,840	6,115	43,897	44,165
NISSAN	2,470	1,568	2,473	8,640	63,159	54,517
AM GENERAL	450	450	450	1,494	10,980	11,160
MISCELLANEOUS	3,000	2,300	3,000	10,000	68,600	57,040
Total Trucks, U.S.	83,239	82,788	89,745	291,249	2,218,014	2,107,319

CANADIAN TRUCK	Week Ended June 24, 1989	Week Ended June 25, 1988	Week Ended June 17, 1989	June to Date	Jan. 1 to June 24, 1989	Jan. 1 to June 25, 1988
Caravan	2,988	2,967	2,994	9,967	75,140	74,538
Caravan C/V	336	314	385	1,223	6,524	7,378
Ram Wagon	660	561	659	1,531	14,417	12,556
Ram Van	1,690	1,488	1,720	3,958	37,310	32,438
Total Dodge	5,674	5,330	5,758	16,680	133,391	126,910
Voyager	2,820	2,526	2,895	9,450	66,958	68,099
Total Plymouth	2,820	2,526	2,895	9,450	66,958	68,099
Wrangler	1,700	1,071	1,854	6,022	41,949	25,214
Total Jeep	1,700	1,071	1,854	6,022	41,949	25,214
CHRYSLER MOTORS	10,194	8,927	10,507	32,152	242,298	220,223
FORD MTR (lt. trks.)	3,648	3,550	3,503	12,023	86,027	88,561
Light trucks	3,510	3,512	3,652	12,152	79,606	76,068
Vans	1,447	1,472	1,304	4,124	33,126	31,675
Total Chevrolet	4,957	4,984	4,956	16,275	112,732	107,743
Light trucks	1,370	1,719	1,249	4,558	37,012	40,461
Vans	698	639	643	2,037	16,303	16,722
Total GMC	2,068	2,358	1,892	6,595	53,315	57,183
GENERAL MOTORS	7,025	7,342	6,848	22,870	166,047	164,926
NAVISTAR	270	258	270	824	6,309	5,642
Total Trks., Canada	21,137	20,077	21,128	67,969	500,681	479,352
U.S., Canada Trks.	104,376	102,865	110,873	359,218	2,718,695	2,586,671

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Hyundai allows duals as sales dip

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

Hyundai expects to sell 40,000 Sonatas, half its prediction at the car's debut.

LOS ANGELES — Hyundai Motor America is allowing dealers hard hit by a 31.3 percent sales drop to add a second franchise to exclusive operations.

The move is a departure for formerly high-flying Hyundai, which four years ago sifted through thousands of dealer applications and required stand-alone facilities costing millions of dollars.

About 20 Hyundai dealers have formally petitioned for permission to dual and at least five duals are operational, said Max Jamiesson, executive vice president.

"Our policy is still to require stand-alone facilities," Jamiesson said. "It's a good policy, but where specific dealers have to do something to maintain the dealership, we sit down with them and work out a temporary agreement. We know it's in our best interest to help keep our dealers profitable until the amount of new product over the next 14 months arrives."

Hyundai is trying to prevent dealers from selling off or converting large, multi-million-dollar facilities to other makes.

It hasn't always worked. Hyundai of Cerritos, a showcase facility in a major Orange County auto mall, was sold by principal Donna Reeves to Lewis M. Webb, who is converting it into a Lexus franchise next to his Toyota of Cerritos store. Reeves is retaining her Honda franchise in the same mall.

Still, Hyundai's overall dealer count is rising as new franchises are added. It has 299 dealers in 48 states (Alaska and Wyoming excluded), up from 289 at the end of 1988, and expects to have about 325 by year end, Jamiesson said.

But the company expects hard months ahead for dealers hit by falling sales and shrinking margins. Sales for the first six months of 1988 are expected to be about 100,000 units, down from last year's total of 148,493. A slight pickup in sales is expected as a restyled Excel and a V-6 for the Sonata are introduced for the 1990 model year, Jamiesson said.

He said the company is looking to become broader based with a 2+2 coupe derived from the new Excel coming next January and a Toyota Corolla-sized car in 1991.

But projected total sales have been scaled back to 220,000 units

see HYUNDAI, page 44

Big 3 quality up, but trails Japan

Despite putting four domestic models in the top 10 on J.D. Power and Associates' Initial Quality Survey, the Big 3 continue to trail Japanese makers.

And European makers, still a distant third, are making gains.

According to a copy of the study obtained by Automotive News, overall initial quality of new cars, as defined by the number of problems per 100 cars reported by 24,000 car buyers in their first 90 days of ownership, improved from 174 to 153 over last year.

But both Japanese and European makers made bigger gains than the U.S. makers in lowering the number of problems per 100 vehicles. The Japanese, at an average of 119 problems per 100 cars, had 21 fewer than last year. The Europeans, at 204 problems per 100, reported 54 fewer. The domestic industry, averaging 163 problems per 100, improved only by 14 and dropped from 23 percent behind the Japanese to 37 percent.

"While the quality performance this year versus last does support a closing of the European to domestic product quality gap, due to the fact that the Europeans improved at a faster pace than the domestics, a longer term trend shows that the Europeans are still far behind the domestics and indeed show a more significant gap than was true in 1987," the study reported.

The main areas of improvement were electrical and accessories, exterior paint and moldings, squeaks and rattles, and engine.

Although two domestic nameplates, Buick and Mercury, cracked the top 10, two others, Chevrolet and Eagle/Renault, were among the 10 worst. The top was dominated by Japanese makes, with the exception of Mercedes-Benz and Porsche, which ranked 1-2.

The bottom 10 were dominated by European imports, with Yugo at the bottom.

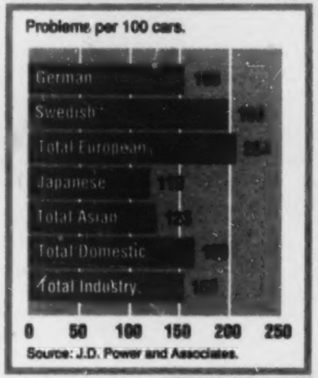
In announcing its results last month, J.D. Power, the Agoura Hills, Calif., market research firm, released only the top 10 nameplates and models.

The number of faults affecting a new car has a large influence on the likelihood of the buyer's repurchasing that model. In its 1989 Light Truck Consumer Satisfaction Index survey, Power said that 93 percent of customers experiencing no faults will buy the same model again. Intent to repurchase slumps to 57 percent for those drivers who have suffered four or more faults.

A detailed analysis of the confi-

see QUALITY, page 41

New car initial quality



Source: J.D. Power and Associates.

AUTOMOTIVE NEWS / C. WRITER

GM incentive debate drags as cars sit

By Michelle Krebs and Laura Clark
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — General Motors is still debating what incentives to use to clean up its swollen 1989 inventory, though most of its current incentives expire next week and the model year ends in three months.

Proposals under discussion include fatter retail incentives and dealer incentives, according to dealer sources involved in discussions with the automaker. Model-year-end ordering ended in June, so any decision on dealer incentives for leftover vehicles will have come too late to encourage increased orders.

The sources said GM will continue low-interest rate programs and cash rebates. They expect those deals to be sweetened significantly and they expect incentives to dealers to be thrown into the package.

Among the proposals is applying an extremely low-interest rate — possibly as low as 2.9 percent — to 48- and 60-month loans. Dealers have argued that limiting 2.9 percent rates to shorter term loans has not been popular with consumers.

Another proposal is linking low-rate loans with cash rebates. In the past buyers had to choose between a loan or a rebate.

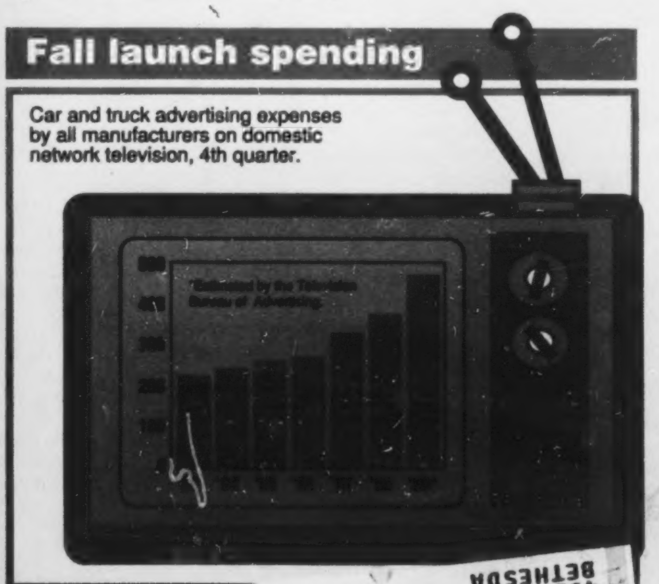
Regional incentives also are being considered. Richer incentives would be offered in an area where a model is selling slowly.

In addition to customer incentives, GM is expected to offer some kind of dealer incentive in lieu of a carryover allowance.

see INCENTIVES, page 41

Fall launch spending

Car and truck advertising expenses by all manufacturers on domestic network television, 4th quarter.



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Ad spending surge hits TV first

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

> "My experience in this business tells me there is a time to be aggressive or risk getting shut out."
>
> — GUARASCIO

Automakers are bracing for an all-out advertising spending war in the 1990 model year to battle an expected softer U.S. new car and truck market.

The first shots have already been fired in the media industry, where larger automotive advertisers are flexing their buying leverage power over smaller marketers.

Advertising experts predict that automakers and dealer groups could increase spending by as much as 15 or 20 percent for the 1990 model year. That would bring spending to nearly $4 billion, up from the 1989 model year's already high $3.2 billion.

The television networks began negotiating upfront prime-time television buys exclusively with the automakers several weeks ago. The upfront market — the prime-time TV market covering the 12-month period beginning in late-September — has already rung up $700 million in committed automotive money compared to $400 million during the same period a year ago.

The automotive spending surge is fueled by General Motors, Toyota Motor Sales U.S.A. and Nissan Motor Corp. in U.S.A., each of which will introduce new car brands in the next 18 months: Saturn, Lexus and Infiniti.

GM, which spent $832.2 million in U.S. advertising in calendar 1988, is expected to spend $80 million to $100 million in advertising annually for Saturn, according to the trade paper Advertising Age.

Saturn's corporate and product positioning ads will debut during the 1990 model year before the car's official introduction in the

see ADS, page 44

NEWSPAPER

[illegible]

DRI sees start of two-year dip in world car sales

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — A European research group predicts this year's drop in world new-car demand — traced to the shrinking U.S. market — will worsen in 1990 as sales decline in Europe and Japan for the first time since 1984.

Moreover, the U.S. market will fall further next year, according to DRI-Europe's latest World Automotive Forecast Report.

The decline in world sales in 1989 has been blunted by stronger-than-expected demand in Europe and Japan. The London-based research group projects world registrations at 34.21 million units in 1989. That is down about 200,000 units from 1988 but is more than a million units above DRI's forecast late last year.

For 1990, the research group sees world sales falling less than 1 percent to 33.88 million cars. A relatively sharp increase of 3.1 percent to 34.93 million units is projected for 1991, followed by successive increases until world volume reaches 36.87 million units in 1994. That would be 7 percent higher than the record 34.43 million in 1988.

The U.S. market is seen slipping from last year's 10.58 million sales to 9.91 million in 1989.

DRI predicted that U.S. demand will "remain weak through the rest of the year as the economy slows and consumers reconsider their spending plans." It said U.S. sales will drop 1 percent in 1990 to 9.77 million units and then recover to 10.05 million in 1991.

DRI expects Western European demand for 1989 to edge past last year's record 12.90 million to 12.91 million, while Japan climbs from 3.72 million in 1988 to 3.91 million. Earlier forecasts had both markets falling back this year.

Western European sales are running ahead of last year through the first few months of 1989, though DRI expects a second-half decline.

Next year, Europe will drop 2.5 percent to 12.59 million, DRI said. And after two strong years, Japan will fall 3.7 percent to 3.76 million, offsetting expected gains in Asia-Pacific and Latin American countries. Europe and Japan are expected to rise to 12.83 million and 3.86 million units in 1991.

The predicted 5.1 percent growth in the Japanese market to 3.91 million units this year is attributed largely to a tax-reform package that took effect April 1.

DRI has significantly upgraded its long-term forecast for the Japanese market based on the tax cuts and the general strength of consumer demand. Last year, it predicted a market of just under 3.5 million units in 1993, but now forecasts 3.9 million in 1993 and more than 4 million in 1994.

DRI expects sales to continue rising in most Asia-Pacific markets. In South Korea, sales are projected to jump 23 percent to 392,000 this year and increase another 11 percent to 436,000 next year. DRI said sales in Taiwan will rise from 292,000 in 1988 to 362,000 this year and 382,000 in 1990.

INTERNATIONAL AUTO PRODUCTION
Production in select countries, in millions of units.

	Japan	U.S.	West Europe	South Korea
1988	8.20	7.12	13.03	.866
1989	7.94	7.46	13.07	1.11
1990	7.64	7.61	12.81	1.29
1994	7.84	8.32	13.73	1.78

The research group also expects renewed growth next year in Brazil, where sales are projected to fall 4.7 percent to 530,000 in 1989. Brazil's 1990 sales are pegged at 567,000.

DRI expects world auto production to rise 2 percent to 35.09 million units in 1989 and dip marginally to 35.04 million next year.

This year's biggest production cut — 3 percent -- will take place in Japan. Next year's Japanese production is expected to be the lowest since 1984. Although Japan is expected to regain momentum in 1991, DRI does not expect car output to return to 8 million within the next five years.

Although Japan currently outbuilds the United States, DRI expects that to change by 1993 because of Japanese transplants in the United States and Europe.

DRI said production at Japanese transplant facilities in North America will rise from 866,000 units in 1988 to 1.7 million by 1990 and to 2.1 million by 1994 — 22 percent of projected North American car output.

In Europe, a 7.2 percent increase in production is expected between 1990 and 1994 as transplant activity picks up. South Korea, meanwhile, is expected to more than double last year's output by 1994.

Yugo looks overseas to trim stocks

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

UPPER SADDLE RIVER, N.J. — Yugo America is negotiating with foreign firms that could buy a major portion of Yugo's unsold inventory.

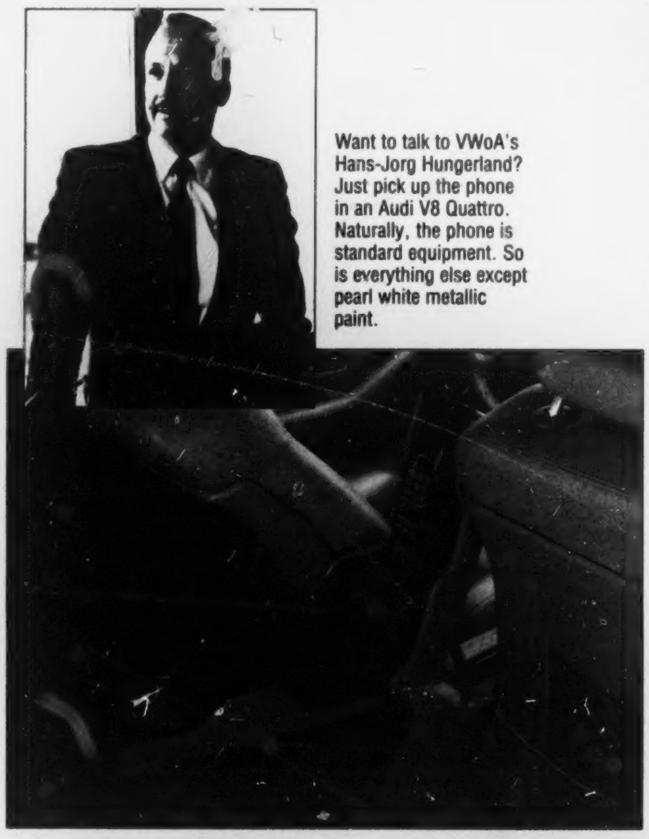
"I've received hundreds of calls, from China, Hong Kong, Australia — you name it," said John A. Spiech, Yugo America president and chief executive officer.

Spiech

Spiech said that prospects are strongest in South America and in Africa, and if all the prospective deals could be put together, foreign wholesalers could buy 3,500 to 3,600 cars.

When Yugo America declared Chapter 11 bankruptcy Jan. 30, Yugo officials said the company

see YUGO, page 42


Want to talk to VWoA's Hans-Jorg Hungerland? Just pick up the phone in an Audi V8 Quattro. Naturally, the phone is standard equipment. So is everything else except pearl white metallic paint.

Audi turns to V8 Quattro to increase luxury share

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

KOHLER, Wis. — Audi of America is taking extraordinary steps to polish its image.

For example: It is late at night. You're driving an Audi V8 Quattro in the rain. You fall victim to unintended deceleration after you suffer two flat tires.

Lift the standard-equipment cellular phone and punch two preprogrammed numbers. Within minutes, a tow truck is dispatched to your aid.

Wait, there's more.

You're delighted with this luxury sedan and you want it to be known. Pick up the phone. Punch two more numbers. Have a talk with one of Audi's executives.

Hans-Jorg Hungerland, president and chief executive officer of Volkswagen of America, might well be on the other end of the line.

Hungerland would prefer that a new Audi V8 Quattro buyer calls to praise its quality or applaud the service offered. But if an Audi V8 Quattro "Executive Express" owner rings with a complaint, Hungerland still listens. He said he understands that only time and effort will turn around perceptions about the worth of Audi and VW products. A change of mind could mean increased sales.

"If the Volkswagen Group is to be all that it can be, we must rebuild the position of Volkswagen in the U.S. and restore the reputation and sales of Audi in this market," said Hungerland. "We are determined to do both.

"We are not kidding ourselves. This is no small task," he said.

That might be one of the automotive industry's great understatements. In 1988, Audi sales totaled 22,943, down 18,379 cars from the previous year's 41,322.

Audi's all-time high was 74,061 sales in 1985.

This year's sales are down from 1988's. For the first five months of 1989, Audi sold 7,413 cars compared to 9,311 a year earlier. At the current sales rate, Audi will finish the 1989 calendar year with just 17,787 sales.

Still, Audi officials remain determined.

"If you give buyers what they

see EXPRESS, page 42

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Audi shows its $47,450 image builder, the V8 Quattro

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

KOHLER, Wis. — Audi of America's 1990 V8 Quattro is the latest salvo in its U.S. product launch, and company officials hope its potent powerplant and standard amenities will restore luster to the image of Audi and its products.

Priced at $47,450 — highest sticker ever for an Audi — the V8 Quattro is the flagship in a fleet that includes the recently introduced Audi Coupe Quattro and the 80/90 and 100/200 series sedans.

While the V8 Quattro resembles its 100/200 siblings, it shares only the roof and front-door panels with those cars.

The all-aluminum alloy, four-cam V-8 engine is fitted with a 32-valve head. It generates 240 horsepower and 245 pounds-feet of torque.

Audi engineers have geared the V8 Quattro so its power is delivered quickly and smoothly through the power band. It accelerates from 0 to 60 mph in 8.7 seconds and claims to have a top speed of 142 mph.

The car has an EPA rating of 14 mpg city/18 mpg highway and is subject to a $1,050 gas-guzzler tax.

Audi has fitted U.S.-specification 100/200 Quattro sedans with manual gearboxes. While European drivers prefer manual transmissions, on these shores the automatic transmission is the overwhelming choice of buyers of luxury cars.

With the V8 Quattro, Audi introduces a four-speed automatic transmission with lock-up torque converter. That is be good news for V8 Quattro buyers.

The bad news is the transmission will not fit in the current 100/200 sedans. Audi officials admit they are hustling to get an automatic gearbox for 100/200 Quattros; it will likely be available for 1991 models.

Standard on the V8 sedan is Audi's latest-generation all-wheel-drive Quattro system. This Quattro system differs from others in the Audi lineup in that it couples the 32-valve V-8 engine to an automatic transmission; Audi's other Quattro systems are used only with manual gearboxes.

The V8 Quattro system also alleviates any need to lock the Quattro drivetrain manually.

Audi V8 Quattro has a 240-hp, 32-valve engine.

Two automatic differential locks are part of the setup.

Another highlight of the V8's Quattro drive is a torque-sensing Torsen differential mounted between the rear wheels. It automatically distributes torque to the wheel with the best grip for traction on a slippery surface.

Also standard is an anti-lock brake system coupled to four-wheel discs.

Audi engineers have added a new twist to the front discs. Calipers ordinarily clamp around the outer edges of brake discs in other cars; on

see AUDI V8, page 42

Chevy Astro trails poor '88 mark in 35-mph crash

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Chevrolet's Astro van fared poorly in the government's latest round of crashes at 35 mph, posting higher head injury numbers than a similar model crashed last year.

Two sport-utility vehicles posted high head injury numbers for their front-seat passengers.

In NHTSA's New Car Assessment Program, selected vehicles with dummies in the front seats are crashed into a fixed barrier at a speed 5 mph higher than the 30 mph used to meet minimum federal safety standards. A 35-mph crash generates one-third more force than a 30-mph crash.

To meet the 30-mph standard, a vehicle must score 1000 or less on the head injury criterion and 60 G's or less on the chest deceleration scale. Scores higher than those are considered fatal for occupants.

The 1989 Astro did worse than the 1988 model. It was re-crashed this year because of last year's poor performance. The compact Chevrolet van registered a head injury level of 1849 for the driver and 1838 for the passenger, while last year, it recorded 1603 for the driver and 1424 for the passenger. The 1989 Astro also recorded chest deceleration scores of 64 G's for both driver and passenger.

NHTSA concluded that front-seat occupants of a Chevrolet Astro run more than an 80 percent risk of sustaining a "life-threatening brain injury" in a 35-mph frontal impact.

By comparison, Mitsubishi's van, the only other van included in this round of 1989 models, had head injury ratings of 805 for the driver and 713 for the passenger.

The Jeep Cherokee had a passenger head injury level of 1796 compared to a driver score of 968, and the Chevrolet S-10 Blazer had a passenger head injury level of 2482 vs. a driver score of 834.

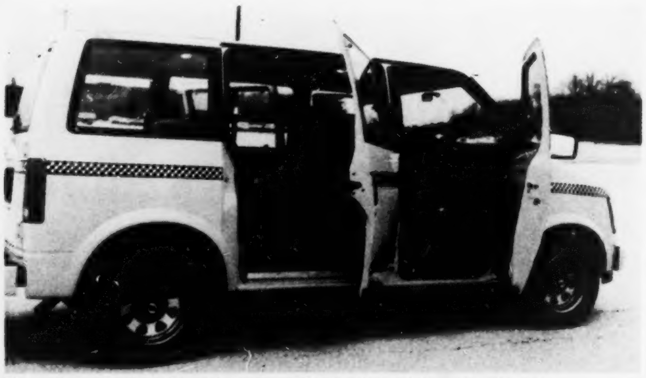
While both posted head injury levels of less than a 1000 for the driver, chest deceleration for the driver was 69 G's for the Jeep and 62 G's for the Chevrolet. The only other sport-utility vehicle crashed, the Ford Bronco II, had a head injury rating of 994 for the driver and 950 for the passenger.

Of the five large and mid-sized cars crashed, the Chevrolet Caprice posted the highest head injury numbers, recording 1328 for the driver and 1365 for the passenger. The Caprice was the only other vehicle in this round that scored higher than 60 G's for chest deceleration, recording 64 G's for the driver.

The mid-sized Plymouth Acclaim had the lowest head injury numbers with 660 for the driver.

NHTSA 1989 NEW CAR CRASH ASSESSMENT

	Head injury criterion		Chest deceleration (G's)	
Vehicle	Driver	Passenger	Driver	Passenger
SUBCOMPACT CARS:				
Mercury Tracer 4-door hatchback	940	425	48	38
COMPACT CARS:				
Ford Probe 2-door hatchback	970	496	46	35
LARGE AND MIDSIZE CARS::				
Chevrolet Caprice 4-door sedan	1328	1365	64	42
Chrysler Fifth Ave. 4-door sedan (ACP)	786	682	43	43
Eagle Premier 4-door sedan	877	868	46	44
Lincoln Continental 4-door sedan (ACP)	863	492	48	NA
Plymouth Acclaim 4-door sedan	663	810	46	50
TRUCKS, VANS, & MPV's:				
Chevrolet Astro Van	1849	1838	64	64
Chevrolet S-10 Blazer 4x4	834	2482	62	48
Ford Bronco II 4x4	994	950	58	51
Jeep Cherokee 4x4	968	1796	69	43
Mitsubishi Van	805	713	49	51



Chevy Astro taxi has hinged doors on both sides; sliding door is gone.

Chevy considers taxi package for Astro

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

Chevrolet may offer a four-door Astro taxicab as a factory-installed package.

New Era Transportation of Akron, Ohio, has developed the cab. The company makes medical transportation vans and driving adaptations for the handicapped.

Taxi companies are hard pressed to find successors to large vehicles such as the Dodge Diplomat and Plymouth Grand Fury, which went out of production last December.

In the cab configuration, the Astro's sliding right-side door is replaced by a large, hinged door. A similar hinged door is installed opposite it on the left side to eliminate passenger exposure to traffic while entering or leaving the vehicle.

If Chevrolet were to offer an Astro taxi package it would include an automatic transmission, heavy-duty front springs, wiring for additional lighting, taxi company paint and a 34-gallon fuel tank replacing thc usual 17-gallon tank, said William F. Davis, founder of New Era Transportation.

Chevrolet executives called the vehicle a concept car and said the offering of a factory package is under consideration.

New Era Transportation already is distributing sales literature describing the Astro cab. The literature also discusses cabs made from the Ford Aerostar and Chrysler Motors' front-drive Dodge Caravan and Plymouth Voyager minivans.

High VW post puts Goeudevert on road to top

Goeudevert

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

COLOGNE, West Germany — Daniel Goeudevert, who surprised the European industry by resigning as head of Ford of Germany last spring, has turned heads once again with a pending move to Volkswagen AG that places him squarely in the race to succeed VW Chairman Carl Hahn.

The outspoken, 46-year-old Frenchman had run Ford's large West German operation for eight years. But he said in an interview with Automotive News that he reached a career impasse with the American company.

A fervent admirer of Ford Chairman Donald E. Petersen, Goeudevert said he left on the best of terms. But he admitted to some frustration at being unable to move to Ford's North American operations.

On the other hand, Goeudevert said he had no interest in going to Ford of Europe headquarters in the United Kingdom, which he described as "somewhere nowhere."

Once a literature professor at the Sorbonne in Paris, Goeudevert left Ford May 1 with the intention of completing a book on the auto industry and founding a management school in Germany.

But after Autolatina executive Gerd von Briel, the designated successor to retiring VW Vice Chairman Horst Muenzner, was killed in a helicopter crash in Brazil last March, Goeudevert was approached about the VW job. Autolatina is a joint venture between Ford and VW in South America.

He is expected to inherit Muenzner's management board position -- in charge of purchasing and logistics — pending approval at the July 12 supervisory board meeting.

Hahn, 62, is due to retire in the early 1990s, and Goeudevert and Audi AG Chairman Ferdinand Piech are being looked at as leading candidates to replace him.

"If the board approves, I will be happy to join," said Goeudevert. "I will be able to implement a lot of the things I have discussed, and it fits with my plan to be active with my school."

He said he would not join VW until the end of the year

Goeudevert, who ran marketing operations at Citroen and Renault before joining Ford, called the proposed VW purchasing and logistics job "a fascinating position, at the center of engineering, manufacturing and finance."

He declined to comment on his prospects for succeeding Hahn.

The rapid return to the auto business surprised even Goeudevert, though he said he received four solid offers from European carmakers.

"I was hoping to have one to two

see GOEUDEVERT, page 43

RAY OF HOPE: *High court says due process may limit punitive damages*

By Helen Kahn
SENIOR CORRESPONDENT

WASHINGTON — The Supreme Court ruled last week that businesses cannot expect the Constitution's "excessive fines" provision to protect them from heavy punitive damage awards in civil lawsuits.

But the court left the door open for a similar case if the same question were raised under the Constitution's due process clause.

The case was watched closely by the auto industry because of its product-liability award implications. It involved a Vermont subsidiary of Browning-Ferris Industries of Houston, which was assessed a $51,000 judgment and $6 million in punitive damages for attempting to put a rival waste disposal firm, Kelco, out of business.

Browning-Ferris asked the court to review the punitive damages. The company called them excessive since they were 117 times the compensatory damages.

The Motor Vehicle Manufacturers Association, along with the National Association of Manufacturers, the U.S. Chamber of Commerce and others, filed briefs on behalf of Browning-Ferris. Consumer and trial-lawyer groups filed on behalf of Kelco.

The Supreme Court's 7-2 decision turned on whether the Eighth Amendment, which is normally applied to criminal cases, could ever apply to private litigation. The amendment prohibits excessive fines or cruel and unusual punishments. The court majority decided the intent of the amendment was to protect individuals against excesses of government but not to protect private party litigants.

But the majority, while refusing to address the due process clause of the Fourteenth Amendment because it was not properly before the court, admitted that some of its earlier decisions suggest that due process "places outer limits on the size of a civil damages award made pursuant to a statutory scheme."

Justices William Brennan and Thurgood Marshall filed a concurrence "on the understanding that it leaves the door open for a holding that the due process clause constrains the imposition of punitive damages in civil cases brought by private parties."

William Crabtree, general counsel and vice president of MVMA's law division, said the group was "disappointed at the court's decision."

"The large number of briefs filed in the case by the business community indicates the importance of the issue of uncontrolled punitive damages, Crabtree said. "MVMA joined with seven other trade groups in a brief; several more were filed, all urging the court to act to limit punitive damages.

"The court will certainly consider it again, when it can be reviewed as a due process of law question," he said.

"In the meantime, we expect that state legislation to limit punitive damages awards will get fresh attention and will accelerate."

New effort made to limit product liabiity

WASHINGTON — A product-liability reform bill introduced in the House of Representatives could dramatically reduce the number of lawsuits filed against auto manufacturers.

The bill, introduced by Rep. Thomas Luken, D-Ohio, is similar to legislation that died in a House committee last year.

Luken's bill would limit an automaker's liability if the claimant misused or altered the product or was drunk or on drugs; if the manufacturer did not or could not know about a defect; or if there was no technically feasible way to design a safer product.

It has the support of the Product Liability Coordinating Committee, a consortium of companies that have pushed for liablity reform. Members include American Honda Motor Co. and Toyota Motor Sales U.S.A..

The bill "promises new fairness, consistency and speed in resolving liability issues that have crippled American producers and cost consumers dearly," said St. Clair J. Tweedie, chairman of the group.

Consumer groups oppose the legislation. "We're hoping that it isn't going to go anywhere," said Christin Rand, an attorney for the Consumers Union of the U.S.

— Diana T. Kurylko

Makers pay $2 million for Washington lemons

By Helen Kahn
SENIOR CORRESPONDENT

Attorney General Ken Eikenberry said awards to consumers resulted in buybacks or replacement of vehicles worth more than $2 million in the first year of Washington state's tough new lemon law.

He said the law has made manufacturers "much more responsive to consumers in their warranty concerns," and he said the makers have been settling disputes before they come under the lemon law.

For each of the Big 3, the share of lemon law complaints was higher than its market share. Three Japanese firms, each with more than 5 percent of the market, had a lower share of claims than their market shares.

Ford Motor Co. fared worst, logging 29 percent of the state's lemon law claims compared to its market share of less than 19 percent. General Motors also accounted for 29 percent of the claims, compared to its market share of almost 26 percent. Chrysler Motors recorded 18 percent of the claims vs. a market share of 13 percent.

In contrast, American Honda had fewer than 2 percent of the lemon claims, compared to a market share of 8 percent. Nissan Motor Corp. and Toyota Motor Sales both had about 2 percent of lemon law cases, while their market shares were 6 percent and almost 11 percent, respectively.

For small-volume sellers — those with less than 5 percent of the market — Mazda Motors of America performed best. Mazda accounted for slightly more than 2 percent of the complaints against a market share of almost 5 percent. Peugeot Motors of America and Yugo America had the poorest records among the small-volume marketers.

Washington's law includes a state-run arbitration program. It covers new vehicles sold at retail or leased for two years or 24,000 miles and requires a dealer to tell the consumer of his/her rights.

Rather than notifying the manufacturer of a problem, consumers need only notify a dealer while the vehicle is under warranty for the repair obligation period to start.

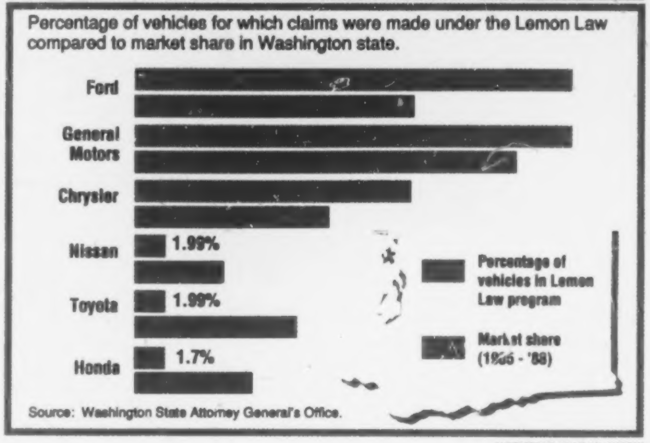
A vehicle is presumed to be a lemon after two or more attempts to repair a safety defect or four or more attempts to fix another problem or if the vehicle is out of service for 30 days, 15 of which must be in the warranty period.

A manufacturer that delays carrying out a decision by the state arbitration board can be fined $1,000 a day. In some cases, the manufacturer must pay $25 a day in rental-car costs, and the manufacturer may be assessed treble damages in cases taken to court. Buybacks must include collateral charges — fees, taxes and other charges — and incidental costs.

Under Washington's law, buybacks that have a "serious safety defect" cannot be resold without a manufacturer-guaranteed correction. Lemons whose defects do not involve safety may be resold without repairs but their lemon status must be disclosed.

Washington's Lemon Law claims

Percentage of vehicles for which claims were made under the Lemon Law compared to market share in Washington state.



Source: Washington State Attorney General's Office.

AUTOMOTIVE NEWS / C. WINTER

Results for smaller companies

Table shows the share of claims under Washington's lemon law compared to each company's market share (1985-88) in the state. (Market share in parentheses.)

American Isuzu Motors	1.14	(0.97)
Audi of America	0.57	(0.38)
BMW of North America	0.57	(0.45)
Hyundai Motor America	1.14	(1.4)
Mazda Distributors	2.28	(4.98)
Mercedes-Benz	0.57	(0.47)
Peugeot Motors of America	1.71	(0.23)
Porsche Cars North America	0.28	(0.16)
Saab-Scania of America	0.57	(0.22)
Subaru of America	1.71	(2.95)
Volkswagen United States	0.85	(2.0)
Volvo North America	0.28	(0.91)
Yugo America	2.28	(0.17)

Source: Washington State Attorney General's Office

Car dealers' asset return off at 7.1%

McLEAN, Va. — Average return on assets for U.S. car dealers in the 1988 calendar year dropped to 7.1 percent, lowest since the recession of 1982, according to the National Automobile Dealers Association.

Import dealers showed the greatest decline in return on assets.

European-make dealerships saw a decline in average return on assets from 19 percent in 1986 to 6.2 percent in 1988. For Japanese makes, the return on assets fell from 16.1 percent to 7.4 percent.

Domestic dealers generally suffered less. They reported an average 7.3 percent return on assets in 1988, down from 9 percent in 1986.

Honda Division dealerships reported the highest return on assets among all makes with a 10.6 percent. Oldsmobile dealerships reported the lowest rate, with 3.7 percent.

Ford Division and Lincoln-Mercury dealers recorded the best return on assets among the domestic dealership, at 9.4 percent.

Other rates of return on assets were:

Chrysler-Plymouth and Dodge, 8.5 percent; Pontiac and Chevrolet; 6.4 percent; Cadillac, 4.6 percent; and Buick, 4.2 percent.

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"Our clients' gross profit levels are about 75% higher than the industry norm, and their closing ratio is one and one-half that of the national average," states Peter Bond, founder of the "You Win Big" program and president of Peter Bond's Automotive Resource Group, Inc., one of the largest automotive consulting firms in the United States.

> "Hundreds of thousands of dollars, the best research, and five years of showroom experience have gone into 'YOU WIN BIG.' It will revolutionize the way vehicles are marketed in the 90's."
>
> Peter Bond

Peter Bond, President of
Peter Bond's Automotive Resource Group

"'You Win Big' is a non-confrontational marketing, sales, management, and inventory program which has successfully integrated the four vital elements of a successful sales operation into a powerful total sales instrument," Bond says. "This plan has been installed in more dealerships across the nation than those of all other companies combined."

The firm's fee system involves no financial risk for the dealer, because Peter Bond's Automotive Resource Group receives only a portion of the increased gross profit produced while "You Win Big" is operating in the dealership.

The unique program will be especially effective for its clients in the competitive years to come, according to Bond. "After five years of research, development, and implementation over a major portion of the country in all types of markets representing all makes and models of automobiles, in small dealerships and some of the nation's largest, we feel we have produced the leading-edge program that will revolutionize the way vehicles are marketed and sold in the years ahead."

"We have spent hundreds of thousands of dollars in research, and retained and employed psychologists and educators from leading universities, as well as the most skilled sales and marketing professionals in the nation, to successfully integrate the four areas that enhance a dealership's sales efforts," Bond states.

Using this totally integrated program, marketing floods dealership showrooms with impulse buyers rather than shoppers. Inventory strategically selects the oldest units to be sold, while providing major increases in volume. The sales force motivates the prospect to buy with effective non-confrontational procedures, while management keeps everyone on track to follow the proven, successful steps of the program, using checks and balances built into the system.

"Our plan has led our dealer base to unparalleled volume records and has sharply enhanced gross profits per vehicle retailed," Bond states. "Our volume and gross profit levels are much higher than the automotive industry average."

"We like to say that our clients get their 'unfair share' of the market," Bond continues. "ARG represents only one dealer selling his brand of vehicles in each market. Often we've been able to feed off our dealer's competition to enhance his market penetration."

Very different from widely-used conventional sales methods, the non-confrontational sales procedure applies no pressure to the prospect at any time. This method is especially effective in making the whole buying process a pleasant experience for the customer, greatly increasing CSI. The salesperson learns the process through expert training which is maintained through close supervision.

> "Our clients' gross profit levels are 75% higher than the industry norm."

To increase the program's effectiveness, ARG is computerizing the dealer's reporting methods and capabilities. Data from all dealer sales and managmement personnel is entered into a computer and evaluated daily at ARG headquarters. "Statistics on each person's efforts and results are reported to us daily, so we can react to any problem immediately," Bond says. "There is no better reporting system in the industry."

Both dealers and manufacturers have expressed a great deal of interest in "You Win Big," with all agreeing that it is truly the program to increase volume, gross, and profit in the competitive 90's.

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TEXAS

Fort Worth Auto Auction (div. of GECAA), 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Tuesday. Contact: George Horton, 817-626-5494.

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U.S.-Japan glass firm serves Saturn

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

D&A Technology, a new U.S.-Japanese venture, plans to break ground this month for a Tennessee plant to supply windows and possibly other glass products to General Motors' Saturn plant in Spring Hill, Tenn.

The $5.3 million facility represents a partnership between Donnelly Corp. of Holland, Mich., and Asahi Glass of Japan.

Asahi, one of Japan's largest producers of automotive glass products, is the supplier of record to Saturn. Paul Kalkman, Donnelly senior vice president, said the joint venture was formed because the Japanese company is restricted from manufacturing directly in the United States.

Asahi has a licensing agreement to produce Donnelly products in Japan that stipulates the company cannot manufacture in this market. The joint venture will produce the products, and a wholly owned Asahi subsidiary, AP Tenntech Corp. will service the contract.

The venture is the first U.S. investment for Asahi, a conglomerate with holdings in mining and chemicals, and the first U.S. venture outside Michigan for Donnelly.

Kalkman said the companies cannot say specifically what glass products D&A will supply to Saturn, but he indicated they will include modular door windows. Modular windows are the largest market for Donnelly, which had 1988 revenue of $157 million.

Kalkman said the partners will break ground for the 51,200-square-foot plant early this month, with production scheduled to begin in early 1990. The plant initially will employ 80, and employment is scheduled to increase to about 160 within four years.

The plant will be in Mount Pleasant, about 30 miles south of Saturn's Spring Hill facility.

A Saturn spokeswoman confirmed that the company has been designated as a "supplier partner," Saturn's term for a supplier, but declined to comment further.

Saturn has maintained a high degree of secrecy about its suppliers. The spokeswoman said the policy was adopted to shield the suppliers from unwanted publicity, prevent competitors from learning what components the new car will use and prevent other customers from swamping the suppliers and tying up their production capacity.

Earlier this year, Milwaukee-based Johnson Controls announced that it would build a 133,000-square-foot manufacturing complex in Lewisburg, Tenn., to produce car seats for Saturn.

Saturn plans to manufacture 225,000 vehicles a year at the Tennessee plant, beginning with the 1991 model year.

AUCTION DATES

Ford Motor Co.

July 5 — Aptco Auto Auction, Taylor, Mich.

July 6 — 166 Auto Auction, Springfield, Mo., and Skyline Auto Exchange, Fairfield, N.J.

July 11 — Newburgh Auto Auction, Newburgh, N.Y.

July 12 — Atlanta Auto Auction, Red Oak, Ga.; Baltimore-Washington Auto Exchange, Baltimore; Concord Auto Auction, Acton, Mass.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Lakeland Auto Auction, Lakeland, Fla.; and Southern California Auto Auction, Fontana, Calif.

July 13 — Auto Auction of Billings, Billings, Mont.; Ohio Auto Auction, Grove City, Ohio; Texas Hobby Auto Auction, Houston; St. Louis Auto Auction, St. Louis; and Greensboro Auto Auction Greensboro, N.C.

July 18 — Greater Chicago Auto Auction, Chicago; Harrisonburg Auto Auction, Harrisonburg, Va.; and Bay Cities Auto Auction, Hayward, Calif.

July 19 — Northway Auto Auction, Clifton Park, N.Y.; Albuquerque Auto Auction, Albuquerque, N.M.; Clanton's Auto Auction, Darlington, S.C.; Fort Worth Auto Auction, Fort Worth, Texas; Indianapolis Auto Auction, Indianapolis; and Greater Tampa Bay Auto Auction, Tampa, Fla.

General Motors

July 5 — Atlanta Auto Auction, Atlanta; Puget Auto Auction, Auburn, Wash.; Baltimore-Washington, Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Mississippi Auto Auction, Hattiesburg, Miss.; and Omaha Auto Auction, Omaha, Neb.

July 6 — Mid Ark Auto Auction, North Little Rock, Ark.; Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, St.Louis; and Utah Auto Auction, West Bountiful, Utah

July 11 — Auto Dealers Exchange of Birmingham, Moody, Ala.; National Auto Dealers Exchange, Bordentown, N.J.; and Florida Auto Auction of Orlando, Ocoee, Fla.

July 12 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Statesville Auto Auction, Statesville. N.C.

July 13 — Denver Auto Auction, Aurora, Colo.; Aptco Auto Auction, Taylor, Mich.; Butler Auto Auction, Gibsonia, Pa.; and Nashville Auto Auction, Nashville, Tenn.

July 18 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and Manheim Auto Auction, Manheim, Pa.

Chrysler Motors

July 5 — Arena Auto Auction, Chicago; A.D.E. of Birmingham, Birmingham, Ala.; and Butler Auto Auction, Gibsonia, Pa.

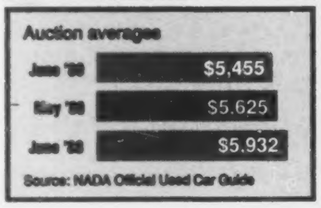
July 6 — American Auto Auction, Walpole, Mass.; Portland Auto Auction, Portland, Ore.; San Antonio Auto Auction, San Antonio, Texas; Northway Exchange Auto Auction, Clifton Park, N.Y.; Aptco Auto Auction, Taylor, Mich.; Indianapolis Auto Auction, Indianapolis; Omaha Auto Auction, Omaha, Neb.; Southwest Auto Auction, Phoenix, Ariz.; Ark-La-Tex Auto Auction, Shreveport, La.; Nashville Auto Auction, Nashville, Tenn.; Riverside Auto Auction, Riverside, Calif.; and Greensboro Auto Auction, Greensboro, N.C.

July 7 — Manheim Auto Auction, Manheim, Pa.

July 11 — Clanton's Auto Auction, Darlington, S.C.; Southern Auto Auction, Warehouse Point, Conn.; Hatfield Auto Auction, Hatfield, Pa.; South Seattle Auto Auction, Kent, Wash.; Golden Gate Auto Auction, Fremont, Calif.; Dallas Auto Auction, Grand Prairie, Texas; and Florida Auto Auction of Orlando, Ocoee, Fla.

July 12 — Denver Auto Auction, Aurora, Colo.; Minneapolis Auto Auction, Plymouth, Minn.; and West Palm Beach Auto Auction, West Palm Beach, Fla.

Used car sales



Source: NADA Official Used Car Guide

Model-year breakdown

Year	April	May	June
1989	$11,334	$11,469	$10,765
1988	8,403	8,442	7,988
1987	6,410	6,279	5,985
1986	5,514	5,414	5,200
1985	4,457	4,307	4,264
1984	3,661	3,580	3,447
1983	2,843	2,707	2,583
1982	2,158	2,114	2,033
Overall Average	$5,617	$5,625	$5,455

Source: NADA Official Used Car Guide

Potamkin sells N.Y. cellular phone firm

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Megadealer Victor Potamkin has sold his Manhattan cellular phone operation to NYNEX Mobile Communications.

Potamkin Communications began selling, installing and servicing cellular phones at the inception of cellular phone service here five years ago.

Potamkin was an agent for NYNEX, which owns New York Telephone, the area's phone company. During the last two years, NYNEX has bought out all but one of its half-dozen independent sales and service facilities, said NYNEX Mobile Communications spokesman Jim Gerace.

NYNEX will take over the cellular phone operation at its site on 11th Avenue. It adjoins the West Side branch of the former Potamkin Cadillac Corp., which Potamkin sold to Roger Penske in 1987.

Whether Potamkin's three remaining dealerships in Manhattan will continue to sell cellular phones is "subject to negotiation," Gerace said.

U.S. AUTOMOTIVE TRADE BY VALUE

(x $1,000)

Passenger cars

Country	Trade	March 1988	March 1989	April 1987-March 1988	April 1988-March 1989
Japan	Export	$ 24,367	$ 18,288	$ 106,686	$ 291,277
	Import	1,352,140	1,744,853	21,232,893	20,331,224
Canada	Export	719,892	518,254	6,085,013	5,783,141
	Import	1,265,418	1,143,554	10,691,621	13,185,134
West Germany	Import	653,077	559,172	8,409,345	6,134,446
South Korea	Import	164,627	216,599	2,442,955	2,449,423
Sweden	Import	137,378	165,353	1,773,397	1,884,056
Mexico	Import	1[illegible]775	119,622	1,310,926	1,234,797
Yugoslavia	Import	14,074	0	137,999	41,572
United Kingdom	Import	129,886	111,783	1,231,585	937,812
Italy	Import	23,171	24,464	192,545	149,290
France	Import	19,794	6,817	207,833	158,534
Brazil	Import	17,921	14,384	301,592	316,906
Others	Export	154,713	164,125	1,082,415	1,852,928
	Import	17,318	54,240	299,439	327,978
Car total	Export	898,972	700,667	7,274,114	7,927,346
	Import	3,897,579	4,160,840	48,232,130	47,151,171
Trade balance		(2,998,607)	(3,460,173)	(40,958,016)	(39,223,825)
Light trucks (up to 10,000 lbs. GVW)					
Canada	Export	$ 183,606	$ 174,985	$ 1,718,451	$ 1,585,881
	Import	287,772	456,998	2,136,493	3,988,934
Japan	Import	350,059	320,089	3,866,948	3,160,641
Mexico	Import	230	68	60,684	2,816
Others	Export	43,105	24,715	245,604	371,489
	Import	20,446	10,536	98,548	130,156
Truck total	Export	226,711	199,700	1,965,055	1,957,370
	Import	658,506	787,691	6,162,673	7,282,548
Trade balance		(431,795)	(587,991)	(4,197,618)	(5,325,178)
Car and truck total	Export	1,125,683	900,367	9,239,169	9,884,716
	Import	4,556,085	4,948,531	54,394,803	54,433,719
VEHICLE TRADE BALANCE		(3,430,402)	(4,048,164)	(45,155,634)	(44,549,003
TOTAL U.S. Merchandise trade (customs value)	Export	26,877,000	30,781,800	272,105,100	334,400,200
	Import	36,643,700	39,640,200	419,109,300	448,756,200
TRADE BALANCE		(9,766,700)	(8,858,400)	(147,004,200)	(114,356,000)

U.S. AUTOMOTIVE TRADE BY QUANTITY

Passenger cars

Country	Trade	March 1988	March 1989	April 1987-March 1988	April 1988-March 1989
Japan	Export	2,150	1,141	7,551	22,605
	Import	145,343	178,420	2,377,383	2,148,389
Canada	Export	70,483	43,359	589,251	550,989
	Import	113,957	99,875	975,247	1,177,313
West Germany	Import	27,757	24,004	348,927	252,509
South Korea	Import	30,037	37,966	469,262	437,882
Sweden	Import	8,841	10,372	121,988	118,794
Mexico	Import	11,368	13,274	144,739	142,946
Yugoslavia	Import	5,386	0	54,002	14,826
United Kingdom	Import	4,962	3,572	49,347	30,325
Italy	Import	1,194	956	8,964	5,174
France	Import	2,149	532	21,207	14,638
Brazil	Import	3,168	2,358	59,017	54,183
Others	Export	11,881	12,904	81,305	147,013
	Import	1,061	3,359	19,337	21,054
Car total	Export	84,514	57,404	678,107	720,607
	Import	355,223	374,688	4,649,420	4,418,033
TRADE BALANCE		(270,709)	(317,284)	(3,971,313)	(3,697,426)
Light trucks (up to 10,000 lbs. GVW)					
Canada	Export	18,432	16,401	173,930	152,250
	Import	24,566	36,071	210,632	345,331
Japan	Import	62,901	50,086	694,346	516,156
Mexico	Import	2	17	7,399	43
Others	Export	3,133	1,988	19,481	30,574
	Import	173	489	814	6,270
Truck total	Export	21,565	18,389	193,411	182,824
	Import	87,642	86,663	913,191	867,800
Trade balance		(66,077)	(68,274)	(719,780)	(684,976)
Car and truck total	Export	106,079	75,793	871,518	903,431
	Import	442,865	461,351	5,562,611	5,285,833
TRADE BALANCE		(336,786)	(385,558)	(4,691,093)	(4,382,402)

Compiled by Automotive News from official statistics of the U.S. Commerce Department, as reported by the U.S. International Trade Commission. Because of rounding, figures may not add to the totals shown.

Auto trade deficit rises for 2nd month in a row

WASHINGTON — The U.S. automotive trade deficit by value in passenger cars and light trucks increased 18 percent in March. Export value fell 20 percent for the month, while import value increased 8.6 percent.

The auto trade deficit in February had increased 14.2 percent over the same period a year ago.

Despite the two-month increase in the deficit, on an annualized basis, the deficit is lower for April 1988 through March 1989, compared with the year-earlier period. The deficit totaled $44.55 billion for the 12-month period through March compared with $45.16 billion for the similar period a year earlier.

But for March alone, U.S. Commerce Department figures show a trade deficit for passenger cars and light trucks of $4.05 billion, compared with $3.43 billion a year earlier.

Total car and truck imports had a value of $4.95 billion during the month, up 8.6 percent over a year earlier. Car and truck exports were valued at $900.4 million.

Passenger-car exports totaled 57,404 units in March with an estimated value of $700.7 million. Light-truck exports for the month totaled 18,389 units with an estimated value of $199.7 million.

Passenger-car exports were down 46.9 percent to Japan and up 8.6 percent to nations labeled "others" by the U.S. Commerce Department.

On the import side in March, Japan registered a 22.8 percent increase in the number of cars shipped to the United States. The value of Japanese shipments increased 29.0 percent for the month. Both the value and quantity of Japanese truck imports declined.

Passenger-car imports from all countries reached 374,688 units for the month with a value of $4.16 billion. Light-truck imports totaled 86,663 units with a value of $787.7 million. The value of imported trucks surged 19.6 percent from one-year ago, while shipments declined 1.1 percent.

Truck-import value was up largely due to a 58.8 percent increase in the value of trucks shipped from Canada.

Japan's car shipments rose 22.8 percent to 178,420 units in March; truck shipments declined 20.4 percent to 50,086 units.

Hard top for ragtop
American Hardtops, Auburn Hills, Mich., has come up with a removable hardtop for 1987-1989 Ford Mustang convertibles. The 60-pound fiberglass top comes with a glass rear window and retails for $1,895.

German-produced TV series depicts auto's first 100 years

By John M. Clor
CRAIN NEWS SERVICE

Just in time for those lazy summer nights when cable television channel-hopping can bring sweat to the brow, along comes a 13-part visual history of the first 100 years of the automobile.

The German-produced series makes its U.S. television debut on The Discovery Channel at 9:30 p.m. EDT July 5.

The initial half-hour installment, "Self-Propelled Vehicles," takes the viewer through man's quest for mobility, from the invention of the wheel to the horseless carriage.

It does a thought-provoking job of tracing that progression, but it breaks down in spots. Splicing footage of early-1900s cars driving in country settings with modern heavy-traffic scenes — back and forth — is more of a distraction than a mood- or image-setter.

A re-creation of how early motorized vehicles were received by the public is hokey, with most of the actors better suited for "Monty Python" comedies.

The second episode, "It All Started with Karl Benz," chronicles the contributions of Benz and others and Henry Ford's idea of using an assembly line for mass production. It includes vintage factory film footage.

Episode three, "Motorization Takes Off," depicts how cars progressed from playthings for the rich to mobility for the masses, especially in the case of the Model T and the Volkswagen Beetle. It concludes with the mention of the rise of Japanese makers' technological leadership into the 1980s.

The fourth chapter is titled "The Power of the Engine." It describes basic concepts behind the internal combustion engine and its related components, with a good bit of animation tossed in for clarity. It follows development and refinement and adds some scenes from the early world of racing.

The historical aspect of the first four installments has a distinct European perspective and helps the viewer realize that the creation and evolution of the automobile is truly a multi-national phenomenon. The overall view may be enlightening to those Americans who still believe that the early automotive universe revolved solely around Detroit.

The series runs through early October.

INCENTIVES

FROM PAGE 1

Earlier this year, GM said it was eliminating the carryover allowance. Historically, GM paid dealers 5 percent of the retail price of the base car plus factory installed options on vehicles left in the dealer's inventory when the next model year starts.

The percentage has been scaled back in recent years because dealers had to contribute to massive model-year retail clean-up programs.

Without offering details, GM said the automaker would help dealers clean out 1989 inventory. Without a firm successor program, dealers who feared they would be stuck with a glut of old models next fall were discouraged from ordering at the end of the model year.

One plan under consideration is to offer the dealer the choice of a percentage of the invoice for each car sold or a specific dollar amount for every car sold. Another proposal would have GM set specific sales targets for each dealer based on the number of vehicles in a dealer's inventory. Dealers, for example, would be given a certain amount of cash if they meet up to 50 percent of the target and an even larger amount — probably double — if they achieve more than 50 percent of their target. GM would give dealers some of the money in advance to be used for marketing.

Discussions inside GM and in GM's advisory group of dealers and division sales managers have been heated regarding the next round of incentives, particularly due to GM's high inventories, according to dealer sources.

GM had nearly a million cars in inventory as of June 1, about 110,000 more than at the same point a year earlier.

Each plan proposed has been weighed for impact on individual divisions. Each division has its own set of problems and GM executives don't want to put an incentive program into effect that will work to the advantage of one division and the disadvantage of another, according to dealer sources.

For that reason, GM has considered offering different incentive programs for each division instead of one corporate program. Cadillac moved in that direction, announcing $1,000 rebates on DeVille, Fleetwood, Seville, Eldorado and Brougham from July 1 to Sept. 27. No dealer financial participation is required, and cars must be purchased from dealer stock.

Another delay in the decision on cleanup incentives has been Chevrolet. Chevrolet executives fear that if GM announces incentives first, Ford will outdo them and Chevrolet will be at a disadvantage, according to dealer sources. Chevrolet has been fighting a losing battle in recent years for sales supremacy over Ford.

Some dealer representatives and divisional executives lobbied to eliminate cash rebates to buyers to give the cash to dealers to use as they see fit for marketing in their local areas. Some executives within GM adamantly oppose that plan.

Dealer sources, however, say the cash-to-dealers idea has gained some support as the current incentives have failed to boost sales.

In other incentive news, Oldsmobile announced that it has increased the cash rebate on its 1989 Cutlass Ciera from $800 to $1,000. Dealer participation also increased on that model from $200 to $250. The new offer began June 24 and expires July 10.

BMW last week announced a $5,000 incentive to dealers on the 735 models if dealers place them into their demonstrator service for two months.

Ford shuts 2 Taurus plants as dealers shun buildout cars

.By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Ford Motor Co. will shut down for a week two assembly plants that build the popular Ford Taurus and Mercury Sable because of dealer hesitancy to order 1989 models during the buildout period.

Ford has not yet told dealers if it will help them sell the late-1989 models. The company has warned them not to count on the traditional 5 percent carryover allowance on cars in inventory at the end of a model year.

The closings will add one week of layoff to the end of a standard two-week summer vacation for some 4,450 hourly employees at Ford's Atlanta and Chicago plants. A two-week vacation began today at all Ford plants.

Ford will idle the Chicago and Atlanta plants the week of July 17, knocking out production of some 10,500 Taurus and Sable models.

Dealers have reduced orders for 1989 models as they have begun ordering the 1990s.

Ford also closed its Oakville, Ontario, plant last week to reduce inventories of its Ford Tempo and Mercury Topaz cars built there. At the beginning of June, Ford had an 89-day supply of Tempo and an 83-day supply of Topaz cars.

Dealers and the automakers have seen industrywide inventories of unsold cars increase, although demand for Taurus and Sable has kept supplies below the industry-standard "comfort" zone of a 60-day supply.

In previous years, the carryover allowance was 5 percent of the sticker price of vehicles left in inventory at the start of a new model year.

Early this year, General Motors told its dealers it would drop its 5 percent payment. Ford followed suit.

The Ford allowance will be doled to dealers only if GM reinstates its carryover allowance, a company spokesman said.

Only GM and Ford offer carryover allowances to their dealers.

Last month, the Ford Dealer Council sent a letter to the company warning that it could lose sales momentum and market share if Ford drops the allowance.

The letter said the dealer council views the allowance as compensation for ordering cars that are essentially a year old. If the payout is dropped, the letter warned, dealers will have little justification for stocking the late 1989 models.

Ford said it is watching GM's moves and will do what it must to remain competitive.

"We have told them (dealers) not to count on" the carryover allowance, a Ford spokesman said. "We will do what it takes to be competitive and to maintain a steady production flow in the 1990 model year. But we've told them, 'Don't count on it.' "

QUALITY

FROM PAGE 1

dential J.D. Power report shows the Buick LeSabre was among the top 10 performers in five main quality problem areas of the vehicle. The LeSabre joined the Mercedes 190 as the model with the second best quality consistency.

At the top of the improvement league, Eagle/Renault made gains of 48 percent compared with an industry average of 12 percent. Chrysler improved 23 percent.

The 1989 J.D. Power survey saw the German nameplates overtake the domestic industry due to a big effort by Volkswagen to reduce problems per 100 cars by 43, down to 174. The Germans, on average, had 153 problems compared to the domestic average of 163.

The impressive detail of the survey makes it possible to analyze which models scored best and worst by various problem areas.

The Yugo scored worst for engine, interior, transmission and steering and handling problems, while the Alfa Romeo Milano had the worst performance for electrical/accessories, squeaks and rattles and temperature control. The best models for engines and interiors were, respectively, the Acura Integra and Honda Prelude. There was a tie on transmissions: No complaints were registered against the Porsche 911, Buick Riviera and Plymouth Acclaim. Honda's Civic CRX and Accord tied for fewest problems with electrical/accessories, Mazda's 929 was best on squeaks and rattles, while Acura Legend, Buick Reatta and Toyota MR2 tied on temperature control.

Five cars — the Isuzu I-Mark, Golf GTI, Buick Electra, Subaru 3-door Coupe and Mercedes S-class — tied with no complaints on water leaks, while the Pontiac Firebird was worst in this category.

Plymouth Acclaim scored zero complaints on brakes, while Sterling was worst. Hyundai's new Sonata finished last in exterior paint and moldings, while Porsche 911 was best. Daihatsu's Charade had fewest body complaints, contrasted to the Oldsmobile Custom Cruiser, which had the most.

On steering and handling, Cadillac Allante, Dodge Spirit and Nissan 300ZX tied for fewest problems. Pontiac Sunbird was best on wind noise, while Mitsubishi Mirage was worst.

The 3 series is BMW's model with the fewest initial faults, 154, which compares poorly with the rival Mercedes 190, at 100. The 750il had 190 problems, the 535i had 193 and the 525i logged 223 problems per 100 cars.

Despite a high number of faults, Sterling (still selling 1988 cars) and Peugeot achieved big improvements. In contrast, Jaguar XJ-S with 291 problems per 100 cars hardly improved over the 12 month period.

The survey also revealed that despite assurances that U.S. transplant vehicles are the same quality as those built in Japan, Honda's U.S.-built Accords logged 11 more problems per 100 cars than those built in Japan.

NEW CAR INITIAL QUALITY NAMEPLATE RANKING 1989

Problems reported per 100 cars

Mercedes-Benz	103	BMW	174
Porsche	106	Volkswagen	174
Nissan	111	Isuzu	176
Honda	111	Hyundai	178
Toyota	117	GEO	179
Acura	120	Volvo	180
Buick	121	Pontiac	188
Mazda	133	Dodge	189
Mercury	134	Audi	192
Daihatsu	140	Chevrolet	194
Lincoln	142	Eagle/Renault	207
Oldsmobile	142	Merkur	226
Cadillac	145	Jaguar	246
INDUSTRY	153	Saab	268
Ford	154	Peugeot	306
Subaru	154	Suzuki	315
Plymouth	158	Sterling	376
Chrysler	160	Alfa Romeo	524
Mitsubishi	160	Yugo	557

Source: J.D. Power and Associates

10 BEST MODELS

1. Nissan Maxima
2. Buick LeSabre
   Toyota Corolla
4. Ford Crown Victoria
5. Mercedes-Benz S class
6. Mercury Tracer
7. Toyota Cressida
8. Subaru sedan
   Subaru 3-door coupe
10. Buick Riviera
    Mercedes-Benz 190E/D

10 WORST MODELS

145. Jaguar XJ-S
146. Saab 900
147. Chevrolet Camaro
148. Suzuki Swift
     Peugeot 405
150. Hyundai Sonata
151. Sterling 825
152. Alfa Romeo convertibles
153. Yugo
154. Alfa Romeo Milano

Source: J.D. Power and Associates

Dealer ratings don't mimic cars' records

While Jaguar finished in the bottom 10 in J.D. Power and Associates' 1989 Initial Quality Survey, its dealers were second in their ability to fix customers' problems.

Conversely, companies with high scores for building the cars with the fewest defects, most notably American Honda and its upscale Acura Division, have dealers who have a much harder time fixing the problems that confront them.

And although Chrysler Motors dealers led the industry in their ability to fix problems, Buick and Mercury were the only ones able to fix nearly 60 percent of the initial problems while building cars with fewer faults than the industry average.

Power, a market research firm in Agoura Hills, Calif., concluded that cars with more problems are generally sold by dealers who do a better job of correcting them.

No Japanese nameplate beat the industry average for entirely fixing faults affecting new cars. In its 1988 study, Power ranked Asian dealers worst in the industry for fixing early faults and noted that fewer than half the initial problems are taken back to the dealer to be fixed.

"With fully half of all problems encountered by Asian car owners not being taken to a dealer (up 10 percentage points over 1988), it may be that the word has gotten out that dealers provide less than a 50/50 chance of repairing problems even if an owner does take them to a dealership," Power said.

Honda cars are ranked fourth for fewest problems the first 90 days of ownership, but its dealers fix entirely only 44 percent of faults brought in by customers, the third worst performance in the industry, according to the survey. Acura dealers achieve a complete cure for just 45 percent compared with an industry average of 53 percent, Power said.

Of the 12 types of problems analyzed in the study, dealers have their greatest success in fixing electrical/accessory problems, with 69 percent fixed completely. They are least able to fix wind noise, with a 37 percent success rate.

PROBLEM RESOLUTION AT THE DEALER NETWORK LEVEL

	1989 Problems per 100 cars	% of Problems taken to dealer	% fixed entirely
Chrysler	160	80	61
Jaguar	246	85	60
Buick	121	75	60
Mercury	134	71	59
Volvo	180	79	59
Audi	192	71	58
Oldsmobile	142	70	58
Sterling	376	80	57
Cadillac	145	83	57
Volkswagen	174	54	57
Lincoln	142	73	56
Chevrolet	194	69	55
Dodge	189	65	54
Pontiac	188	69	54
Saab	268	82	53
INDUSTRY	153	64	53
Subaru	154	55	53
Plymouth	158	61	52
Alfa Romeo	524	79	52
Hyundai	178	44	52
Mercedes-Benz	103	80	52
BMW	174	81	51
Merkur	226	73	50
Porsche	106	81	50
Ford	154	59	50
Daihatsu	140	49	50
Mitsubishi	160	53	49
Nissan	111	52	49
Peugeot	306	73	49
Toyota	117	44	47
Suzuki	315	60	46
Eagle/Renault	207	63	46
Mazda	133	56	45
Acura	120	59	45
GEO	179	53	44
Honda	112	53	44
Yugo	557	79	43
Isuzu	176	47	38

SOURCE: J.D. Power and Associates

PRODUCTION

Auto output slides 10% to 127,175

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Scheduled domestic auto output declined nearly 10 percent last week as Ford Motor Co. closed its Escort assembly plants in Wayne, Mich., and Edison, N.J., because of high inventories.

Automakers targeted production of 127,175 units, the lowest of any full work week this year. Last week's output was 9.86 percent below the prior week's 141,086 and 20.33 percent below the year-ago week's 159,618.

Last week's estimated production was split as follows: General Motors, 46.81 percent; Ford Motor Co., 23.18 percent; Chrysler Motors, 12.27 percent; Honda of America Manufacturing, 6.05 percent; New United Motor Manufacturing Inc., 3.15 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 2.73 percent; Toyota Motor Manufacturing U.S.A., 2.67 percent; Nissan Motor Manufacturing Co. U.S.A., 1.93 percent; and Diamond-Star Motors, 1.21 percent.

Truck production was scheduled at 80,578 units last week, 3.36 percent below the previous week's 83,379 but 3.79 percent more than the year-ago week's 77,637.

Ford shut all its car and truck plants today for vacation. The Chicago and Atlanta plants, which build Ford Taurus and Mercury Sable, will be closed until July 24; the others will reopen July 17.

Chrysler's Toledo, Ohio, (No. 2) plant closed last week for model changeover and will be down until July 24. The company's Warren, Mich., and St. Louis (No. 1) plants remain idle for model changeover.

Two transplant companies and one joint-venture operation are closed this week for vacation. Honda and Diamond-Star will return July 10; Nissan, July 17.

All car and truck plants will be closed tomorrow for the July 4 holiday.

High stocks cut Canadian build

Last week's scheduled Canadian car output dipped from the previous and year-ago weeks' builds as two plants were closed because of slow sales.

Automakers targeted assembly of 17,415 cars last week, 23.74 percent below the prior week's 22,836 and 19.87 percent below the year-ago week's 21,734.

Truck output slipped to 20,373 units last week, 4.98 percent below the previous week's 21,441 but 34.48 percent above the year-ago week's 15,149. The 1988 week included the Canada Day holiday.

Ford Motor Co. closed its Oakville, Ontario, plant last week because of high inventories of its Tempo and Topaz models. The plant will be idle until July 17 for vacation.

Chrysler Motors' Bramalea, Ontario, plant was down last week because of high inventories of its Premier models. The plant will remain closed for vacation and model changeover until July 31.

All plants are closed today in observance of Canada Day.

U.S. CAR	Week Ended July 1, 1989	Week Ended July 2, 1988	Week Ended June 24, 1989	June to Est.	Jan. 1 to July 1, 1989	Jan. 1 to July 2, 1988
Horizon	900	1,972	1,091	3,840	11,527	51,015
Sundance	2,500	2,617	2,639	11,113	62,461	54,482
Reliant	0	2,163	0	0	0	56,495
Acclaim	2,900	0	3,267	14,711	67,933	0
Caravelle	0	0	0	0	0	9,743
Gran Fury	0	304	0	0	0	7,538
Total Plymouth	6,300	7,056	6,997	29,664	141,921	179,273
LeBaron K	0	0	0	0	0	7,955
LeBaron J	0	2,023	0	3,332	55,273	41,593
LeBaron GTS	0	322	0	0	2,946	4,815
N. Yorker C-Class	1,700	2,835	2,473	8,392	57,245	63,380
Fifth Avenue	0	320	0	0	0	15,314
Total Chrysler	1,700	5,500	2,473	11,724	115,464	131,357
Omni	800	1,906	935	3,668	12,637	50,487
Daytona	0	2,056	0	2,184	46,536	40,524
Shadow	2,000	2,245	2,208	9,265	59,283	55,515
Aries	0	1,885	0	0	0	48,330
Dodge 600	0	0	0	0	0	8,558
Dynasty	3,000	2,432	3,999	14,183	83,075	57,871
Lancer	0	171	0	0	1,528	5,204
Spirit	1,800	0	1,963	9,259	58,380	0
Diplomat	0	485	0	0	0	11,701
Total Dodge	7,600	11,182	9,105	38,558	261,439	278,190
CHRYSLER MOTORS	15,600	23,738	18,575	79,947	518,824	588,820
Escort	0	9,413	8,216	20,518	167,939	203,190
Mustang	4,487	4,421	4,544	18,795	118,201	110,724
Tempo	2,826	3,881	2,864	12,456	81,050	103,382
Taurus	8,003	9,801	8,032	34,505	205,368	214,981
Thunderbird	2,754	3,267	2,843	13,938	88,521	84,921
Total Ford Div.	18,070	30,783	26,499	100,212	661,079	717,198
Topaz	1,572	1,517	1,536	6,542	37,358	38,749
Cougar	2,772	3,243	2,636	10,979	74,275	64,467
Sable	2,485	3,050	2,484	10,740	66,521	74,233
Total Mercury	6,829	7,810	6,656	28,261	178,154	177,449
Continental	1,375	749	1,426	6,141	37,487	23,746
Mark VII	456	366	446	1,961	13,221	13,029
Lincoln	2,754	2,209	2,819	12,060	69,805	75,730
Total Lincoln	4,585	3,324	4,691	20,161	120,513	112,505
Total L-M Division	11,414	11,134	11,347	48,422	298,667	289,954
FORD MOTOR CO.	29,484	41,917	37,846	148,634	959,746	1,007,152
Skyhawk	0	16	0	0	6,857	11,374
Skylark/Somerset	1,414	1,640	1,316	6,006	31,082	26,608
Century	2,820	3,414	2,767	11,978	65,064	60,574
Riviera	0	129	0	818	11,348	3,595
Electra	1,162	2,009	1,344	5,907	43,168	47,202
LeSabre (fwd)	4,060	2,500	4,038	13,780	80,857	66,127
LeSabre (rwd)	95	173	94	4,498	8,056	5,226
Reatta	0	158	0	58	3,140	3,257
Total Buick	9,551	10,039	9,559	43,046	249,572	223,963
Cimarron	0	0	0	0	0	3,696
Eldorado	0	1,047	0	2,326	19,104	23,092
Seville	0	596	0	1,666	13,996	14,319
Brougham (rwd)	1,225	82	626	3,293	20,506	18,466
Deville (fwd)	3,666	3,607	4,022	17,037	112,872	94,384
Allante	75	0	0	249	1,663	1,135
Total Cadillac	4,966	5,332	4,648	24,571	168,141	155,092
Cavalier	6,973	7,495	6,951	30,440	201,315	187,778
Camaro	2,875	2,501	2,763	12,031	66,234	47,429
Celebrity	2,155	5,380	2,297	9,511	68,492	100,338
Corsica/Beretta	8,845	9,299	8,951	38,574	221,175	216,939
Caprice	4,015	4,666	4,107	17,613	105,346	106,839
Corvette	463	442	560	2,322	13,719	11,176
Total Chevrolet	25,326	29,783	25,629	110,491	676,281	670,499
Calais	2,186	2,910	2,074	9,383	51,689	63,571
Firenza	0	0	0	0	0	5,220
Cutlass Ciera	1,545	1,913	1,954	7,989	45,359	10,220
Cutlass Supreme	0	3,764	0	1,007	51,125	108,282
Toronado	0	415	0	442	4,845	9,999
88 (fwd)	2,666	3,359	2,938	12,261	84,277	87,994
88 (rwd)	310	141	266	1,003	4,515	6,121
Olds 98	930	1,629	1,032	4,428	41,799	43,162
Total Oldsmobile	7,637	14,131	8,264	36,514	283,609	334,569
Sunbird	3,147	1,963	3,169	13,516	80,609	56,738
Grand Am	4,800	5,359	4,580	20,567	129,662	130,458
Firebird	1,440	1,580	1,354	5,924	36,145	34,414
Grand Prix	0	3,073	0	1,275	69,565	68,442
Pontiac 6000	825	1,608	884	3,769	42,292	40,952
Bonneville	1,846	2,766	2,584	8,935	51,986	60,849
Safari/Parisienne	0	106	0	223	2,690	4,239
Fiero	0	477	0	0	0	10,650
Total Pontiac	12,058	16,932	12,571	54,209	412,949	406,742
GENERAL MOTORS	59,538	76,217	60,671	268,831	1,790,552	1,790,865
DIAMOND-STAR	1,536	0	1,532	6,766	26,493	0
HONDA	7,690	7,480	7,733	33,107	198,219	191,313
Civic	2,700	2,380	2,729	11,734	67,395	52,405
Accord	4,990	5,100	5,004	21,374	130,824	138,908
MAZDA	3,474	3,002	4,359	18,099	119,630	47,850
NISSAN	2,453	2,664	2,813	12,301	61,637	53,471
NUMMI	4,000	2,600	4,115	17,991	103,286	82,900
Corolla	1,600	960	1,621	7,053	41,638	30,442
Geo Prizm/Nova	2,400	1,640	2,494	10,938	61,648	52,458
TOYOTA	3,400	0	3,442	14,450	58,798	0
VOLKSWAGEN	0	2,000	0	0	0	32,890
Golf/GTI	0	2,000	0	0	0	27,337
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	127,175	159,618	141,086	600,126	3,837,185	3,795,261
Total Cars, Canada	17,415	21,734	22,836	91,814	520,678	615,437
U.S., Canada Cars	144,590	181,352	163,922	691,940	4,357,863	4,410,698
U.S. Canada Cars and Trucks	245,541	274,138	268,742	1,152,553	7,177,953	7,080,885

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended July 1, 1989	Week Ended July 2, 1988	Week Ended June 24, 1989	June to Est.	Jan. 1 to July 1, 1989	Jan. 1 to July 2, 1988
Premier	0	1,605	1,140	3,746	22,380	34,450
CHRYSLER MOTORS	0	1,605	1,140	3,746	22,380	34,450
Tempo	0	2,641	3,343	7,940	72,675	101,993
Topaz	0	1,308	1,440	3,384	30,780	36,448
Crown Victoria	2,427	2,284	2,504	11,015	68,788	71,824
Grand Marquis	2,373	2,325	2,383	10,755	74,384	71,831
FORD MOTOR CO.	4,800	8,558	9,670	33,093	246,627	282,096
Celebrity	993	548	822	4,195	11,648	11,788
Cutlass Ciera	1,367	5,783	2,101	9,627	83,951	147,586
Lumina	6,375	0	5,241	23,837	62,576	0
Pontiac 6000	0	1,105	0	0	0	29,195
Regal	1,600	3,132	1,423	6,993	40,222	87,124
GENERAL MOTORS	10,335	10,568	9,587	44,652	198,397	275,693
HONDA	1,650	840	1,803	7,498	42,503	19,483
TOYOTA	450	0	456	2,033	6,268	0
VOLVO	180	163	180	792	4,503	3,715
Total Cars, Canada	17,415	21,734	22,836	91,814	520,678	615,437

U.S. TRUCK☆	Week Ended July 1, 1989	Week Ended July 2, 1988	Week Ended June 24, 1989	June to Est.	Jan. 1 to July 1, 1989	Jan. 1 to July 2, 1988
Caravan	1,800	1,569	2,298	9,456	58,093	52,134
Dakota	0	2,507	0	5,304	55,031	59,737
Caravan C/V	100	290	147	577	4,553	8,160
Ram pickups	0	2,424	0	5,357	55,132	38,418
Total Dodge	1,900	6,790	2,445	20,694	172,809	158,449
Cherokee	4,100	3,739	4,355	20,407	121,944	95,804
Comanche	500	879	521	2,462	16,714	24,448
Grand Wagoneer	0	351	160	918	6,853	7,930
Wagoneer	100	0	102	429	4,394	6,386
Total Jeep	4,700	4,969	5,138	24,217	149,905	139,768
Voyager	1,700	1,661	2,126	8,774	55,045	47,942
Town & Country	100	0	211	783	1,402	0
Total C-P Div.	1,800	1,661	2,337	9,557	56,447	47,942
CHRYSLER MOTORS	8,400	13,420	9,920	54,467	379,161	346,159
Aerostar	5,000	0	4,362	20,677	127,802	109,133
Bronco	1,369	1,227	1,357	6,053	42,934	32,437
Bronco II	2,878	2,556	2,958	12,529	69,814	69,832
Econoline	4,297	4,680	4,989	21,219	129,042	130,007
Heavy trucks	1,292	0	1,302	5,588	35,273	35,060
Light trucks	11,606	10,378	11,635	50,250	292,394	266,818
Ranger	7,334	7,853	7,641	32,144	183,150	191,464
Total Ford Div.	33,776	26,694	34,244	148,461	878,409	834,751
FORD MOTOR CO.	33,776	26,694	34,244	148,461	878,409	834,751
Astro	2,968	3,213	3,000	12,973	87,320	89,370
Blazer	565	561	570	2,557	14,820	14,581
Mediums/Heavies	0	376	0	0	1,312	9,181
P-Model	815	804	860	3,649	18,746	20,646
Pickups	7,811	6,581	7,586	33,604	207,658	175,234
S-10	5,246	6,127	5,630	22,570	140,337	151,402
S-10 Blazer	3,957	3,511	4,018	17,093	100,432	87,316
Sportsvan/Van	1,935	1,990	1,951	7,507	50,663	45,878
Suburban	1,596	1,650	1,595	7,224	41,414	38,658
Total Chevrolet	24,893	24,813	25,210	107,177	662,702	632,266
Jimmy	165	142	165	751	4,457	4,233
Mediums/Heavies	0	700	0	0	1,496	20,830
P-Model	120	194	90	462	2,487	3,079
Pickups	2,354	2,190	2,518	10,407	62,347	54,024
S-15	897	1,309	565	4,150	32,896	35,027
S-15 Jimmy	1,063	923	1,120	4,724	28,571	22,492
Safari	792	802	749	3,440	22,497	22,789
Suburban	599	461	610	2,706	16,415	17,820
Vandura/Rally Vans	523	480	546	2,105	13,810	18,728
Total GMC	6,513	7,201	6,363	28,765	184,976	199,022
GENERAL MOTORS	31,406	32,014	31,573	135,942	847,678	831,288
NAVISTAR	1,400	1,495	1,739	7,384	45,166	45,649
NISSAN	2,146	1,264	2,453	10,769	65,288	55,946
AM GENERAL	450	450	450	1,944	11,430	11,610
MISCELLANEOUS	3,000	2,300	3,000	13,000	71,600	59,340
Total Trucks, U.S.	80,578	77,637	83,379	371,967	2,298,732	2,184,743

CANADIAN TRUCK	Week Ended July 1, 1989	Week Ended July 2, 1988	Week Ended June 24, 1989	June to Est.	Jan. 1 to July 1, 1989	Jan. 1 to July 2, 1988
Caravan	2,506	2,196	2,942	12,427	77,600	76,459
Caravan C/V	323	231	390	1,600	6,901	7,582
Ram Wagon	710	450	695	2,276	15,162	13,020
Ram Van	1,640	1,203	1,745	5,653	39,005	33,613
Total Dodge	5,179	4,080	5,772	21,957	138,668	130,674
Voyager	2,372	1,669	2,907	11,909	69,417	69,733
Total Plymouth	2,372	1,669	2,907	11,909	69,417	69,733
Wrangler	2,074	793	1,922	8,318	44,245	25,946
Total Jeep	2,074	793	1,922	8,318	44,245	25,946
CHRYSLER MOTORS	9,625	6,542	10,601	42,184	252,330	226,353
FORD MTR (lt. trks.)	3,648	3,046	3,550	15,573	89,577	91,503
Light trucks	3,510	2,833	3,782	15,934	83,388	78,953
Vans	1,320	1,024	1,495	5,492	34,494	32,748
Total Chevrolet	4,830	3,857	5,277	21,425	117,882	111,701
Light trucks	1,370	917	1,065	5,623	38,077	41,847
Vans	630	581	677	2,646	16,912	17,175
Total GMC	2,000	1,498	1,742	8,269	54,989	59,022
GENERAL MOTORS	6,830	5,355	7,019	29,694	172,871	170,723
NAVISTAR	270	206	271	1,195	6,580	5,865
Total Trks., Canada	20,373	15,149	21,441	88,646	521,358	494,444
U.S., Canada Trks.	100,951	92,786	104,820	460,613	2,820,090	2,679,187

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Japanese seek storage space as cars clog ports

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Excess inventory at the nation's leading ports has forced some Japanese importers to seek storage space inland before cars are shipped to dealers.

Port officials say the buildup may be due to a sales lag. But at least one Japanese automaker says its sales surged in June and the overflow is due to buildout in Japan before plants close in August.

"Nissan has been approaching companies owning land to make just-in-case plans," said an industry source. "They have asked companies in northern California and San Diego if they have land available to lease in the event of an emergency."

And a high-ranking official in the auction industry said the company has been approached by three Japanese car importers asking for storage space.

Meantime, a spokesman for Nissan Motor Corp. in U.S.A., based in Carson, Calif., said the automaker is trucking vehicles to a storage facility in Philadelphia, from its Smyrna, Tenn., plant due to slow sales of entry-level vehicles, Pathfinders and trucks until storage space can be built at the plant.

He also said there have been discussions with companies to lease storage sites if it becomes necessary.

A spokeswoman for Toyota Motor Sales U.S.A., Torrance, Calif., conceded the automaker has 6,000 vehicles parked in Fontana, Calif., but denied it was due to a dip in market. She characterized Toyota sales in June as record-breaking.

Combined domestic-built and import sales for Toyota were up overall in June but sales of its imported models dipped to 49,223 from 54,906 last year. Import sales for Nissan in June were 41,583, up from 35,324.

"Vehicles are being shipped to the United States faster than they are sold because of buildout in Japan," she said. "Plants traditionally close in August in Japan."

But Francois Elmaleh, general manager of the automotive division for the Port of Portland, said the number of vehicles at the port indicates a slowdown somewhere.

He estimated there are 20,800 vehicles at one terminal up from 12,000 normally and 6,000 Toyotas at another terminal that "appear to be in temporary storage."

According to Elmaleh, there are high numbers of vehicles on the ground at ports on both coasts.

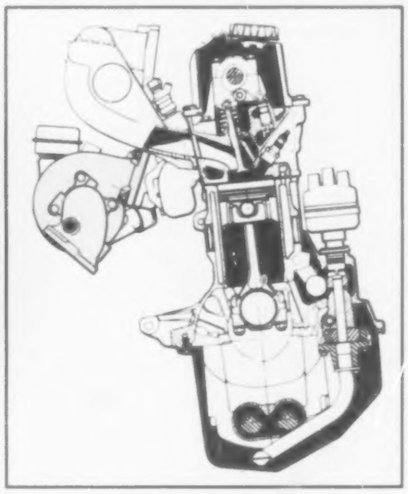
Korean automaker Hyundai Motor America, of Garden Grove, Calif., is putting the most pressure on the port for space, with cars parked for upwards of 70 days.

"We have graveled an additional 30 acres for Hyundai to handle the overflows," said Elmaleh. He added that Toyota "is backed up."

Jim Mazorkis, general manager for Pasha Group at the Port of Richmond in California, said Acuras are moving slower than usual.

Vehicle "dwell time" in port for Acuras is three weeks up from one week, he said. That is, cars that are normally processed and

see PORTS, page 41



Turbochargers, highlighted at right on a Chrysler 2.2-liter engine, give extra zip to cars like the 1989 Shelby Shadow. Hot exhaust gases drive a turbine that forces air into the cylinders, but the heat that is dissipated in the metal turbo housing may be required by the catalytic converter farther down the exhaust system.

TURBO BARRIER: *Costly emissions changes threaten popular engine*

By Jack Keebler
AUTOMOTIVE NEWS STAFF REPORTER

Tougher tailpipe emission standards will require multimillion-dollar changes to catalytic converters, vehicle floorpans, exhaust manifolds and possibly emissions-system warranties.

Future emissions standards could also eliminate passenger-sedan turbochargers, according to some General Motors engineers.

Engineers at Chrysler Motors, where 60 percent of the four-cylinder engines produced since 1984 have been turbocharged, say their turbo cars are threatened.

And Toyota engineers also say that keeping turbochargers will present a technological challenge.

Chrysler, which relies on turbocharged engines more than either Ford Motor Co. or GM, insists it will continue to use turbochargers. Chrysler has built 976,000 turbo four-cylinder engines and will reach one million in early 1990.

But Chrysler also will have additional V-6 engines available for

see TURBO, page 41

Wary dealers reduce orders as sales fade

By Michelle Krebs and Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — Anticipating a continued slowdown in sales through the rest of the year, Big 3 dealers are ordering fewer cars for the 1990 model year than they have ordered in the past few years.

Cautious dealer ordering due to anticipated soft sales will continue to trigger the temporary shutdown of more assembly plants.

Last Friday, Ford Motor Co. Chairman Donald E. Petersen confirmed dealer fears. He acknowledged to reporters that he believes second-half car and truck sales will remain soft, and that the calendar 1989 total could dip as low as 14.7 million units, some 300,000 below forecasts made just six months ago.

"You'll tend to see difficulties centering in the lower part of the market — both cars and trucks — because interest rates tend to hurt people in the lower income bracket," Petersen said.

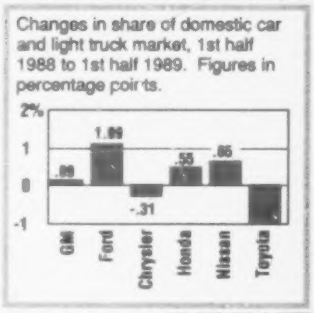
He said trucks will continue to sell at a 5.0 million pace, which would put the year's car sales total well below 10 million.

Petersen was looking ahead. Looking back, the U.S. Commerce Department said the seasonally adjusted annual selling rate in the first half was 10 million cars and 4.6 million light trucks.

In the the first six months of 1989, car and light-truck sales fell

see SALES, page 44

Share change



Changes in share of domestic car and light truck market, 1st half 1988 to 1st half 1989. Figures in percentage points.

AUTOMOTIVE NEWS / C. WINTER

Olds adopts mandatory ad fee for dealers

By Laura Clark and Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — Oldsmobile will follow Chevrolet's and GMC Truck's lead and will assess its dealers a mandatory fee to pay for local advertising beginning in the 1990 model year.

The fee will be levied on all 1990 Oldsmobile models, and informed dealer sources say other divisions — specifically Buick and/or Pontiac — may follow suit.

Top advertising executives at Buick and Pontiac insist the 1 percent assessment for dealer advertising is voluntary, but some Buick and Pontiac dealer groups are already being strongly encouraged by the divisions to use the 1 percent system.

The Oldsmobile program will be patterned after those instituted at the start of the 1989 model year by Chevrolet and GMC Truck. Dealers are assessed 1 percent of the invoice price on every vehicle delivered to dealers — except for fleet and GM employee discount vehicles — to fund local advertising. Twenty-five percent of the contribution is refunded to dealers to pay for advertising for their own stores after they present advertising proofs and receipts to the division.

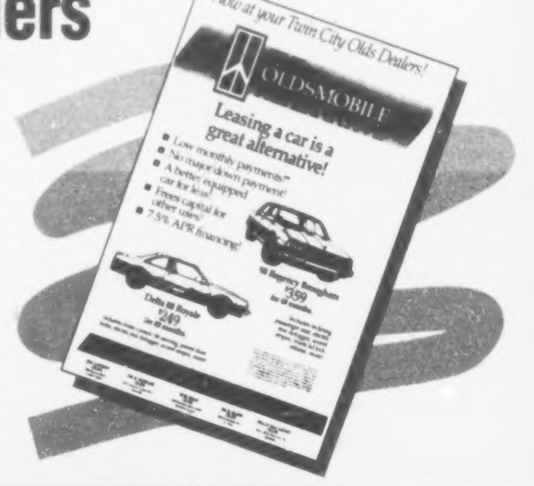
For dealers who do not want to be members of a dealer ad group, Oldsmobile will provide refunds on 25 percent of their contributions so they can advertise their own stores. The division will put the other 75 percent towards regional factory advertising.

GM contends that the 1 percent assessment boosts the division's share of advertising voice vs. its competitors. A lower share of advertising voice means that competitors who sell fewer cars are doing proportionately more advertising.

But dealers argue GM is shifting advertising expense to them.

"We are clearly opposed to mandatory advertising programs; we feel it is shifting the cost from the manufacturer to the dealer," said Frank E. McCarthy, executive vice president of the National Automobile Dealers Association, who expects protests from smaller Oldsmobile dealers over the new program.

see DEALERS, page 41



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Manufacturing: 3 approaches

Automotive News looks at the automation of Ford in Mexico and Fiat in Italy and the no-assembly line work stations of Volvo in Sweden (left). See pages 22-27.

Frankfurt pullout is Hyundai's latest European woe

By Jean-Jacques Renaux
STAFF CORRESPONDENT

BRUSSELS, Belgium — Hyundai Motor Co.'s withdrawal from September's Frankfurt auto show comes as another sign of the South Korean maker's troubles to gain a foothold in Europe.

Hyundai had been expected to use the show — Europe's largest — as a launch pad for entering West Germany, Europe's biggest national market. The company was planning to introduce the so-called "sporty looking car," a subcompact coupe derived from the new Excel. But it recently dropped out of the show, reportedly because of problems in putting together a dealer network in Germany.

MODERN MOTOR
Hyundai was expected to unveil this sporty coupe at the Frankfurt auto show.

The withdrawal is the latest in a list of setbacks — ranging from strike-related capacity shortages to cost pressures from higher tariffs — that seem to have conspired against Hyundai since it broke into Europe in 1987.

At that time, Hyundai announced plans to sign independent importers in most national markets. So far, the company has distributors in just five of Europe's 18 countries: Belgium, Italy, Luxembourg, the Netherlands and the United Kingdom.

Along the way, Hyundai has lost its import license in Greece and reportedly is having trouble naming distributors and signing dealers in such countries as Austria, Switzerland and West Germany.

In 1988 Hyundai sold 18,250 passenger cars in Europe, according to industry estimates, taking an average of 0.3 percent of the markets where it competed. Its best showing was in the United Kingdom, where it held a 0.5 percent share of the car market with 11,365 sales. Hyundai also sold 819 commercial vehicles there.

However, Hyundai's United Kingdom car sales have declined by some 20 percent in the first five months of 1989.

"We are under pressure," said John Bell, sales manager at Hyundai United Kingdom. "And we expect to be less profitable in 1989 than last year."

Hyundai's growing pains can be traced to a variety of causes. Among them:

- Strikes and industrial unrest in South Korea for the past two years have delayed the launch of the compact Sonata and continue to disrupt exports to Europe. One importer, returning from Korea recently, spoke of parking lots crowded with unfinished cars

see HYUNDAI, page 43

SQUEEZED: *Connecticut lemon law KO'd; state arbitration ruled unfair to makers*

By Helen Kahn
SENIOR CORRESPONDENT

Connecticut's lemon law, one of the toughest in the nation, has been overturned by an auto industry challenge that has stopped the state-run arbitration program.

While the state Supreme Court decision, in effect, guts the Connecticut law, manufacturer-run voluntary arbitration programs will continue to be offered to consumers to settle warranty disputes. But the fate of 100 pending cases and those that went against the manufacturers during the past five years may be up in the air as a result of the ruling.

The court last week held unanimously that the state's second-generation lemon law — passed in 1984 — is unconstitutional because it doesn't give auto companies the same access to court review of adverse decisions by arbitrators that it gives consumers.

Under the Connecticut law, consumers disappointed by an arbitrator's decision can go directly to court and get a trial on the issues, but a disappointed automaker must either abide by the arbitrator's decision or challenge it only on severely limited grounds such as bias or error by the arbitrator.

The Motor Vehicle Manufacturers Association and the Automobile Importers of America challenged the law on three counts. They won on one count and lost on the other two.

The court ruled against the automakers on the issue of their "right to a trial by jury" and their claim for due process and equal protection under the law because they have to pay a $250 filing fee to defend against a consumer complaint unless they can show economic hardship.

A similar challenge involving New York's lemon law is before a state court in Albany.

William Crabtree, MVMA's general counsel, said, "We are pleased with the decision of the Connecticut Supreme Court, which held that the Connecticut lemon law violates the Connecticut Constitution. The manufacturers' privately sponsored consumer arbitration panels for warranty claims are not affected by this decision and remain available for consumers."

Acting Attorney General Clarine Nardi Riddle said the court may have taken the law "off the road, but the law is only temporarily in the shop for repairs." She added that the decision "includes its own repair manual, a blueprint that we can use to repair the law, and that's exactly what I plan to do."

The court said a possible solution would be to give manufacturers their day in court, which would include a "de novo review of questions of law and a substantial evidence review of questions of fact." That would give the automakers broader access to judicial review while accommodating the lemon law's "purpose of avoiding costly litigation."

The ruling also throws into question decisions that have gone against the manufacturers. They may be able to request new hearings as a result of the Supreme Court's ruling.

Chrysler Motors said it would not challenge any of those decisions, and it offered to have the 20 or so cases pending against it heard by Chrysler's customer arbitration board.

Those cases are among more than 100 disputes over unsuccessful repairs made on cars under warranty that are pending before the state-run arbitration board. But, according to Assistant Attorney General Garry Desjardins, negotiations are under way to see if they — and perhaps later cases — can be settled on a voluntary basis as a temporary measure until the law can be changed.

But the state Legislature has recessed and won't return until Feb. 7, 1990. That session is scheduled to last only until May and deal with financial matters only, although some expect the lemon law revisions to be fitted into the schedule.

Former Connecticut legislator John Woodcock, the so-called father of the lemon law, said he believes a special session of the General Assembly may be possible as early as July 17, with the program back on track the following day.

Woodcock told Automotive News that the Connecticut lemon law, in effect since Oct. 1, 1984, "filled a federal vacuum" created by the Federal Trade Commission. He said he is sure the state will continue to do what it has to "to address this important consumer concern."

Discovery gives Land Rover a three-vehicle lineup.

Rover's Discovery

2-door model won't be sold in U.S.

By Daniel Ward
STAFF CORRESPONDENT

LONDON — Land Rover's new two-door, mid-range, four-wheel-drive model will be called Discovery and will debuts at the Frankfurt auto show in West Germany in September.

The launch will give the Rover Group subsidiary a three-model lineup for the first time.

Discovery will be priced between the base Land Rover and the Range Rover.

Company officials are mum on Discovery's production plans.

The new model is strictly European; there are no plans to market Discovery alongside the Range Rover in the United States.

Because it is a two-door model, Discovery would be subject to the U.S. Customs' ruling that such vehicles are trucks and subject to a 25 percent tariff.

Four-door Range Rovers, along with other four-door sport-utility vehicles and passenger vans, were ruled to be passenger vehicles subject to a 2.5 percent duty. Imported cars also are subject to a 2.5 percent duty.

Discovery will have an 84-horsepower, 2.4-liter, gasoline-powered four-cylinder engine. The Range Rover has a V-8. The new vehicle also has a shorter wheelbase than the Range Rover.

Discovery is Land Rover's first new vehicle since the Range Rover was launched in 1970. Its design follows familiar Land Rover lines and it has an aluminum body bolted to a welded steel chassis. Suspension includes coil sprung live axles.

The launch of a third model comes when Range Rover's sales continue to climb worldwide, including the United States. U.S. sales for the first six months were up 52 percent to 2,400 units.

Skinner to decide on light truck safety standards

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Transportation Secretary Samuel K. Skinner will make recommendations to the White House within 90 days on which passenger-car safety standards should be applied to light trucks, sport-utility vehicles and vans.

Those recommendations will focus on improving light-truck, sport-utility-vehicle and van safety in four areas — head restraints, side impact, roof-crush and rear-seat lap/shoulder belts. Skinner is also expected to address the issue of whether car passive-restraint requirements should be extended to these vehicles.

The Transportation Department's timetable was outlined in a letter to Sen. Ernest Hollings, D-S.C., chairman of the Senate Commerce Committee, which last month accused DOT of foot-dragging on light-truck safety.

Skinner wrote the letter to answer those charges and to head off legislation that would establish timetables for new NHTSA light-truck and van rules.

Skinner said legislative mandates are not necessary.

"As I stated in my confirmation hearing, I place a high priority on the safety of all our transportation systems including motor vehicles used for personal travel," he said.

"I wish to assure you that the department is moving expeditiously to improve vehicle safety, including rulemaking for additional LTV (light truck and van) safety standards."

Skinner said his discussions with the Bush administration will not address the rollover issue because NHTSA is still researching the problem and that the agency will not have enough data to propose a rollover regulation until year's end.

"I assure you that we will not tolerate delays in the research schedule," Skinner said.

Barry Felrice, NHTSA's associate administrator for rulemaking, said the agency expects Skinner to approve a final rule mandating rear shoulder/lap belts for light trucks and vans within 90 days and a head-restraint regulation before the end of the summer.

But once the roof-crush, side-impact and passive-restraint recommendations are made, Felrice said, the final decision on those standards could get tangled up in various levels of the Bush administration.

One such review may occur in the Office of Management and Budget, which reviews all regulations for economic feasibility. Felrice said NHTSA is presenting its research on high-mounted brake lights for light trucks and vans. It shows the lights are effective only on certain types of trucks.

Skinner

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DOMESTIC CAR SALES

	June 21, to June 30, 1989	Same Period, 1988	June 1989	Same Month, 1988	Jan. 1, to June 30, 1989	Same Period, 1988
Alliance	0	135	0	256	0	3,696
Eagle	0	0	0	0	0	1,392
Premier	2,052	1,752	4,697	4,471	23,289	18,488
Total Eagle	2,052	1,887	4,697	4,727	23,289	23,576
Horizon	1,093	2,507	2,525	5,953	15,932	27,806
Laser	883	0	2,203	0	8,818	0
Sundance	2,021	4,214	5,554	10,013	40,058	43,179
Turismo	0	0	0	0	0	1,115
Reliant	972	3,568	3,059	8,191	19,477	65,697
Acclaim	3,484	0	9,471	0	43,077	0
Caravelle	0	264	0	1,116	733	10,287
Gran Fury	0	860	0	1,885	1,443	7,584
Total Plymouth	8,453	11,413	22,812	27,158	129,538	155,668
LeBaron K	0	685	0	1,725	787	14,338
LeBaron J	2,856	4,033	8,676	9,303	47,980	56,931
LeBaron GTS	129	589	332	1,427	2,721	8,796
Fifth Avenue	393	749	994	1,828	7,765	26,398
New Yorker C	2,270	3,705	7,065	9,342	50,623	34,524
New Yorker E	0	27	0	63	237	14,170
Total Chrysler	5,648	9,788	17,067	23,688	110,113	155,157
Omni	1,081	2,525	2,704	6,178	16,281	26,899
Shadow	2,102	4,017	5,621	9,546	39,835	47,823
Charger	0	0	0	0	0	1,022
Daytona	2,400	3,454	6,564	8,016	39,395	40,888
Aries	1,287	3,347	3,574	7,871	19,728	58,293
Lancer	103	364	259	907	1,755	5,755
Spirit	2,764	0	8,534	0	37,451	0
Diplomat	0	782	0	2,053	2,551	12,227
Dynasty	3,239	2,951	10,261	8,309	64,995	37,897
Dodge 600	0	289	0	1,075	806	9,404
Total Dodge	12,976	17,729	37,517	43,955	222,799	240,208
CHRYSLER MOTORS	29,129	40,817	82,093	99,528	485,739	574,609
Escort	11,787	15,789	29,350	38,588	174,382	192,071
Mustang	5,562	6,205	15,870	15,451	97,780	99,430
Tempo	7,088	10,625	19,522	27,167	119,434	147,088
Taurus	10,738	15,600	30,901	36,800	185,440	210,973
Thunderbird	3,345	4,367	8,990	11,333	62,882	68,432
Probe	5,395	2,832	13,713	6,890	70,646	18,837
Crown Victoria	3,460	5,084	9,259	12,182	54,322	64,104
Total Ford Div.	47,375	60,502	127,605	148,411	764,886	800,935
Lynx/Tracer	2,583	2,158	7,184	5,241	32,420	31,056
Topaz	2,611	4,666	7,586	9,302	47,498	44,657
Sable	3,399	6,158	10,558	12,486	61,176	66,893
Cougar	2,875	4,337	7,480	10,263	52,718	59,788
Grand Marquis	3,077	4,799	8,349	11,671	54,192	61,020
Total Mercury	14,545	22,118	41,157	48,963	248,004	263,414
Continental	2,422	1,619	5,270	3,767	29,453	21,562
Lincoln	4,211	4,900	11,857	12,252	59,060	64,388
Mark VII	1,166	788	2,915	1,846	15,469	11,275
Total Lincoln	7,799	7,307	20,042	17,865	103,982	97,225
Total L-M Division	22,344	29,425	61,199	66,828	351,986	360,639
FORD MOTOR CO.	69,719	89,927	188,804	215,239	1,116,872	1,161,574
Skyhawk	707	686	1,914	1,795	10,967	15,574
Somerset/Skylark	3,632	2,766	8,842	6,500	36,598	32,030
Century	3,387	4,587	8,948	10,407	67,923	59,173
Regal	3,651	4,733	8,216	11,774	42,637	63,127
LeSabre	6,184	5,522	15,206	11,877	66,963	79,231
Reatta	375	188	861	446	4,215	1,634
Electra	2,916	3,468	6,791	7,483	39,683	41,836
Riviera	637	255	1,569	722	10,300	5,187
Total Buick	21,489	22,205	52,347	51,004	279,286	297,792
Cimarron	0	186	3	490	232	3,697
Allante	162	135	269	338	1,667	1,792
Seville	916	963	3,188	1,798	13,895	10,611
DeVille	4,369	3,744	9,486	9,792	82,855	77,352
Brougham	1,498	1,252	3,110	2,922	18,734	20,385
Eldorado	1,304	1,049	2,972	2,395	17,212	14,348
Total Cadillac	8,249	7,329	19,028	17,735	134,595	128,185
Chevette	0	5	0	13	0	191
Geo Prizm/Nova	3,056	3,381	8,727	8,147	34,415	62,006
Cavalier	9,360	12,497	27,944	31,317	154,656	156,855
Camaro	3,307	3,866	10,789	10,085	60,057	53,055
Celebrity	4,979	7,884	18,747	22,033	112,148	138,504
Corsica/Beretta	12,872	17,012	38,363	44,376	199,228	222,514
Monte Carlo/Lumina	3,442	1,105	11,413	2,981	23,593	21,563
Caprice	4,693	6,823	15,157	17,669	81,317	89,898
Corvette	614	859	1,869	2,427	10,175	13,544
Total Chevrolet	42,323	53,432	133,009	139,048	675,589	758,130
Firenza	0	232	0	460	12	6,646
Calais	2,884	4,617	7,862	11,116	48,030	54,832
Cutlass Ciera	6,479	9,615	16,499	22,669	103,397	119,859
Cutlass Supreme	2,838	4,016	7,878	10,059	50,936	54,320
Olds 88	4,347	6,970	12,077	17,385	74,909	94,819
Olds 98	2,053	2,276	5,691	5,752	37,066	38,051
Toronado	299	884	607	1,882	4,021	8,898
Total Oldsmobile	18,900	28,610	50,614	69,323	318,371	377,425
Fiero	0	1,087	0	2,618	1,961	15,689
Pontiac 1000	0	0	0	0	0	154
Sunbird	3,016	3,674	8,333	8,922	50,588	45,100
Firebird	2,065	2,701	5,950	6,055	34,895	33,632
Grand Am	6,853	11,245	18,436	25,154	104,966	127,760
Pontiac 6000	2,296	4,759	5,983	11,518	38,418	55,389
Grand Prix	2,329	3,893	7,500	9,087	63,903	44,531
Bonneville H	2,713	5,044	7,480	11,961	47,538	64,811
Paris./Safari	171	226	493	580	2,462	3,804
Total Pontiac	19,443	32,629	54,175	75,895	344,731	390,870
GENERAL MOTORS	110,404	144,205	309,173	353,005	1,752,572	1,952,402
HONDA	11,768	13,576	25,756	30,049	193,144	184,876
Civic	6,068	4,354	12,874	9,175	87,301	48,345
Accord	5,700	9,222	12,882	20,874	105,843	136,531
MAZDA	1,833	1,495	3,515	2,909	22,185	14,005
MITSUBISHI	1,101	0	2,810	0	11,230	0
NISSAN	5,874	6,035	9,534	11,915	50,606	49,957
TOYOTA	11,467	3,066	18,988	5,418	88,487	27,571
VOLKSWAGEN	0	2,334	0	4,301	0	24,939
DOMESTIC TOTAL	241,295	301,455	640,673	722,364	3,720,835	3,989,933
IMPORT TOTAL			258,179	288,500	1,410,096	1,538,531
INDUSTRY TOTAL			898,852	1,010,864	5,130,931	5,528,464

*—U.S.-built Volkswagen models sold after June 30, 1988, are included in import totals.

SALES

FROM PAGE 1

6.55 percent below last year's first-half total.

In June, car and light-truck deliveries in the United States were 10.66 percent below last year's strong showing. The month closed with a 19.96 percent downturn in domestic car sales for June 21-30.

The Big 3 have set ambitious production schedules for the fourth quarter, auto company sources said. But company sources as well as industry analysts expect automakers to trim those schedules.

The Big 3 have been forced to close plants in the second and third quarters because of high inventories. Further cuts in third-quarter production could be announced.

General Motors already had extended summer shutdowns at a number of plants because of swelling inventories. And last week, GM lengthened the shutdowns at some plants, affecting nearly 16,000 workers.

The Wilmington, Del., plant will be idle for three of four weeks in July. It previously was scheduled for model changeover during a weekend. The Linden, N.J., plant will close for a month, a week longer than previously planned. The plants build the Chevrolet Corsica and Beretta.

GM also said its Arlington, Texas, plant will begin a three-week shutdown July 13. The plant, which produces the Cadillac Brougham, Oldsmobile Custom Cruiser and Chevrolet Caprice, was to have gone through model changeover during a weekend.

Ford Motor Co., for the first time since the economic recovery started six years ago, closed plants due to climbing inventories. The Edison, N.J., and Wayne, Mich., plants, which assemble Escorts, were down in late May/early June and again the final week in June. Extended summer shutdowns are set at other Ford plants.

MARKET SHARES, June 1989

	Total Sales	Pct. of Total
SUBCOMPACT	96,899	10.78
COMPACT	154,924	17.24
INTERMEDIATE	279,901	31.14
STANDARD	105,950	11.79
SPECIALITY	2,999	0.33
IMPORT	258,179	28.72
TOTAL	898,852	100.00

Chrysler Motors cut production at its Sterling Heights, Mich., plant due to slow sales of Dodge Shadow and Plymouth Sundance.

Despite the first-half sales slip, dealers remain optimistic that the slide is temporary. Many said they expected to order more heavily later in the model year.

"We are cutting back (our 1990-model-year) orders about 20 percent," said Dave Gill of Dave Gill Pontiac-GMC in Columbus, Ohio. "We hope that it's temporary. Sales are off, and right now we have the same availability of cars as we did last year at this time. That hurts a little."

Industry analysts and economists aren't sounding the recession alarm either. While analysts don't predict a sales upswing anytime soon, they say the present level of vehicle sales is more normal than in recent years. The industry couldn't sustain the record numbers of the past six years, they say.

Economists point out that consumer confidence remains relatively strong, employment is high and interest rates have fallen.

Dealers say they aren't ordering as many 1990 models initially because of the sales slide and because they want to reduce their inventories. By keeping inventory down, they can reduce their floorplanning expense.

Dealers say they also are waiting for the Big 3 to announce their 1989-model cleanup programs this week before placing big orders for 1990 models.

In addition to announcing their incentive programs, GM and Ford are to disclose plans to compensate dealers for vehicles in stock when the new model year starts.

Earlier this year, the two companies said they wouldn't pay the same carryover allowance they traditionally have paid dealers. GM sources said the automaker will reveal its plan to dealers this week; Ford has said it will tell dealers its plans after GM's announcement.

"We keep hearing there won't be a proper carryover allowance so we're being cautious," said Bruton Smith of Town & Country Ford in Charlotte, N.C. "We've cut back about 25 percent. Sales are off about 11 percent. We have too many cars."

Auto analysts said the slide in June and first-half sales was the result of a saturated market.

"Market saturation has to be paid for," said David Healy, auto analyst with Drexel, Burnham and Lambert. "It's certainly not a disaster."

Another reason for slow sales, analysts said, is that potential customers have late-model vehicles on which they owe more than the vehicle is worth as a trade-in, making it difficult to deal in the showroom.

In the first six months of 1989, combined domestic and import car sales fell 7.19 percent below last year's total, and light-truck deliveries were down 5.15 percent.

Three of the Japanese automakers with U.S. transplant operations reported gains of 3 to 10 percent in first-half retail deliveries of imported and U.S.-built cars. The Big 3 domestic makers showed sales declines of 4 to 10 percent.

Deliveries of U.S.-built cars declined 6.74 percent in the first half, while import-car sales sagged 8.35 percent. The imports' market share slipped less than half a point, to 27.48 percent from last year's 27.82 percent.

see SALES, page 45

U.S. CAR SALES BY MARKETING UNITS

	June 1989	Percent Share	June 1988	Percent Share	6 Mos., 1989	Percent Share	6 Mos., 1988	Percent Share
Alfa Romeo	218	0.02%	485	0.05%	1,683	0.03%	2,708	0.05%
American Honda	54,924	6.11%	63,328	6.26%	379,984	7.41%	367,441	6.65%
BMW	5,841	0.65%	6,153	0.61%	34,849	0.68%	34,786	0.63%
Buick	52,347	5.82%	51,004	5.05%	279,286	5.44%	297,792	5.39%
Cadillac	19,028	2.12%	17,735	1.75%	134,595	2.62%	128,185	2.32%
Chevrolet	143,147	15.93%	152,326	15.07%	733,007	14.29%	822,477	14.88%
Chrysler	17,755	1.98%	25,011	2.47%	114,193	2.23%	160,836	2.91%
Daihatsu	1,205	0.13%	1,012	0.10%	6,827	0.13%	5,273	0.10%
Dodge	40,293	4.48%	48,994	4.85%	242,829	4.73%	269,140	4.87%
Eagle	6,310	0.70%	5,405	0.53%	37,454	0.73%	32,144	0.58%
Ford	132,591	14.75%	154,498	15.28%	801,312	15.62%	836,204	15.13%
Hyundai	15,537	1.73%	28,041	2.77%	98,290	1.92%	148,493	2.69%
Isuzu	1,549	0.17%	2,788	0.28%	9,593	0.19%	11,595	0.21%
Jaguar	1,888	0.21%	1,908	0.19%	9,365	0.18%	9,897	0.18%
Lincoln	20,042	2.23%	17,865	1.77%	103,982	2.03%	97,225	1.76%
Maserati	24	0.00%	80	0.01%	163	0.00%	510	0.01%
Mazda	24,018	2.67%	23,136	2.29%	130,476	2.54%	130,151	2.35%
Mercedes	7,079	0.79%	8,154	0.81%	36,265	0.71%	44,066	0.80%
Mercury	41,680	4.64%	50,788	5.02%	252,498	4.92%	269,818	4.88%
Mitsubishi	11,291	1.26%	6,298	0.62%	50,972	0.99%	35,040	0.63%
Nissan	51,117	5.69%	47,239	4.67%	263,447	5.13%	238,393	4.31%
Oldsmobile	50,614	5.63%	69,323	6.86%	318,371	6.20%	377,425	6.83%
Peugeot	501	0.06%	768	0.08%	3,067	0.06%	3,482	0.06%
Plymouth	25,441	2.83%	31,782	3.14%	148,247	2.89%	181,880	3.29%
Pontiac	60,335	6.71%	81,379	8.05%	371,650	7.24%	423,304	7.66%
Porsche	956	0.11%	1,554	0.15%	4,556	0.09%	8,806	0.16%
Saab	2,385	0.27%	3,636	0.36%	16,192	0.32%	19,341	0.35%
Sterling	563	0.06%	715	0.07%	3,351	0.07%	4,947	0.09%
Subaru	13,235	1.47%	15,000	1.48%	73,724	1.44%	75,724	1.37%
Suzuki	349	0.04%	0	0.00%	2,809	0.05%	0	0.00%
Toyota	68,221	7.59%	60,324	5.97%	327,143	6.38%	311,049	5.63%
Volvo	9,695	1.08%	9,153	0.91%	53,043	1.03%	49,621	0.90%
VWoA	17,635	1.96%	22,969	2.27%	82,403	1.61%	114,167	2.07%
Yugo	1,038	0.12%	2,013	0.20%	5,305	0.10%	16,544	0.30%
TOTAL	898,852	100.00%	1,010,864	100.00%	5,130,931	100.00%	5,528,464	100.00%
TOTAL GM	325,471	36.21%	371,767	36.78%	1,836,909	35.80%	2,049,183	37.07%
TOTAL FORD	194,313	21.62%	223,151	22.08%	1,157,792	22.56%	1,203,247	21.76%
TOTAL CHRYSLER	89,799	9.99%	111,192	11.00%	542,723	10.58%	644,000	11.65%
TOTAL JAPANESE	225,909	25.13%	219,125	21.68%	1,244,975	24.26%	1,174,666	21.25%
TOTAL EUROPEAN	47,823	5.32%	57,588	5.70%	250,242	4.88%	308,875	5.59%
TOTAL KOREAN	15,537	1.73%	28,041	2.77%	98,290	1.92%	148,493	2.69%

Big 3 totals include their captive imports. Percent share may contain error of one or two points due to rounding.
Sales charts compiled by Karen Datkowski.

SALES

FROM PAGE 44

Although light-truck deliveries for the first six months declined, they accounted for 31.84 percent of the new-vehicle market. That was up from the last year's 31.37 percent.

The Big 3 lost more than half a point of the combined U.S. car and light-truck market in the first six months this year. They took 74.67 percent of the total compared to 75.34 percent a year ago.

Market shares moved around in the first six months. Including captive imports and light trucks, GM and Chrysler each lost more than half a point, while Ford gained more than half a point.

The five major Japanese manufacturers and their transplants continued to capture more of the U.S. vehicle market. Toyota, Honda, Nissan, Mazda and Mitsubishi took 18.40 percent of the car and light-truck market compared to last year's 16.64 percent.

Among the Big 3, Ford delivered 4.14 percent fewer cars and light trucks in the first six months of 1989. GM's total sales fell 8.32 percent and Chrysler's slid 10.50 percent below last year's comparable six months.

Automotive News Staff Reporters Louise Kertesz and Dutch Mandel contributed to this report.

Import sales tumble 8% for first half

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — Import sales dropped more than 10 percent in June, contributing to an 8.35 percent drop in volume during the first six months of 1989.

Import sales were off 128,435 units during the first half compared to the year-ago period.

Mitsubishi, Acura, Nissan and Eagle imports posted substantial gains, but they were more than offset by a dozen or so imports with significant sales dips.

In June, 258,179 imports were sold, down 10.51 percent from 288,500 last year, and just a tick better than the 11.31 percent downturn in the domestic market.

The Big 3's captive imports and cars from Europe performed poorly during the first six months of 1989. Only Eagle was able to post a gain among captive imports.

For the Europeans, only BMW could eke out a tiny first-half sales increase, up 63 cars or 0.18 percent to 34,849, after a June that was down 312 units to 5,841. No other European make was able to outperform the declining market.

The Japanese as a group were the best off, but there were both winners and losers among them. Japanese totals looked better when sales figures from U.S. transplant operations for Honda, Toyota, Nissan, Mazda and Mitsubishi were included.

The increasing impact of those operations was underscored by American Honda, which sold more North American-produced cars than imports of both Honda and Acura cars during the first six months of 1989.

Toyota, for example, sold 238,656 imported cars in the first half of 1989, down from 283,478 in the 1988 period, but sold 88,487 U.S.-built cars, up 220.9 percent, for a combined total of 327,143 cars, up 3.51 percent from the first half of 1988.

Nissan was a big winner after a down year in 1988. Nissan sold a combined import and U.S.-made car total of 263,447 in the first half, up 10.51 percent from 238,393 from the first six months of 1988.

Mazda sold 22,185 U.S.-built cars in the first six months of 1989 compared to 14,005 last year.

Mitsubishi also posted a strong gain using new U.S. manufacturing muscle. With 11,230 U.S.-built cars in the first half of 1989, total sales jumped to 50,972 from 35,040, an increase of 15,932 or 45.64 percent.

IMPORTED CAR SALES

	June 1989	June 1988	6 Mos., 1989	6 Mos., 1988
Acura	14,078	11,390	71,060	61,303
Alfa Romeo**	218	485	1,683	2,708
Audi	1,899	2,422	9,312	11,733
BMW	5,841	6,153	34,849	34,786
Chevrolet	10,138	13,278	57,418	64,347
Chrysler	688	1,323	4,080	5,679
Daihatsu	1,205	1,012	6,827	5,273
Dodge	2,776	5,039	20,030	28,932
Ford	4,986	6,087	36,426	35,269
Eagle	1,613	678	14,165	8,568
Honda	15,090	21,889	115,780	121,262
Hyundai	15,537	28,041	98,290	148,493
Isuzu	1,549	2,788	9,593	11,595
Jaquar	1,888	1,908	9,365	9,897
Maserati**	24	80	163	510
Mazda	20,503	20,227	108,291	116,146
Mercedes-Benz	7,079	8,154	36,265	44,066
Mercury	523	1,825	4,494	6,404
Mitsubishi	8,481	6,298	39,742	35,040
Nissan	41,583	35,324	212,841	188,436
Peugeot	501	768	3,067	3,482
Plymouth	2,629	4,624	18,709	26,212
Pontiac	6,160	5,484	26,919	32,434
Porsche	956	1,554	4,556	8,806
Saab	2,385	3,636	16,192	19,341
Sterling	563	715	3,351	4,947
Subaru	13,235	15,000	73,724	75,724
Suzuki	349	0	2,809	0
Toyota	49,233	54,906	238,656	283,478
Volkswagen	15,736	16,246	73,091	77,495
Volvo	9,695	9,153	53,043	49,621
Yugo	1,038	2,013	5,305	16,544
TOTAL	258,179	288,500	1,410,096	1,538,531

*—Volkswagen totals include U.S.-built models sold after June 30,1988. Sales charts compiled by Karen Detkowski

**—estimated

Machine tool orders dip 37%

Auto market flat, builders declare

By John Wisely
SPECIAL CORRESPONDENT

Total machine tool orders fell 37 percent in May, compared to the year-ago month, according to the Association for Manufacturing Technology, a group that collects data from machine tool builders.

Auto analysts warn that monthly order numbers are often erratic and a one-month drop does not necessarily affect automakers' plans. But Albert Moore, president of the association, said, "The slackening in (total) orders we are seeing is cause for concern."

The association does not break out the numbers by industry but because the automotive market buys a large portion of all machine tools, 35-40 percent by some estimates, any fluctuation in total orders usually shows up in the automotive market.

Tool builders generally agreed that the automotive market for machine tools is flat and said several factors could cause a decline in monthly orders. They include uncertainty about future federal clean-air legislation and requirements and economic conditions.

David Reichard, vice president of sales and marketing for Comau Productivity Systems, a Troy, Mich., firm specializing in assembly of machine tool systems, said, "New corporate average fuel economy standards could be slowing orders from engine plants because the automakers are unsure which engines are going to be continued and which must be changed."

Other tool makers said automakers might have been surprised by the Bush administration's clean air plan and are now accelerating small-engine plans while proceeding more slowly with some of their larger engines.

Larry Von Moll, director of market development for Cincinnati Milicron, a machine tool group, said economic uncertainties — particularly interest rates — could cause monthly orders to fluctuate. He added, "Tool orders are strongly influenced by the timing of projects."

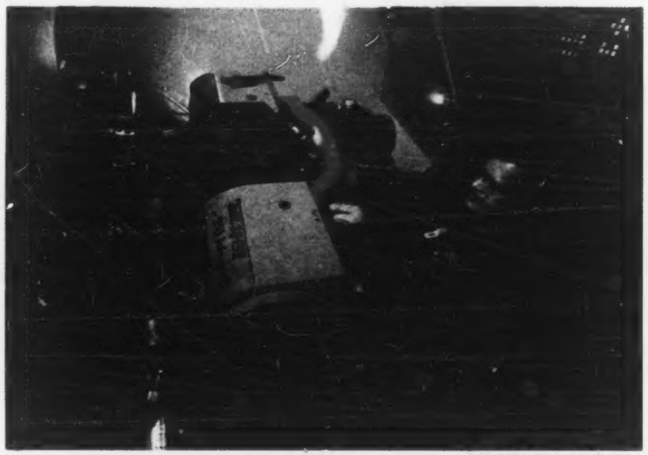
A Ford Motor Co. spokesman said the automaker has not cut orders and is proceeding at normal rates. Chrysler Motors said machine tool orders have remained consistent because they are tied directly to long-range product programs.

General Motors was the only company to show any kind of decline. But lower purchase levels have been pretty typical for the last 18 months, according to a GM spokeswoman, who said the company's major capital outlays for new equipment were made three years ago. "Sooner or later, it will pick up again," she said.

Eli Lustgarten, a securities analyst with Paine Webber who follows machine tools, said "last year's numbers were somewhat higher and that was partially due to Saturn orders."

In the machine-tool world, the auto industry includes transplant makers, suppliers and overseas manufacturers as well as the domestic Big 3.

Total machine tool exports, including automotive, plunged 62 percent in May, compared to May 1988, and Moore cited a strong dollar as a contributing factor.



AUTOMOTIVE NEWS/JOE WILSSENS

David Yambrosic, a machine tool builder, assembles an Ex-Cell-O/EMAG MSC-12 computer-numerical-controlled turning center.

> **"New CAFE standards could be slowing the (tool) orders from engine plants because the automakers are unsure which engines are going to be continued and which must be changed."**
>
> **— REICHARD**

LIGHT-DUTY TRUCK SALES

	June 1989	June 1988	6 Mos., 1989	6 Mos., 1988
Vans	14,819	17,387	88,044	98,894
Aerostar	17,894	15,144	101,365	95,316
Club Wagon	2,756	2,781	14,195	15,135
Ranger	21,900	29,155	137,680	155,282
Bronco	4,552	4,763	30,392	27,788
Bronco II	8,218	11,484	53,345	61,664
Pickups	51,559	54,740	305,624	312,847
Ford	**121,698**	**135,454**	**730,645**	**766,926**
Vans	11,100	11,179	57,674	69,148
Sportsvan	1,107	1,233	5,795	8,012
Geo Tracker	770	0	4,471	0
Astro	13,189	16,744	70,033	87,746
S-10	18,191	23,247	114,665	122,894
S-10 Blazer	14,079	15,326	85,554	82,922
El Camino	0	7	0	412
Blazer	1,652	2,001	11,256	14,643
Suburban	5,650	6,788	32,006	34,191
Pickups	45,590	47,906	274,400	263,774
Chevrolet	**111,328**	**124,431**	**655,854**	**683,742**
Vans	7,741	5,563	40,267	31,936
Ram Wagon	2,648	2,601	14,079	14,237
Voyager	18,206	21,736	98,331	105,119
Caravan	18,520	22,768	106,619	113,106
Mini Ram Van	1,854	2,531	8,249	10,732
Ram 50	2,568	5,127	15,702	32,165
Raider	1,017	564	3,828	3,508
Ramcharger	1,512	1,373	11,125	10,179
Dakota	7,001	8,266	47,619	49,914
Pickups	7,157	7,834	46,067	46,342
Chrysler	**68,224**	**78,363**	**391,885**	**417,238**
Vans	3,775	3,862	21,207	25,018
Safari	2,576	3,292	16,155	18,000
S-15	3,689	4,689	25,666	25,889
S-15 Jimmy	2,955	3,728	20,795	20,109
Jimmy	417	523	3,217	4,021
Caballero	0	4	0	60
Suburban	1,734	2,149	11,292	11,948
Pickups	12,544	13,280	77,901	73,206
P Model	297	380	1,991	2,161
W-4	73	146	688	730
GMC	**28,060**	**32,053**	**178,912**	**181,142**
Wrangler/CJ	5,470	4,848	26,908	21,708
Wagoneer	520	700	3,341	4,489
Cherokee	16,195	12,527	76,678	70,291
Grand Wagoneer	891	1,213	5,357	6,546
Comanche	2,195	3,551	13,984	20,849
J-10/J-20	0	0	0	221
Jeep	**25,271**	**22,839**	**126,268**	**124,104**
Toyota	20,329	20,461	112,324	121,309
Nissan	13,047	14,746	79,215	84,661
Mazda	6,148	7,676	41,905	52,125
Isuzu	6,917	7,554	44,564	39,196
Mitsubishi	2,583	3,320	20,020	24,131
Suzuki	1,633	2,199	13,152	31,221
Subaru	0	0	0	9
Range Rover	404	209	2,394	1,576
Imports	**51,061**	**56,161**	**313,574**	**354,209**
Industry Total	**405,642**	**449,301**	**2,397,139**	**2,527,361**

Compiled by Karen Detkowski

Auto output tops '88 for first half

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Domestic auto production for the first half of the year totaled 3,830,661, up 2.41 percent over the 3,740,470 completed during the first half of 1988.

Auto output for the second quarter was 1,931,362, 1.69 percent more than this year's first-quarter total of 1,899,299 but 4.93 percent below 1988's second-quarter build of 2,031,514.

Last month's car assembly of 612,914 dipped 10.03 percent from the May total of 681,261 and was 16.00 percent below the year-ago month's 729,633.

Automakers' targeted output of 41,379 last week was 66.64 percent below the prior week's 124,044. Plants worked a four-day week because of Independence Day, and some were down for model changeover and vacation.

Last week's estimated production was shared as follows: General Motors, 66.86 percent; Chrysler Motors, 22.23 percent; New United Motor Manufacturing Inc., 5.92 percent; and Toyota Motor Manufacturing U.S.A., 4.99 percent.

Ford Motor Co., Honda of America Manufacturing, Mazda Motor Manufacturing U.S.A., Nissan Motor Manufacturing and Diamond-Star Motors are closed for vacation and are expected to resume production July 17.

Truck output during the first half totaled 2,299,625, 6.19 percent above the 2,165,632 trucks built in the first half of 1988.

Second-quarter truck production of 1,141,287 was 1.47 percent lower than the first-quarter build of 1,158,338 but was 5.12 percent more than last year's second-quarter total of 1,085,670.

Truckmakers built 380,749 trucks in June, 3.10 percent fewer than May output of 392,946 but 1.48 percent more than the year-ago month's 375,178.

Car build dips 15% in Canada

Canadian automakers produced 521,536 cars in the first half, down 15.20 percent from 614,998 in the comparable period last year.

Auto output in the second quarter was 268,702, an increase of 6.28 percent over the first quarter's 252,834, but it was 17.40 percent below the year-ago second quarter's 325,322

Car production for June totaled 91,654 units, down 0.12 percent from May's 91,762 and down 17.73 percent from the year-ago month's 111,406.

Truckmakers built 522,626 units in the first half, 5.72 percent above the 494,346 assembled in the first half of last year.

Second quarter production totaled 262,196 units, up 0.68 percent from the first quarter's 260,430 and 5.35 percent above last year's second-quarter build of 248,885.

June truck assembly of 89,026 fell 1.80 percent from 90,661 the prior month, but it was 1.08 percent above the year-ago month's 88,071.

U.S. CAR	Week Ended July 8, 1989	Week Ended July 9, 1988	Week Ended July 1, 1989	June Total	Jan. 1 to July 8, 1989	Jan. 1 to July 9, 1988
Horizon	900	1,621	1,208	4,106	12,941	52,368
Sundance	2,000	2,087	2,570	11,379	64,597	57,246
Reliant	0	1,597	0	0	0	49,964
Acclaim	2,400	0	3,141	15,630	71,292	0
Caravelle	0	0	0	0	0	9,087
Gran Fury	0	311	0	0	0	14,746
Total Plymouth	5,300	5,616	6,919	31,115	148,830	183,411
LeBaron K	0	0	0	0	0	7,912
LeBaron J	0	1,636	0	3,555	55,273	42,490
LeBaron GTS	0	212	0	0	2,946	5,116
N. Yorker C-Class	0	2,037	1,867	8,616	57,496	63,196
Fifth Avenue	0	251	0	0	0	15,494
Total Chrysler	0	4,136	1,867	12,171	115,715	134,208
Omni	900	1,472	1,063	4,040	14,089	51,312
Daytona	0	1,629	0	2,328	46,536	[illegible]772
Shadow	1,700	1,810	2,198	9,658	61,393	57,055
Aries	0	1,440	0	0	0	48,971
Dodge 600	0	0	0	0	0	8,549
Dynasty	0	1,744	3,059	14,589	83,278	59,222
Lancer	0	138	0	0	1,528	5,233
Spirit	1,300	0	2,001	9,827	60,468	0
Diplomat	0	341	0	0	0	11,930
Total Dodge	3,900	8,574	8,321	40,442	267,292	284,044
CHRYSLER MOTORS	9,200	18,326	17,107	83,728	531,837	601,663
Escort	0	0	0	20,888	169,288	201,238
Mustang	0	0	4,419	19,027	116,716	109,640
Tempo	0	0	2,920	12,720	81,238	102,764
Taurus	0	0	7,952	34,990	205,266	213,056
Thunderbird	0	0	2,670	14,161	88,353	84,245
Total Ford Div.	0	0	17,961	101,786	660,861	710,943
Topaz	0	0	1,509	6,675	37,232	38,291
Cougar	0	0	2,670	11,071	74,071	63,775
Sable	0	0	2,482	10,929	66,515	73,626
Total Mercury	0	0	6,661	28,675	177,818	175,692
Continental	0	0	1,428	6,310	37,593	23,716
Mark VII	0	0	478	2,020	13,265	12,997
Lincoln	0	0	2,871	12,407	70,039	75,589
Total Lincoln	0	0	4,777	20,737	120,897	112,302
Total L-M Division	0	0	11,438	49,412	298,715	287,994
FORD MOTOR CO.	0	0	29,399	151,198	959,576	998,937
Skyhawk	0	70	0	0	6,913	9,945
Skylark/Somerset	1,280	1,311	1,497	6,166	32,528	27,983
Century	2,140	2,658	2,252	12,186	66,952	66,096
Riviera	0	48	0	827	11,348	3,642
Electra	0	1,611	1,232	6,150	43,308	49,803
LeSabre (fwd)	2,436	2,040	3,975	18,196	87,221	69,970
LeSabre (rwd)	32	150	83	413	3,986	5,820
Reatta	0	165	0	64	3,140	5,140
Total Buick	5,888	8,053	9,039	44,002	255,396	238,399
Cimarron	0	0	0	0	0	3,693
Eldorado	0	333	0	2,401	19,103	23,410
Seville	0	236	0	1,752	13,997	14,488
Brougham (rwd)	920	386	826	3,202	20,983	17,799
Deville (fwd)	0	2,862	3,988	17,652	113,516	97,108
Allante	60	0	75	255	1,693	1,135
Total Cadillac	980	3,817	4,889	25,262	169,292	157,633
Cavalier	3,528	5,885	7,065	31,093	205,262	201,538
Camaro	0	2,200	1,770	11,747	64,591	5[illegible],925
Celebrity	1,992	4,013	1,786	9,747	70,614	108,343
Corsica/Beretta	3,456	7,411	7,184	39,219	224,499	231,362
Caprice	2,920	4,403	2,860	17,614	107,231	114,478
Corvette	448	354	491	2,463	14,293	11,878
Total Chevrolet	12,344	24,266	21,156	111,883	686,490	719,524
Calais	1,600	2,478	2,320	9,718	53,557	64,657
Firenza	0	0	0	0	0	5,230
Cutlass Ciera	1,536	1,578	1,527	8,507	47,323	13,156
Cutlass Supreme	0	3,447	0	1,035	51,125	90,891
Toronado	0	127	0	473	4,845	10,209
88 (fwd)	684	2,662	2,753	12,551	85,135	89,661
88 (rwd)	216	118	207	964	4,607	6,925
Olds 98	0	1,525	1,027	4,624	41,993	44,948
Total Oldsmobile	4,036	11,935	7,834	37,872	288,585	325,677
Sunbird	0	1,449	3,266	13,875	81,176	59,756
Grand Am	3,840	4,616	5,031	21,189	134,928	138,286
Firebird	0	1,054	900	5,771	35,352	36,632
Grand Prix	0	3,130	0	1,624	69,565	73,415
Pontiac 6000	576	1,168	714	3,917	43,138	43,569
Bonneville	0	2,158	1,940	8,648	51,680	63,962
Safari/Parisienne	0	71	0	230	2,691	4,697
Fiero	0	0	0	0	0	11,134
Total Pontiac	4,416	13,646	11,851	55,254	418,530	431,451
GENERAL MOTORS	27,664	61,717	54,769	274,273	1,818,293	1,872,684
DIAMOND-STAR*	0	0	1,536	6,766	26,472	0
HONDA*	0	0	7,690	33,108	197,597	196,869
Civic	0	0	2,700	11,734	67,218	54,206
Accord	0	0	4,990	21,374	130,379	142,663
MAZDA*	0	2,452	3,474	18,099	106,508	53,699
NISSAN	0	0	2,502	12,535	61,735	53,571
NUMMI	2,450	0	4,289	18,620	106,303	85,176
Corolla	950	0	1,686	7,276	42,760	31,278
Geo Prizm/Nova	1,500	0	2,603	11,344	63,543	53,898
TOYOTA	2,065	0	3,278	14,587	60,588	0
VOLKSWAGEN	0	1,533	0	0	0	32,495
Golf/GTI	0	1,533	0	0	0	26,932
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	41,379	84,028	124,044	612,914	3,868,909	3,814,735
Total Cars, Canada	9,755	12,343	17,046	91,654	530,922	628,997
U.S., Canada Cars	51,134	96,371	141,090	704,568	4,399,831	4,443,732
U.S. Canada Cars and Trucks	94,149	152,626	240,640	1,174,343	7,263,704	7,182,080

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended July 8, 1989	Week Ended July 9, 1988	Week Ended July 1, 1989	June Total	Jan. 1 to July 8, 1989	Jan. 1 to July 9, 1988
Premier	0	1,541	0	3,746	22,370	37,498
CHRYSLER MOTORS	0	1,541	0	3,746	22,370	37,498
Tempo	0	0	0	7,954	72,675	102,017
Topaz	0	0	0	3,384	30,827	36,450
Crown Victoria	0	0	2,411	11,028	68,779	71,940
Grand Marquis	0	0	2,390	10,768	74,446	71,864
FORD MOTOR CO.	0	0	4,801	33,134	246,727	282,271
Celebrity	854	681	1,026	4,152	12,566	12,364
Cutlass Ciera	1,905	5,473	2,570	10,629	88,518	152,771
Lumina	5,272	0	5,138	23,036	65,633	0
Pontiac 6000	0	707	0	0	0	29,738
Regal	1,280	3,780	1,341	6,752	41,536	91,290
GENERAL MOTORS	9,311	10,641	10,075	44,569	208,253	286,163
HONDA*	0	0	1,650	7,498	42,445	19,217
TOYOTA	300	0	340	1,915	6,480	0
VOLVO	144	161	180	792	4,647	3,848
Total Cars, Canada	9,755	12,343	17,046	91,654	530,922	628,997

U.S. TRUCK☆	Week Ended July 8, 1989	Week Ended July 9, 1988	Week Ended July 1, 1989	June Total	Jan. 1 to July 8, 1989	Jan. 1 to July 9, 1988
Caravan	1,400	1,282	1,994	10,106	60,257	52,548
Dakota	0	1,543	0	5,827	54,919	61,710
Caravan C/V	100	183	107	609	4,612	8,513
Ram pickups	0	1,517	0	5,886	55,023	40,202
Total Dodge	1,500	4,525	2,101	22,430	174,811	162,973
Cherokee	0	3,828	3,954	21,158	122,181	99,002
Comanche	0	914	503	2,579	16,753	25,216
Grand Wagoneer	0	0	0	443	6,279	7,931
Wagoneer	0	0	94	1,005	4,987	6,190
Total Jeep	0	4,742	4,551	25,185	150,200	138,339
Voyager	1,300	1,351	1,861	9,358	56,998	48,550
Town & Country	100	0	179	896	1,688	0
Total C-P Div.	1,400	1,351	2,040	10,254	58,686	49,303
CHRYSLER MOTORS	2,900	10,618	8,692	57,869	383,697	357,879
Aerostar	0	0	4,975	20,998	127,712	109,133
Bronco	0	0	1,367	6,280	43,085	32,390
Bronco II	0	0	2,804	12,650	69,685	69,881
Econoline	0	0	4,300	21,644	129,119	130,025
Heavy trucks	0	0	1,153	5,556	34,992	35,060
Light trucks	0	0	11,614	51,345	292,860	266,783
Ranger	0	0	7,413	32,707	183,701	191,433
Total Ford Div.	0	0	33,626	151,180	879,154	834,705
FORD MOTOR CO.	0	0	33,626	151,180	879,154	834,705
Astro	2,395	3,394	3,004	13,185	89,276	92,506
Blazer	331	443	522	2,631	15,167	15,019
Mediums/Heavies	0	219	0	0	1,312	9,652
P-Model	583	737	866	3,852	19,337	21,310
Pickups	6,629	5,537	7,946	34,366	214,542	180,640
S-10	3,761	5,517	4,851	22,728	143,787	157,464
S-10 Blazer	3,485	2,563	4,138	17,483	104,265	90,217
Sportsvan/Van	1,477	1,813	2,021	7,704	52,488	47,868
Suburban	956	1,171	1,489	7,431	42,272	40,057
Total Chevrolet	19,617	21,394	24,837	109,380	682,446	654,733
Jimmy	96	87	158	772	4,504	4,362
Mediums/Heavies	0	653	0	0	1,496	21,435
P-Model	121	49	119	500	2,554	3,197
Pickups	1,851	1,821	2,133	10,396	63,573	55,845
S-15	845	1,094	884	4,378	33,574	36,029
S-15 Jimmy	826	695	885	4,619	29,021	23,393
Safari	613	850	792	3,496	23,187	23,591
Suburban	323	414	555	2,780	16,663	18,120
Vandura/Rally Vans	491	510	467	2,073	14,263	19,241
Total GMC	5,166	6,173	5,993	29,014	188,835	205,213
GENERAL MOTORS	24,783	27,567	30,830	138,394	871,281	859,946
NAVISTAR	0	0	1,400	7,384	45,126	46,845
NISSAN	0	0	2,150	10,978	65,298	55,959
AM GENERAL	360	450	450	1,944	11,790	12,060
MISCELLANEOUS	2,400	2,300	3,000	13,000	73,300	61,640
Total Trucks, U.S.	30,443	40,935	80,148	380,749	2,329,646	2,229,034

CANADIAN TRUCK	Week Ended July 8, 1989	Week Ended July 9, 1988	Week Ended July 1, 1989	June Total	Jan. 1 to July 8, 1989	Jan. 1 to July 9, 1988
Caravan	1,784	2,900	2,320	12,659	80,388	78,894
Caravan C/V	215	251	316	1,655	7,118	7,858
Ram Wagon	340	354	690	2,306	15,490	13,556
Ram Van	1,137	1,639	1,715	5,876	40,080	35,024
Total Dodge	3,476	5,144	5,041	22,496	143,076	135,332
Voyager	1,932	2,696	2,373	12,384	71,886	71,990
Total Plymouth	1,932	2,696	2,373	12,384	71,886	71,990
Wrangler	1,700	805	1,555	7,950	44,844	26,946
Total Jeep	1,700	805	1,555	7,950	44,844	26,946
CHRYSLER MOTORS	7,108	8,645	8,969	42,830	259,806	234,268
FORD MTR (lt. trks.)	0	0	3,471	15,415	89,294	91,509
Light trucks	2,880	3,202	3,409	15,795	86,201	82,593
Vans	1,068	1,418	1,237	5,470	35,651	34,144
Total Chevrolet	3,948	4,620	4,646	21,265	121,852	116,737
Light trucks	1,024	1,316	1,351	5,586	39,179	42,917
Vans	492	739	694	2,735	17,497	17,782
Total GMC	1,516	2,055	2,045	8,321	56,676	60,699
GENERAL MOTORS	5,464	6,675	6,691	29,586	178,528	177,436
NAVISTAR	0	0	271	1,195	6,599	6,101
Total Trks., Canada	12,572	15,320	19,402	89,026	534,227	509,314
U.S., Canada Trks.	43,015	56,255	99,550	469,775	2,863,873	2,738,348

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Automotive News®

July 17, 1989

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GM leads the way as incentives sweep industry

Sales rebound

Car and light-truck sales increased nearly 9 percent in the first 10 days of July, reversing the trends seen in June.

- Nissan sales doubled.
- Honda fell a third.
- General Motors led the Big 3 in light-truck gains, up 13 percent, and overall, up 12 percent. Ford gained most in car sales for the Big 3, up 17 percent.

The story is on Page 43.

By Michelle Krebs and Laura Clark
AUTOMOTIVE NEWS STAFF REPORTERS

Frustrated by slow sales, domestic and import automakers announced a rash of consumer and dealer incentives last week.

Almost every major auto retailer has new programs — from traditional incentive promoters such as General Motors, which announced its most generous cleanup program in three years, to American Honda, a surprising newcomer to the incentive arena.

GM unveiled sweetened rebates and alternative cut-rate loans, but dealers say, "Stay tuned — there could be more." The GM consumer incentive program was coupled with a dealer rebate designed to clean out 1989 models.

Dealers were told the consumer rebate/finance program is in effect until further notice. That allows GM to sweeten it if it is one-upped by Ford Motor Co. Even if Ford only matches the incentives, GM could make changes in August if the present program doesn't clean out the 1.5 million vehicles in inventory.

Claude "Bud" Moore, GM vice president in charge of the customer sales and service staff, predicted GM's program will clean out a million units.

But, he acknowledged, "we're always going to be responsive to whatever competition does."

Some dealers are concerned that since the program has no end date, consumers will wait for an even better deal.

"We don't anticipate consumers waiting," Moore responded. "The biggest availability of colors, options and models out there will be the earliest ones."

GM's consumer incentives are virtually unchanged from the previous program. Cash rebates on some models have been boosted.

GM increased the financing rate on 60-month loans. Moore said GM wanted to offer the best rates on the more popular three- and four-year loans.

Dealers said the higher rate on 60-month loans probably is to discourage consumers from opting for them. Dealers say many potential buyers can't buy a new vehicle because they owe more on their present vehicle than it is worth as a trade-in because of the stretched out term.

GM's dealer incentive program is

see INCENTIVES, page 43

DOMESTICS

Top American import execs know the end can be early

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — The retirement of Max Jamiesson as executive vice president of Hyundai Motor America thins the ranks of the first generation of top-ranking American officers of Asian auto importers.

Jamiesson, 56, will become a Hyundai dealer on the Monterey Peninsula in Northern California, where his wife of one year, Sue Jamiesson, owns a Toyota dealership. Sue Jamiesson also is opening a new Hyundai dealership in nearby Salinas. Max Jamiesson has owned a home in Carmel Valley for three years.

Top Americans at several Japanese-based companies see a natural maturation in the gradual shift to a second generation of American leaders such as Tom Mignanelli, 44, executive vice president of Nissan Motor Corp. in U.S.A. And they know that Japanese companies often expect early retirements.

"The commonality of personalities used to be there, partly because our backgrounds were so similar," said C.R. "Dick" Brown, 56, executive vice president of Daihatsu America in Los Alamitos, Calif. "Most of us were ex-Chrysler or ex-Ford, but nearly all were from domestics."

Brown, a former Chrysler employee who also was involved in the startup of Mazda in the United States, was the original top American at Daihatsu.

"You have to take the nature of the import companies into consideration," said Richard Recchia, 49, executive vice president of Mitsubishi Motor Sales of America and a former Chrysler employee. "Until 10 years ago, the import auto business in this country was very small. So when (Asian) companies wanted to establish large-scale U.S. operations, they had to tap a talent pool somewhere, and that was the domestics."

But top American managers reject the notion that there is a special bond between them or that they share many special traits.

"We have some things in common, but it's not fair to make broad generalizations like we're all greater risk-takers," said Jack Reilly, 62, senior vice president and general manager of American Isuzu Motors in Whittier, Calif.

see EXECUTIVES, page 41

AUTOMOTIVE NEWS/JOE WILSSENS
Max Jamiesson will retire as COO of Hyundai Motor America and become a dealer in northern California.

Stocks jump for Honda as sales slip

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — A sharp runup in new-car inventories may be another sign that Honda is feeling the heat of competition.

American Honda Motor Co.'s combined stocks of imported and U.S.-built cars jumped to a 49-day supply on July 1, up from 28 days on June 1. The days' supply is Honda's highest since 1985, and contrasts with a 16-day supply on July 1, 1988.

That is still well below the industry average of 73 days' supply on July 1, but it is weeks beyond Honda's typical inventory.

Among all cars sold in the United States, inventory crept up six days' worth in June, to 73. An 11.08 percent fall-off in June new-car deliveries caused the July 1 stockpile of all U.S.-built and imported cars to reach 2,510,701.

At the end of the first half, Honda's domestic and import car stocks and days' supply numbers were double or triple its 1988 figures.

The inventory includes all cars at or en route to dealerships or in factory lots. Days' supply is calculated on the daily selling rate for the most recent month.

For Honda, the days' supplies were just 24 May 1 and 28 on June 1.

Sluggish June deliveries (Honda sales were down 13.27 percent in June) left Honda with 41.9 percent more cars in stock on July 1 (76,237) than at the beginning of June.

Honda officials noted several mitigating factors, but like Honda's first-ever sales-linked "advertising allowances" to dealers, it is a sign that Honda is mortal after years of extremely low inventories.

Because Honda Division sells mostly domestically produced cars, its import inventories include

see INVENTORY, page 42

Marine Midland plans auto loan venture with giants

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

Marine Midland Automotive Financial, the largest bank financier of auto loans, plans to team up with two other huge companies in a joint auto financing venture.

Marine Midland expects to sign an agreement by year's end with:

- Tokyo-based Orient Finance Co., Ltd., Japan's largest consumer credit company and a leading financer of autos in Japan, and
- Aon Corp., a Chicago-based insurance holding company with assets of $8 billion. Through one of its operating groups, Aon provides insurance services to more than 2,000 auto dealers.

The joint venture will expand the business of Marine Midland Automotive Financial Corp. It will provide retail and commercial financing as well as leasing and related insurance services to automobile dealers, Marine Midland said.

The three parties said they plan to sign a definitive agreement later this year. The venture is subject to regulatory approvals and final approval by boards of directors of the companies.

Marine Midland Automotive Financial is a wholly owned subsidiary of Marine Midland Banks based in Buffalo, N.Y. It manages about $7 billion in auto-related assets nationwide.

"We believe the joint venture will enhance our competitiveness and prove to be an opportunity to provide a better range of services to customers," said a Marine Midland spokesman.

He said more resources will be available to the joint venture than are available to the bank subsidiary.

Since the agreement has yet to be finalized, no further details were available, the spokesman said.

Marine Midland is the most formidable competitor to the automakers' captive finance subsidiaries. It is a partner in financing ventures with Subaru, Porsche, Mazda and Saab-Scania. Hyundai and Marine plan to form a joint financing venture this fall.

Robert Reich, Marine Midland division executive, said last spring that Marine is "always looking" for more relations with automakers. "There aren't that many unaffiliated ones left," Reich said.

Last week Marine Midland Banks, which in 1985 became the first institution to package and publicly sell auto loans, registered an offering of about $170 million of auto-loan-backed securities. It has packaged and sold as securities more than $1.7 billion in auto loans.

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Taxing time at Mercedes-Benz:
In Massachusetts, the importer won't pay a court-ordered excise tax, so the state confiscated a company SEL560 (Page 4). In Washington, Mercedes paid a $20.5 million CAFE fine (Page 2).

Saturn adds 33 dealers, promises financial help

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

The latest additions to Saturn's dealer network signed their franchise agreements last week. AUTOMOTIVE NEWS/JOE WILSSENS

SPRING HILL, Tenn. — General Motors' Saturn Corp. named 33 dealers for its "second wave" of U.S. markets last week and surprised its dealers with a sketchy offer of special financing to help with construction and startup.

Saturn also unveiled a prototype dealership that places the service department out front rather than the traditional "backshop" positioning.

The newly assigned franchise territories include Chicago, Detroit, Washington, Philadelphia, Indianapolis, Baltimore, San Jose, Calif., Minneapolis, and Milwaukee. They are slated to get Saturn vehicles in spring 1991, four to six months after the new cars go on sale in major East and West coast markets.

The new dealers join 26 that were awarded territories last February, bringing the total number of areas assigned to 59. Those areas are expected to have 190 Saturn locations.

Saturn plans to introduce a four-door sedan and a coupe by the end of 1990.

Donald W. Hudler, Saturn vice president of sales, service and marketing, surprised a number of the first- and second-wave dealers at the announcement with a new financial assistance plan to help finance dealership construction and start-up.

Hudler said the company has arranged for dealers to receive preferred financing through General Motors Acceptance Corp. and Sovran Bank of Norfolk, Va. He declined to reveal details of the plan, which he said are not finalized.

As it announced the new dealer agreements, Saturn also unveiled the architectural plans that will be used at all its locations. The design features a service center in the front of the building and outside canopied walkways that are an extension of the showroom, according to its designer, Paul Kennon, design principal for CRS Sirrine of Houston.

"You will notice that there is no back door to the building," Kennon said. "It's really an expression of Saturn's philosophy toward the customer. Selling the car and servicing it are equally important, and so they are side by side."

Saturn said construction of the first 90 to 100 dealerships is expected to begin early next year. But a number of the second-wave dealers said they did not plan to start construction until about six months before they begin operations, which would mean the third quarter of next year.

Hudler said the average dealer investment for the first Saturn stores will be $3 million — "plus

see SATURN, page 41

Partners: *Honda aims at Europe through a stake in Rover; Rover gets piece of Honda plant*

By Daniel Ward and Mary Ann Maskery
AUTOMOTIVE NEWS STAFF

Honda Motor Co. and the Rover Group will strengthen their decade-long partnership with Honda buying a 20 percent stake in the British automaker and Rover acquiring an equal share in a new Honda assembly plant.

Under the agreement, Honda will pick up its first equity stake in a European auto company. Rover, meanwhile, will own 20 percent of a new £300 million ($489 million U.S.) assembly plant that will produce cars under the Honda and Rover badges.

The move represents a further departure from Honda's strategy in the United States, where the automaker has expanded without joining hands with a domestic partner.

But in face of Britain's strict requirements on local content, Honda will be relying on access to Rover's suppliers. Within 18 months after the start of regular production in fall 1992, Honda expects to reach 80 percent local content.

The plant, to be built next to Honda's engine plant in Swindon, England, will begin early production in late 1991. Capacity of 100,000 is expected to be reached two years later. It will employ 1,300 workers.

The deal adds yet another dimension to the Honda-Rover partnership, which dates back to 1979 when Rover began building the Honda Ballade under license. The two companies jointly developed an executive class sedan that is sold in the United States as the Sterling and the Acura Legend. The companies have since modified that model, with Honda developing a coupe and Sterling offering a five-door liftback.

This month, Honda will begin producing 1.6-liter engines in England for the Rover 800 and Honda Concerto. Those cars will be built by Rover later this summer.

"Our collaboration with Rover is the nucleus of our presence in Europe," said Honda President Tadashi Kume, in making the announcement last week in London.

"Our two companies are entering into significant minority cross shareholders," he said. Honda and Rover will continue to respect their individual identities and, Kume added, "by so doing, both companies will strengthen their positions in the European automobile industry more effectively than if each were to act separately."

Honda also announced that the engine plant will increase capacity from 70,000 engines annually to nearly to 200,000 by 1994.

In Tokyo, Honda Executive Vice President Koichiro Yoshizawa said the decision evolved primarily from a desire to strengthen the relationship with Rover.

Capital was not a major concern, he said. Honda could have gone alone, but decided cooperation was more beneficial.

There has been no decision yet on how the 100,000 units will be divided between Honda and Rover, but Yoshizawa said he personally believes Honda should be allotted more. The model will be a new one, what Yoshizawa described as an upper middle class model, with an engine size larger than the 1.6-liter engine in the Concerto/Rover 800.

The new plant will be run under Honda management, with models developed by Honda. Despite the exchange of stock shares, both companies will remain independent, each sending only one part-time director to the other's board.

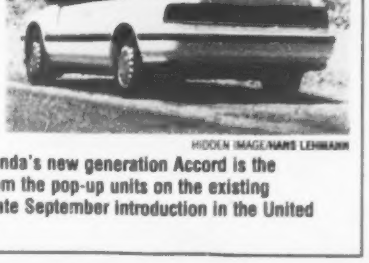
How much a 20 percent interest in Rover will cost Honda has also not been decided, Yoshizawa said.

It will be the end of the year before details of the agreement will be finalized. At the moment, it is unclear whether money will change hands in the deal, which appears to give Honda significantly more assets than it is handing to Rover. The European Commission is likely to examine the deal closely.

Honda's sales target in Europe is 200,000 units a year by 1994, according to Yoshizawa. Last year, Honda sold 149,199 units. That figure is expected to be boosted next year by at least 30,000 Rover-built Concertos.

With last week's announcement, Honda, Nissan and Toyota will have a combined car capacity in Britain of 500,000 units by the mid-1990s. Nissan and Toyota have been pursuing their projects without the help of a European partner.

1990 Accords uncovered


HIDDEN IMAGE/HANS LEHMANN

The biggest visible change in Honda's new generation Accord is the switch to exposed headlamps from the pop-up units on the existing models. The car is slated for a late September introduction in the United States.

CAFE FINES PAID SINCE DECEMBER 1

Model Year	Manufacturer	Amount Fined	Date Paid
1985	Mercedes-Benz	$ 5,509,400	12/88
1986	Mercedes-Benz	20,214,700	12/88
1986	Peugeot	793,000	2/89
1986	Jaguar	8,040,550	2/89
1986	Porsche	823,440	2/89
1987	BMW	1,088,859	6/89
1987	Jaguar	5,320,135	6/89
1987	Mercedes-Benz	20,526,490	6/89
1987	Peugeot	767,600	6/89
1987	Porsche	948,480	6/89
1987	Range Rover	272,955	6/89

Source: NHTSA

Six European makers pay $30 million in CAFE fines

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Six foreign luxury automakers last month paid more than $30 million in fines to the U.S. government for failing to meet 1987 fuel economy standards.

The heftiest fine was $20.5 million paid by Mercedes-Benz of North America for achieving a corporate average fuel economy rating of 22.3 miles per gallon against the 26 mpg standard.

Mercedes-Benz paid the fine, but reserved its right to challenge the assessment, while the other five acknowledged making the payments and called them a cost of doing business.

Companies are penalized $5 for every tenth of a mpg per car that they fall short of the standard. They are allowed to use credits generated in three model years before or after the model year they fall short of CAFE.

Mercedes is also contesting $25 million in fines it paid last December for the 1985-86 model years. It was to apply credits generated beyond the three-year carryfoward/carryback period for credits.

Jaguar Cars paid the second highest fine last month, $5.3 million, also for 1987. In March, Jaguar paid $8.04 million for the 1986 model year.

NHTSA, the agency that assesses the fines, said BMW of North American paid a $1.09 million fine on a CAFE shortfall that would have netted a $5.12 million penalty. BMW said the government

see CAFE, page 44

Corrections

- A story on the July 10 engineering page incorrectly said a list of Underwriters Laboratories-approved R-12 recovery and recycling machines had been posted. According to Andrew Torroll, a UL staff engineer, UL was unable to post a list by its July 1 deadline because required testing was not complete. Torroll said he hopes a list will be posted soon. A photo caption accompanying that story incorrectly identified a Robinair recycling unit as UL approved.
- A July 10 story on import car sales incorrectly said that only BMW among European manufacturers improved its sales for the first half of 1989. Volvo sales for June and the first half of 1989 increased more than any other European competitor. Volvo June sales rose 542 cars to 9,695, up 5.93 percent from June 1988. For the first half of 1989, sales rose 3,422 units to 53,043, up 6.89 percent from the first half of 1988.
- The story also incorrectly stated that only Jeep-Eagle Division posted a first half gain among captive imports. Ford Motor Co. captive imports rose 1,157 cars, or 3.28 percent, to 36,426 for the first half of 1989 despite a 18.88 percent drop of 1,101 to 4,986 for the month of June, compared to similar periods in 1988.

Alfa Romeo delays 164 launch again

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

ENGLEWOOD CLIFFS, N.J. — Alfa Romeo has delayed the introduction of its 164 sedan from January until March and will label the car an early 1991 model instead of a belated 1990.

The car originally was slated for a fall 1989 introduction as a 1990 model, but changes in the passenger compartment for the U.S. market pushed those plans farther and farther back.

The company is soft-pedaling earlier projections that it would double its dealer body and sell between 40,000 and 50,000 units within five years.

Darrell L. Davis, president and chief executive officer of Alfa Romeo Distributors of North America, said he plans to add 60 to 65 dealers to its 149-member network. As for sales, Davis said only that he is looking for steady, incremental growth.

The 164 will be priced between $22,000 and $29,000, depending on options, said Davis, who heads the distributorship formed last October and jointly owned by Chrysler Motors Corp. and Alfa Romeo's parent, Fiat S.p.A.

The advent of the 164, which is more mainstream than the rather odd-looking Milano sedan, marks the end of the "era of esoterica" at Alfa Romeo, Davis said.

Changes to the U.S. version of the 164 include such items as air conditioning, seat belt attachment points, window controls, instrument panel controls and seat cover materials, he said.

Pilot production is expected to begin this month, but production for U.S. sales isn't expected to begin until September. The car went on sale in Europe last year.

Soon after the 164 goes on sale in March 1990, Alfa will introduce a face-lifted version of its Spyder convertible, Davis said. The car will be a 1990 model.

A new Spyder convertible is expected around 1993, replacing the present model, which is a direct descendant of a 1966 model, Davis said.

"The new Spyder is really the essence of what people think of when they think of Alfa Romeo," he said.

But pending the arrival of the 164 there will be a "lull" in Alfa's sales, as the company sells down its present inventory and moves its headquarters to Orlando, Fla. this October, Davis said.

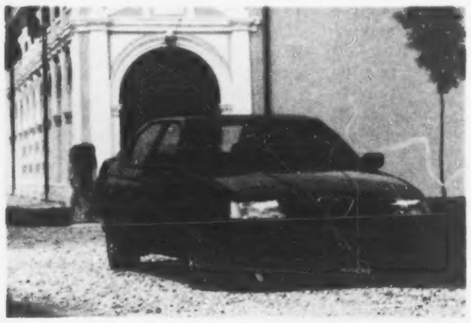
Meanwhile, sales are slumping.

Davis said the company projects sales of only 3,400 cars for the 1989 calendar year. The company sold 4,476 cars in 1988, compared to 6,320 in 1987. June sales were 241, for a six-month sales figure of 1,703, compared to 2,708 in the first half of last year.

Davis pointed out the company began 1989 with inventory that contained 1987 and 1988 models, mainly Milanos. But that problem has been eased by incentives that helped sell 581 Milanos in March.

The Milano will be phased out following the 164 introduction.

Davis said dealer stock as of last week included 310 Milanos and 650 Spyders, which he hopes to reduce to around 400 to 500 cars combined by the end of this year. He said he hopes to be sold out of 1989 models by the time the truncated 1990 model year begins.



Alfa's 164 will be introduced in the United States next March.

Lexus lands on U.S. shores
The first shipment of Lexus LS400 sedans is greeted at the Port of Long Beach in California by Toyota and Lexus executives. The V-8-powered car makes its debut Sept. 1 at 70 Lexus dealerships nationwide. From left are J. Davis Illingworth, Lexus vice president/general manager; Yale Gieszl, senior vice president, Toyota Motor Sales U.S.A.; K. Usuda, Lexus senior vice president/chief coordinating officer; Robert McCurry, executive vice president, Toyota Motor Sales U.S.A.; and Yukiyasu Togo, president and chief executive officer, Toyota Motor Sales U.S.A.

Warranty firm's demise stings dealers, buyers

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — About 40 U.S. car dealers and their customers have little hope of recovering any money from some extended service contracts sold by a collapsed Florida-based company and a related Canadian corporation.

The collapse of Thermo-Guard Warranty Co. and Canadian-based Guardall Financial Services Corp. will also affect more than 1,000 dealers and as many as 50,000 service contracts in Canada.

The companies are owned by Florida businessman Seymour Ravinsky, who agreed July 5 to hand over his assets — including the proceeds from the planned sale of his yacht "Motivation," estimated at $5.5 million — and those of his companies in Canada and the United States.

A Canadian bankruptcy trustee has taken over the assets of Guardall and Thermo-Guard Warranty. The trustee reported in an affidavit that about $12 million Canadian ($10.1 million U.S.) is missing from the trust funds Ravinsky's companies should have maintained. He alleged that more money would disappear unless Ravinsky, who lives in Boca Raton, Fla., were forced into personal bankruptcy in Florida.

The Ravinsky case is also being investigated for possible insurance fraud by the Commercial Crime Branch of the Royal Canadian Mounted Police.

Most "Thermo-Care" warranties in the United States are still being honored because the company funded and insured them properly.

But some customers in the United States have sued dealers who sold them Thermo-Care warranties that were not honored, and those dealers have virtually no chance of being reimbursed by the Canadian-based Guardall companies for work performed under the warranties, said Kerryn Downey, a bankruptcy trustee for the Supreme Court of Ontario who now controls the companies.

"Dealers are in a very difficult

see WARRANTY, page 44

Car output may dip to 1980s' low

Big 3 cuts mirror recession blues

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — U.S. car production in the third quarter could slip to the levels of third quarters in the recession years of the early 1980s if automakers continue trimming plant schedules to reduce bulging inventories.

Industry analysts predict that the Big 3, which have extended summer shutdowns, will slice their third-quarter production schedules even further because of slow sales and rising inventories.

In addition, analysts say even richer incentives than those announced last week are likely in August as automakers try to clear out stocks before the new model year begins in the fall.

Japanese automakers also could be forced to beef up incentives and cut back deliveries from Japan, analysts say. Production cutbacks at U.S. transplant operations are unlikely because it is less expensive for Japanese automakers to build cars in the United States than in Japan, according to analysts.

So far, output at Japanese-owned plants and joint-venture operations is preventing third-quarter car output in the United

see SHUTDOWN, page 42

U.S. THIRD QUARTER CAR PRODUCTION SCHEDULE

	Projected 1989	Actual 1988
General Motors	623,000	729,853
Ford	376,000	360,189
Chrysler	181,000	194,200
Total Big 3	1,180,000	1,284,242
Nissan	31,000	30,897
Honda	83,000	88,656
Mazda	47,341	54,083
NUMMI	60,000	29,340
Diamond-Star	30,000	0
Toyota	35,000	0
VW	0	3,512
Total transplants and joint ventures	286,341	206,488
Total	**1,466,341**	**1,490,730**

SOURCE: Automotive News figures.

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High court review sought on auto defect cases

By Helen Kahn
SENIOR CORRESPONDENT

WASHINGTON — Trial lawyers and consumer groups have asked the U.S. Supreme Court to decide whether the Motor Vehicle Safety Act of 1966 and federal safety standards pre-empt damage claims alleging defective design brought at the state level.

If the high court agrees to review the case, the outcome may affect more than 100 cases charging that cars are defective because certain models aren't equipped with air bags or passive restraints and thousands of design defect cases involving other safety standards.

The petition also seeks a definition of an automaker's responsibility and liability if it meets only the minimum of any federal standard when superior and cost-effective technology exists that may improve crashworthiness beyond the standard.

The petition was filed by Trial Lawyers for Public Justice; Ralph Nader's Public Citizen Litigation Group; and Moquin & Daley, a Boston law firm that brought the case against General Motors that is now being appealed.

A federal appeals court upheld GM's position that federal law through "implied" pre-emption ruled out the 1984 product liability suit brought by Patricia Wood in Massachusetts.

She charged that a 1976 Chevrolet Blazer was defective because the automaker did not equipped the vehicle with an air bag.

Wood, an unbelted front seat passenger in the vehicle, was paralyzed in the 1981 crash.

In 1987 — in what the trial lawyers consider a landmark decision — a district court said that if Wood could prove her case, she was entitled to damages under Massachusetts law.

The court said the 1966 safety law neither expressly nor impliedly pre-empted her claim.

Two of the three appellate judges disagreed with that decision.

They accepted GM's contention that if Wood won, GM would be required to install air bags in all cars, which would be the same as a state-required safety standard, one explicitly pre-empted by federal law.

By requiring air bags, the court decision would have created conflict with the 1974 federal standard on restraint systems, which gave GM a choice between manual belts and passive restraints, the court said.

The two judges also contended that if Congress had been familiar with auto design damage cases, it would have made its position on pre-emption clearer.

The dissenting judge said the majority confused pre-emption of direct state regulation — which Congress allows — and the indirect regulatory enhancing effect of state-level suits — which Congress did not pre-empt.

The judge said Congress was familiar with developing tort law in the states and that is why it "saved" claims under state common law from pre-emption.

The Supreme Court appeal petition maintains Congress clearly spelled out its intent in the law when it said that "compliance with any Federal motor vehicle safety standard . . . does not exempt any person from any liability under common law."

The petition adds that Congress never-changed that position during the many times it amended the law.

see COURT, page 44

Conversion market rocky; GM, Ford try incentives

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Wholesale van conversion shipments slumped 8.30 percent in May, according to the Recreation Vehicle Industry Association.

Demand has dropped sharply in the past few months as auto dealers, overloaded with inventory, curtailed or stopped ordering conversion units altogether, according to converters.

Recent General Motors and Ford van incentives will help clear out the 1989 models, but converters are still bracing for a tough fall.

Ford is offering a $1,000 rebate to customers on full-sized van conversions, and GM extended a $500 customer-rebate/low-interest program on small and large vans.

For July 7-31, Ford is offering $1,000 rebates on new 1988 and 1989 E-150 regular and E-150 Super Vans, equipped with RV converter equipment packages and reassigned to a Ford dealer from an authorized conversion firm.

Also eligible for the $1,000 are non-Ford consignment pool E-150 Econoline vans, equipped with RV converter preferred equipment package 743A or 745A and modified by a converter at the direction of a Ford dealer exclusively for sale by that dealership.

But Econoline vans sold to any conversion or body company for resale or transfer to another Ford dealer are ineligible for the rebate.

Full-sized vans, without the conversion packages, qualify for a $500 rebate.

Chevrolet and GMC extended a rebate program on vans through the end of the model year. It had been scheduled to expire July 10.

The GM program covers Chevrolet Astro/GMC Safari compact vans and all full-sized vans.

It offers $500 consumer rebates or low-interest financing as follows: 2.9 percent on 24-month loans; 5.9 percent, 36-month loans; 6.9 percent, 48-month loans; and 9.9 percent, 60-month loans.

Converters like G.R. Soos, vice president and general manager of U.S. Conversions in Elkhart, Ind., consider the low-interest financing a real attraction because van buyers tend to finance for longer periods than car buyers.

"Both the GM and Ford programs are going to help an awful lot," added William Snook, president of Coachmen Vans in Elkhart, Ind., and Good Times Van in Grandview, Texas.

Still, converters in other areas believe that at this late date, it's going to be a real struggle to move their 1989 inventory prior to the introduction of the 1990 models.

Said one converter, who declined to be named: "If they had announced their programs a month ago, a dealer might have ordered 10 or 12. Now, he'll take three or four. The '90s are coming out."

Some converters have been selling vans close to break-even, just to move them.

One company has been offering dealers a 90-day buyback guarantee. If the van doesn't move within that time, the converter will have to buy it back, resell it to another dealer and have the original dealer transfer title to the new one.

Typically, when chassis are resold like that, they have a 20 percent discount from their original selling price. In addition, the converter pays to ship the chassis from one area to another.

U.S. Conversions, which also produces Kentron and Premier vans, has been fortunate in not being overstocked, Soos said.

He said that "if sales pick up, it could blow a lot of inventory (out of converters' and dealers' lots) quickly."

Coachmen's sales were fairly strong until a month ago, Snook said. Then, dealers began forcing their inventories down. They stopped all conversion orders.

No matter how quickly the new programs clear out the 1989s, Snook fears that the beginning of the 1990 model year "is going to be tough because retail has turned down so much."

Like other converters, he expects to see a number of smaller converters shut down, sell off stock and wait for another good market before getting back into the business.

Recreational Vehicle Wholesale Deliveries

	May 1989	May 1988	% change	5 mos. 1989	5 mos. 1988	% change
Travel trailers	5,000	5,900	– 16.7	27,200	29,000	– 6.2
Park Trailers	600	700	– 14.3	3,300	3,300	—
Travel trailers—fifth wheel	2,400	2,800	– 14.3	13,500	14,200	– 4.9
Folding camping trailers	2,400	3,700	– 35.1	15,300	19,300	–20.7
Truck campers	1,200	1,200	—	4,700	5,000	– 6.0
Towable RV total	11,600	14,000	– 17.1	64,000	70,800	– 9.6
Conventional (type A)	3,200	3,900	– 17.9	17,000	18,100	– 6.1
Van Campers (type B)	600	500	+ 20.0	2,200	2,200	—
Chopped vans (all)	2,300	2,800	– 17.9	11,300	11,800	– 4.2
Motor home total	6,100	7,200	– 15.3	30,500	32,100	– 5.0
Van conversions	18,700	20,400	– 8.3	87,500	86,700	+ 0.9
TOTAL ALL RVs	36,400	41,600	– 12.5	182,000	189,600	– 4.0

Source: Recreation Vehicle Industry Association.

Van converter buys troubled rivals

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

The slowdown in van conversion sales is taking its toll; some converters in northern Indiana, northern Georgia and Texas are closing.

Barney Simon, a converter in the Elkhart, Ind., area, is stepping into the void. He is buying selected assets and hiring key people from some of those firms.

Simon owns Simon McCaffery Corp., known as SMC-Vantage, in Granger, Ind., and is a partner in Archer Coach Corp. in Middlebury, Ind. He recently formed New Vans Corp. in Granger.

New Vans' first purchase was Riviera Vans in Goshen, Ind.

Riviera, which converts more than 500 Chevrolet and Ford vans a year, ran into financial problems. They stemmed from changes Chevrolet made in its distribution system and from the more recent slowdown in market demand, according to Billy R. Powell, Riviera's former owner and a vice president of New Vans.

Simon said, "It's hard to be a one-horse show anymore — to be your own president, chief operating officer, your own purchasing agent, your own production manager. We're inviting some of these entrepreneurs into the fold."

New Vans is interested in conversion firms involved in bank foreclosures or bankruptcies, with good salespeople and diversity.

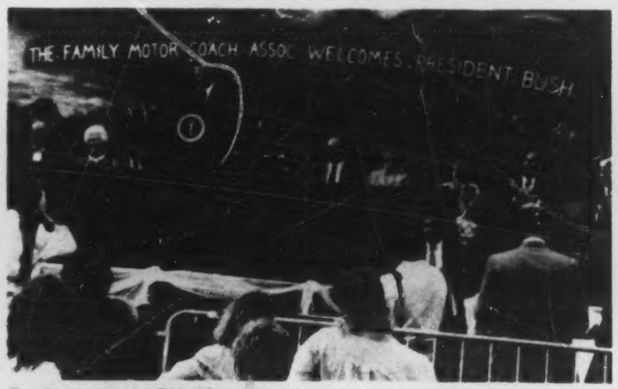
Simon said that, as part of a larger company, such small firms will be able to cut their overhead and buy materials and components more efficiently from a common vendor base.

Eventually, he expects to invite some vendors into partnership and also buy into key suppliers.

"We plan to create a nice vertically integrated company, with smaller (divisional companies) run by the original entrepreneurs who founded them," Simon said.

Simon said several converters have gone under and more will follow. The latter include companies that haven't legally been dissolved but whose buildings and employees have been idled.

Simon said that as news of his company's interest in troubled converters spread, he received phone calls not only from converters, banks and suppliers but also from auto dealers outside Indiana who were concerned that a converters they had done business with had run into hard times.


THE FAMILY MOTOR COACH ASSOC WELCOMES PRESIDENT BUSH

Bush supports RV lifestyle
President Bush, accompanied by his wife, Barbara, praised the recreational vehicle lifestyle before 5,000 RV enthusiasts and industry leaders at the Family Motor Coach Association's first annual spring international convention.

Winnebago to open plant in Texas

Winnebago Industries has purchased the Town and Country shopping mall in Temple, Texas, giving it the capability to produce about 1,000 customized trucks and vans there in the first year.

Part of the facility also will be used to provide additional sales and service support to Winnebago's motor home business.

Rex Shorten, general sales manager of Winnebago's van division, said the new customized truck and van operation being established in Temple will allow the company to enter Texas, Oklahoma and Louisiana markets.

But he expects most of that facility's production to be sold in Texas, mainly in major population centers such as Houston, San Antonio, Dallas and Fort Worth.

The van conversion market in Texas has been soft during the past few years, but officials see it coming back.

Generally, Winnebago has been prohibited from marketing in that geographic area because of high freight costs from its Forest City, Iowa, headquarters.

Prior to opening the Bear, Del., manufacturing operation earlier this year, the company had only marketed its vans in a six- or seven-state area near Iowa.

Winnebago has been on a diversification binge that includes giving more exposure to its name in customized truck and van conversion markets. The Bear, Del., facility allows it to sell van conversions and customized trucks on the Atlantic Coast for the first time.

Winnebago's sales of these vehicles are up 60 percent this year, despite the soft market. Shorten projects sales to reach 2,000 units by year end.

While most of the increase has come from the Bear facility and the new markets it opened, production and sales of Winnebago trucks and vans produced in Iowa also are up 20 percent, Shorten said.

"We've made some additional inroads in a relatively soft market, and our van operations are profitable," said.

Winnebago has a consignment pool account with Chevrolet, Ford and Dodge.

The Temple facility, in addition to producing specially outfitted pickups, Suburbans, vans and other types of trucks, also will be used as a warehouse distribution center to provide motor home parts to Winnebago and Itasca brand dealers in the Southwest.

A portion of it will be converted to provide a customer service facility for maintenance and repair of motor homes. Another part will be used for a new retail motor home sales facility that will be owned and operated by an independent RV dealer.

The 308,000-square-foot mall is located on a 29.5-acre site, adjacent to an interstate highway in south Temple.

RV industry prepares for 2 big shows and a new twist

The RV industry is gearing up for two traditionally large shows and experimenting with a novel used-vehicle show.

"Saddle Up for South Bend" is the theme for the 35th annual Midwest Manufactured Housing and RV show in South Bend, Ind., Aug. 8-13.

The show will open to trade-only members Aug. 8-10 and to the public Aug. 11-13. It will feature more than 1,300 products, according to Bob Kropf, show chairman and owner of Kropf Manufacturing in Goshen, Ind.

Featured entertainer is country and western singer Ronnie Milsap.

For the Recreation Vehicle Industry Association's 27th annual National RV Trade Show in Louisville, Ky., Nov. 28-Dec. 1, exhibit space totaling 503,994 square feet has been assigned.

The show is expected to draw 10,000 RV dealers and industry officials. It is not open to the public.

Manufacturers and suppliers were assigned exhibit areas June 28 at a national space drawing.

All available manufacturer space was assigned: 449,894 square feet to 94 manufacturers.

RVIA allocated space to manufacturers based on their contribution to RVIA received in fiscal 1988.

Non-RVIA members and new members were limited to 1,000 net square feet.

A total of 541 supplier booths were assigned to 234 exhibitors, leaving fewer than 20 booths to be sold.

From Oct. 11-15, the Pontiac, Mich., Silverdome will house a unique RV show, featuring used motor homes, travel trailers, tent campers and a one-day RV auction, as well as traditional new models.

New RVs and related products will be exhibited in the domed stadium, while used dealer-owned vehicles will be on sale in a tent and display area outside.

The public auction, for dealer-owned RVs only, will be Oct. 14.

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MASSACHUSETTS

Concord Auto Auction, Rt. 2, P.O. Box 257, Acton, Mass. 01720. Fleet & Lease accounts. Ford Factory Sale. Sale every Friday, 10 A.M. 617-263-8300.

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Auto News Classifieds Get Results

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AUCTION DATES

Chrysler Motors

July 18 — American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Nashville Auto Auction, Nashville, Tenn.; Florida Auto Auction of Orlando, Ocoee, Fla.; Portland Auto Auction, Portland, Ore.; and Greensboro Auto Auction, Greensboro, N.C.

July 19 — A.D.E. of Birmingham, Birmingham, Ala.; Butler Auto Auction, Gibsonia, Pa.; and Riverside Auto Auction, Riverside, Calif.

July 20 — Northway Exchange Auto Auction, Clifton Park, N.Y.; Aptco Auto Auction, Taylor, Mich.; Indianapolis Auto Auction, Indianapolis; Omaha Auto Auction, Omaha, Neb.; Southwest Auto Auction, Phoenix, Ariz.; Ark-La-Tex Auto Auction, Shreveport, La.; and Amarillo Auto Auction, Amarillo, Texas

July 21 — Manheim Auto Auction, Manheim, Pa.

July 25 — Clanton's Auto Auction, Darlington, S.C.; Southern Auto Auction, Warehouse Point, Conn.; Hatfield Auto Auction, Hatfield, Pa.; South Seattle Auto Auction, Kent, Wash.; Golden Gate Auto Auction, Fremont, Calif.; and Dallas Auto Auction, Grand Prairie, Texas

July 26 — Denver Auto Auction, Aurora, Colo.; Columbus Fair Auto Auction, Obetz, Ohio; Minneapolis Auto Auction, Plymouth, Minn.; and West Palm Beach Auto Auction, West Palm Beach, Fla.

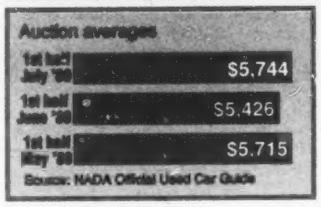
July 27 — Fredericksburg Auto Auction, Fredericksburg, Va.; Salt Lake City Auto Auction, Salt Lake City; and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

Model-year breakdown

Year	1st half May	1st half June	1st half July
1989	$11,850	$10,866	$11,236
1988	8,657	7,986	7,811
1987	6,611	5,873	6,181
1986	5,613	5,170	5,409
1985	4,543	4,247	4,326
1984	3,657	3,457	3,563
1983	2,689	2,570	2,737
1982	2,156	2,067	2,034
Overall Average	$5,715	$5,426	$5,744

Source: NADA Official Used Car Guide

Used car sales



Source: NADA Official Used Car Guide

Ford Motor Co.

July 18 — Arena Auto Auction, Chicago; Harrisonburg Auto Auction, Harrisonburg, Va.; and Bay Cities Auto Auction, Hayward, Calif.

July 19 — Northway Auto Auction, Clifton Park, N.Y.; Albuquerque Auto Auction, Albuquerque, N.M.; Clanton's Auto Auction, Darlington, S.C.; Fort Worth Auto Auction, Fort Worth, Texas; Indianapolis Auto Auction, Indianapolis; and Greater Tampa Bay Auto Auction, Tampa, Fla.

July 20 — Denver Auto Auction, Aurora, Colo.; Interstate Auto Auction, Mercer, Pa.; Minneapolis Auto Auction, Plymouth, Minn.; Nashville Auto Auction, Nashville, Tenn.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

July 25 — Newburgh Auto Auction, Newburgh, N.Y.

July 26 — Clanton's Auto Auction, Darlington, S.C.; Mississippi Auto Auction, Hattiesburg, Mo.; Lakeland Auto Auction, Lakeland, Fla.; Southern California Auto Auction, Fontana, Calif.; Omaha Auto Auction, Omaha, Neb.; and Salt Lake Auto Auction, Salt Lake City.

July 27 — Ohio Auto Auction, Grove City, Ohio; Manheim Auto Auction, Manheim, Pa.; and Southwest Auto Auction, Chandler, Ariz.

General Motors

July 18 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and Manheim Auto Auction, Manheim, Pa.

July 19 — Puget Auto Auction, Auburn, Wash.; Atlanta Auto Auction, Atlanta; Clanton's Auto Auction, Darlington, S.C.; Southern California Auto Auction, Fontana, Calif.; Omaha Auto Auction, Omaha, Neb.; and Mississippi Auto Auction, Hattiesburg, Miss.

July 20 — Mid Ark Auto Auction, North Little Rock, Ark.; Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; and St. Louis Auto Auction, St. Louis

July 25 — A.D.E. of Birmingham, Moody, Ala.; Harrisonburg Auto Auction, Harrisonburg, Va.; and Florida Auto Auction of Orlando, Ocoee, Fla.

Lotus settles 2 cases, ends tie to DeLorean probe

By Daniel Ward
STAFF CORRESPONDENT

LONDON — Group Lotus has reached out-of-court settlements with both the receiver for the failed DeLorean Motor Car Co. and British tax authorities.

Meanwhile, Fred Bushell, former Lotus chairman and co-owner of the unrelated Lotus Formula One racing team, has been arrested on fraud charges stemming from the handling of money used to finance John DeLorean's sports-car project.

Payment of the "undisclosed sums" removes Group Lotus from the seven-year investigation to recover $17.67 million that disappeared during the development of the stainless steel sports car.

Group Lotus said last week it had "reached an out-of-court settlement with the joint executors of DSQ Property Services Limited (formerly DeLorean Motor Car Co.) in the present action claiming damages and interest.

Under the settlement, Lotus has paid a sum of money without any admission of liability and all existing and future claims of DSQ against Lotus have been dropped."

The statement made no mention of an out-of-court settlement with the tax authorities.

The company admitted a payment had been made to Inland Revenue — Britain's equivalent of the U.S. Internal Revenue Service — to settle a 1984 protective tax assessment for £85 million ($113.4 million).

British authorities levied the assessment when they didn't get the answers needed to track down the missing funds.

In both cases, Lotus made payments subject to confidentiality.

It is unlikely that the amount paid will be disclosed because Lotus' accounts are consolidated with General Motors'.

Lotus has been faced with heavy legal expenses in the DeLorean case despite the fact that the company has never been directly implicated in the government investigation.

Lotus founder Colin Chapman, who died in 1982 and whose company was subsequently sold to GM in 1986, worked with DeLorean in developing the sports car.

A full accounting of how the government's development funds were spent has never been provided. Investigators had hoped Lotus would provide leads.

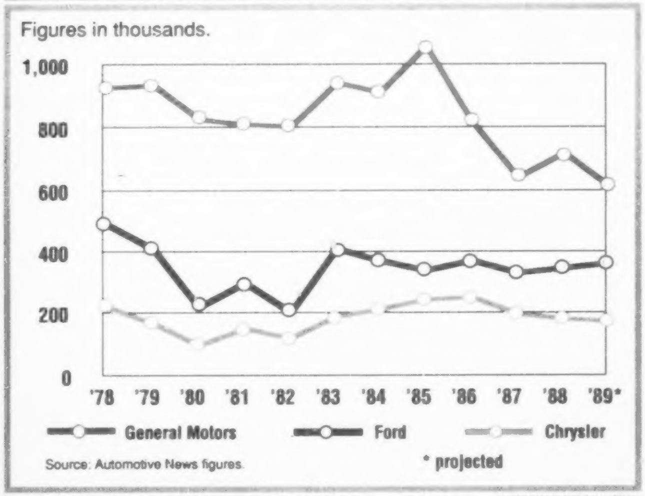
The "appropriate settlement," as it was described by Lotus, also ends legal action initiated by the bankruptcy receiver seeking to recover funds for investors in DeLorean's defunct company.

The amount paid by Lotus will be deducted from a $54 million claim DSQ obtained against DeLorean last year.

DSQ won a summary judgment to collect that money in a U.S. court in May, but the judge stayed enforcement of the judgement pending DeLorean's appeal, which is expected to be heard in August.

Bushell, 61, Lotus' former chairman, was arrested and taken to a Belfast court by the Royal Ulster Constabulary's fraud squad where he denied charges of conspiracy with DeLorean and Chapman to defraud DeLorean Motor of £3.5 million ($5.7 million).

Big 3 third quarter car production



Source: Automotive News figures.

AUTOMOTIVE NEWS / L. CRAIN

SHUTDOWN

FROM PAGE 3

States from dipping to the lows of the recession in the early 1980s. Those plants are set to assemble about 286,000 cars, up 80,000 from 1988.

The industry is scheduled to build about 1.47 million cars in the third quarter, slightly less than the 1.49 million built in the third quarter last year. The low point of the decade was 1.26 million in 1982.

The Big 3 are slated to build just under 1.18 million cars, about 100,000 less than they produced in the third quarter a year ago. The numbers do not include vehicles that will be built at their joint-venture operations.

Analysts predict that if the new incentives don't clear out most of the 1.8 million Big 3-built cars in inventory, the automakers could trim production schedules further later this month or in August.

Chrysler Motors plans to build fewer cars in the third quarter than in any third quarter for more than a decade. Excluding its share from its joint-venture with Mitsubishi, Chrysler plans to build 181,000 cars in the quarter. Chrysler recently extended shutdown time at its plant Sterling Heights, Mich., which builds the Plymouth Sundance and Dodge Shadow.

Industry analysts predict Chrysler may cut production of its Dodge Omni and Plymouth Horizon late in the third quarter or early in the fourth quarter due to high inventories. The Detroit plant that presently builds those models is scheduled for only a five-day model changeover.

General Motors, excluding its New United Motor Manufacturing Inc. venture with Toyota, is scheduled to build 623,000 cars in the third quarter. That would be its lowest level in more than a decade and nearly 100,000 units less than it built in the 1988 third quarter. Adding in GM's share of NUMMI production boosts GM's third-quarter output above the 1987 total, which was the lowest in this decade.

GM recently extended the already-long shutdowns at car plants in: Arlington, Texas; Bowling Green, Ky.; Flint, Mich.; Janesville, Wis.; Lansing, Mich.; Linden, N.J.; and Wilmington, Del. Analysts predict further cuts in GM's schedule will be announced late this month or in August, depending on the success of the incentive program announced last week.

Ford Motor Co. trimmed its second-quarter production by closing some plants. For the first time since the economic recovery started six years ago, Ford closed plants in late May and in June due to climbing inventories. So far, Ford has maintained a strong third-quarter schedule, though analysts predict it also will be forced to cut some production.

Excluding its share of output from Mazda's Flat Rock, Mich., plant, Ford plans to build 376,000 cars in the third quarter, about 16,000 more than it built in the year-ago quarter.

INVENTORY

FROM PAGE 1

lower-volume models, such as Civic station wagons, Civic CRX and Prelude. Honda does not consider the increase in inventories alarming, noting the June 1 figure was calculated on a high May sales rate and the July 1 figure on a lower June sales rate as Honda ended a sales incentive program.

Honda declined to discuss any changes in how its internal inventory is calculated. But dealers privately note that in previous years, the way car allocations were made encouraged dealers to report cars as "sold" as soon as they arrived at dealerships, a practice that has since largely disappeared.

Current Honda inventory figures may more accurately reflect reality than old reports of often single-digit days' supply, dealers suggest.

"We have more cars than I can sell," admitted Gregory McCollum, vice president of Bob Benson Honda in Petaluma, Calif. "It is definitely not the same market as a year ago."

Ray Cooper, general sales manager of Metro Honda in Thornton, Calif., said he has plenty of cars across the board.

"Business is off a little bit. It's not like last year," he said.

Across the entire U.S. market, robust June sales in 1988 whittled down the July 1 domestic-import inventory to 2,490,542 unsold cars, a 61-day supply, 12 days fewer than this year's inventory.

This year's July 1 stockpile of U.S.-built cars rose only 3,139 units over June to 1,847,283. But because of June's sluggish sales pace, that represented a 75-day supply. The figures were 67 days on June 1, and 60 days on July 1, 1988.

Import-car inventories also edged up marginally in June. The July 1 total was 663,418 units, up 1,873 from June 1. The days-supply figure was 67, compared to 66 on June 1 and 58 on July 1, 1988.

Each of the domestic Big 3 reported higher inventories and days' supplies on July 1.

Combined stocks of Chrysler Motors' U.S.-built cars and captive imports climbed to 300,372, equal to 87 days, up from 76 days on June 1.

Both General Motors and Ford Motor Co. reported combined domestic-import stocks equivalent to 80-day supplies on July 1.

GM's combined car inventories rose to 1,001,373. That was equal to 80 days, compared to 72 days on June 1.

Ford's combined car stocks totaled 598,000, equal to an 80-day supply, up from last month's 71.

Automotive News Staff Reporter Jesse Snyder in Los Angeles contributed to this report.

IMPORT DAYS' SUPPLIES

	July 1, 1989	June 1, 1989	July 1, 1988
Chevrolet	117	119	88
Chrysler Motors	182	158	104
Acura	42	46	43
Daihatsu	82	83	73
Honda	63	25	15
Isuzu	134	119	129
Mazda	47	53	47
Mitsubishi	65	24	86
Nissan	75	88	80
Subaru	87	95	91
Suzuki	308	160	-
Toyota	31	29	20
JAPAN	64	61	54
Audi	117	141	125
BMW	79	73	76
Mercedes-Benz	43	54	41
Merkur	134	117	93
Porsche	96	98	89
VW	59	68	83
GERMANY	65	72	75
Alfa Romeo	114	120	93
Festiva	133	118	117
Hyundai	58	58	32
Jaguar	32	58	51
Peugeot	98	94	66
Pontiac	81	116	63
Eagle/Renault	201	158	292
Saab	91	79	67
Sterling	75	73	90
Volvo	68	73	67
Yugo	137	171	227
Other Countries	80	85	63
Total Import Cars	67	66	58
Geo Tracker	148	139	-
Isuzu	144	121	131
Mazda	75	68	65
Mitsubishi	95	74	111
Nissan*	55	82	82
Range Rover	45	42	51
Suzuki	159	97	187
Toyota	45	50	43
Dodge	159	170	114
Total Imp. Trucks	77	81	81
Total Imp. Vehicles	69	69	62

*Includes domestic trucks.

New Kelsey-Hayes plant produces millionth ABS

ROMULUS, Mich. — Kelsey-Hayes Co., manufacturer of anti-lock braking systems for passenger vehicles, reported that production of second-generation rear-wheel anti-lock braking systems at its new Fenton, Mich., plant has topped one million.

Production at Fenton began in 1988, and the plant is scheduled to begin making four-wheel anti-lock braking systems later this year. Kelsey-Hayes also makes anti-lock braking systems at a plant in Brighton, Mich.

DOMESTIC DAYS' SUPPLIES

	July 1, 1989	June 1, 1989	July 1, 1988
Alliance	—	—	73
Premier	92	128	107
Total Eagle	92	128	105
Horizon	113	92	107
Laser	51	51	—
Sundance	136	93	47
Reliant	84	79	59
Acclaim	58	43	—
Caravelle	—	—	79
Gran Fury	—	—	29
Total Plymouth	86	65	64
LeBaron K	—	—	100
LeBaron J	73	83	56
LeBaron GTS	262	248	114
Fifth Avenue	93	104	86
New Yorker C	72	61	73
New Yorker E	—	—	255
Total Chrysler	77	76	72
Omni	105	86	106
Shadow	103	74	48
Daytona	72	78	52
Aries	67	71	58
Lancer	244	252	148
Spirit	54	53	—
Diplomat	—	—	61
Dynasty	50	37	42
Dodge 600	—	—	81
Total Dodge	70	60	61
CHRYSLER MTRS.	77	68	67
Escort	86	94	62
Mustang	57	53	48
Tempo	81	89	62
Taurus	65	54	46
Thunderbird	122	94	103
Probe	85	70	32
Crown Victoria	92	85	46
Total Ford Div.	79	75	57
Tracer/Lynx	71	71	110
Topaz	81	83	60
Sable	67	59	50
Cougar	112	79	82
Grand Marquis	98	80	41
Total Mercury	85	74	63
Continental	66	71	18
Lincoln	58	72	64
Mark VII	59	50	75
Total Lincoln	60	67	55
Total L-M Division	77	72	61
FORD MOTOR CO.	78	74	58
Skyhawk	86	103	92
Somerset/Skylark	31	42	64
Century	82	56	77
Regal	84	93	92
LeSabre	74	80	50
Reatta	82	109	98
Electra	98	100	83
Riviera	85	83	58
Total Buick	74	74	74
Cimarron	67	138	128
Allante	114	105	104
Seville	36	58	109
DeVille	140	67	110
Brougham	77	70	122
Eldorado	85	81	141
Total Cadillac	103	69	117
Chevette	—	—	310
Geo Prizm/Nova	128	136	95
Cavalier	66	67	51
Camaro	75	65	68
Celebrity	33	40	68
Corsica/Beretta	65	64	41
Lumina/Monte Carlo	74	—	74
Caprice	81	74	58
Corvette	126	109	54
Total Chevrolet	69	62	56
Firenza	—	—	142
Calais	117	90	69
Cutlass Ciera	86	70	76
Cutlass Supreme	114	123	118
Olds 88	93	79	44
Olds 98	77	66	87
Toronado	182	186	64
Total Oldsmobile	97	84	74
Fiero	—	—	77
Sunbird	74	51	40
Firebird	72	60	56
Grand Am	72	65	35
Pontiac 6000	61	61	42
Grand Prix	131	118	76
Bonneville H	91	76	36
Paris./Safari	81	94	87
Total Pontiac	82	70	45
GENERAL MTRS.	79	70	63
HONDA	40	17	16
MAZDA	60	57	16
MITSUBISHI	25	—	—
NISSAN	86	110	48
TOYOTA*	21	34	35
VOLKSWAGEN	—	—	140
DOM. TOTAL	75	67	60
Subcompact	58	54	52
Compact	71	62	49
Intermediate	72	64	64
Standard	88	76	60
Speciality	112	89	71

*Estimate.

INCENTIVES

FROM PAGE 1

in lieu of a carryover allowance. Earlier this year, GM told dealers it would not pay the traditional carryover allowance — 5 percent of the list price of the vehicle and factory-installed accessories on vehicles left in inventory when the new model year started. Dealers in recent years have been forced to forfeit part or all of the allowance on some vehicles to pay for incentives.

This year, dealers can elect not to participate in the dealer incentive program. Instead, they will receive $150 on most vehicles left in their inventories on Sept. 28. Dealers say that payment is so minimal that few will pass up the incentive plan.

Under the dealer incentive program, dealers are assigned a sales quota. They get nothing for the first third of the quota, $300 per vehicle for 34-66 percent, $500 per vehicle for 67-100 percent and $1,000 per sale in excess of 100 percent. In addition, GM will advance dealers half of the money they would receive if they meet their sales target.

The following programs have been announced:

ALFA ROMEO offers dealer rebates of $2,000 on Milano sedans and $1,000 on Spyders, for each sale or lease of a 1988 or 1989 model and an extra $6,000 for every third Milano sold, or $3,000 for every third Spyder. The program ends Aug. 31.

AUDI extended consumer and dealer incentives until July 31. Dealers who meet their sales goals for 100 and 200 front-wheel-drive models will receive $3,000 for every car they sell during July. Audi is giving consumers $2,000 on 80 Quattro, $2,500 on 90 and 100 Quattro and $3,000 on 200 Turbo Quattro.

BMW offers reduced interest rates on 1988 and 1989 7-series models through Aug. 31. It had been offering special leasing rates on the 7-series, but the new program marks the first retail financing program for the 1989 models.

BUICK offers a rebate up to $1,500 for buyers of Skylark and Century models with uplevel option packages.

On virtually all GM models except Cadillacs, buyers will have a choice between a rebate and cut-rate loans of 2.9 percent for 24 months, 5.9 percent for 36 months, 6.9 percent for 48 months and 10.9 percent for 60 months. The 60-month rate was raised to 10.9 percent from 9.9.

There is no dealer financial participation.

Buick's rebates are $500 on Skyhawk, $500 to $1,000 on full-sized Estate Wagon, and $500 to $1,500 on Skylark, Century, Regal, LeSabre and Electra/Park Avenue (except Ultra).

CHEVROLET doubled rebates on its 1990 Geo Prizm and placed a $400 rebate on its Geo Tracker; increased rebates on Caprice ($750 to $1,000) but cut rebates on Beretta ($600 from $1,000) and Camaro ($500 from $1,000).

The rebates are: $400 on Sprint/Geo Metro, Geo Spectrum and Geo Tracker; $500 on Camaro, Celebrity, S-10 pickup EL models, C/K full-sized pickup and cab chassis (with no low financing alternative), Astro and Chevy Van; $600 on Cavalier, Beretta and R/V full-sized pickup and cab chassis (with no low financing alternative); $750 on S-10 pickup and cab chassis (excluding EL) and S-10 Blazer; $800 on Geo Prizm and 1988 Nova; $1,000 on Corsica and Caprice.

> "We don't anticipate consumers waiting. The biggest availability of colors, options and models out there will be the earliest ones."
>
> — BUD MOORE

GMC TRUCK indefinitely extended incentives, offering rebates or low financing on many models.

Rebates offered as an alternative to low financing are: $500 on Sierra full-sized pickups and cab/chassis (with no low financing alternative); S-15 special price-leader pickups, Safari passenger and cargo vans, Rally passenger and Vandura cargo vans; $600 on R/V pickups (with no low financing alternative); $750 on S-15 pickups and cab/chassis models (excluding leader) and S-15 Jimmy.

GMC Truck and Chevrolet are offering a free automatic transmission alternative to the $500 rebate on the Sierra full-sized pickup.

HONDA has a dealer program which ends Aug. 31 and offers up to $500 on 1989 Preludes and up to $350 on four-door 1989 Accords.

HYUNDAI revised combined consumer rebate and dealer cash program and extended incentives until Sept. 5.

The new program continues a previous dealer cash program on 1989 Sonata sales and leases. The non-retroactive dealer payments are $300 per unit for the first 10 sales in the period, $500 each on units 11 to 20 and $800 each for units over 21.

Direct consumer rebates on 1988 and 1989 Excels — with no dealer contribution — are $300 on three-door base L, $500 on four-door L, $500 on GL and $1,000 on GLS, GS and SE.

Dealers will receive bonus payments based on the percentage of sales quota reached. For 30 to 99.9 percent of quota, payment is $300 per Excel for each unit over the initial level. Reaching or exceeding objective is worth $600 on all units over quota.

MAZDA extended combination consumer rebate and dealer cash incentive program through Aug. 2.

Consumer rebates are: $750 on 626, MX-6 and pickups; $200 on three-door 323; $600 on four-door 323.

Mazda also is offering dealer cash payments on 929, 626 and MX-6. The 929 incentive is $1,000 per unit; payments on the 626 and MX-6 are on a sliding scale based on attainment of quotas.

MERCEDES-BENZ continues to offer special leasing rates on its 190 models.

MITSUBISHI offers dealer cash payments of up to $1,750 on retail sales or leases of most models except Eclipse until July 31.

Mitsubishi will pay dealers $500 for any retail sale or lease of 1989 Galant or 1988 or 1989 Precis, Sigma, Starion, Montero or Wagon during the period. The bonus is $1,000 on any 1988 or 1989 two-door Montero sale or lease.

On 1988 and 1989 Mirage sales or leases, the payment increases with volume. Cash payments are: $250 each for first six units; $500, seventh through 12th; $750, 13th through 20th; $1,000, 21st through 30th; $1,250, all additional Mirages. Payments are not retroactive. The bonus is $500 on all 1988 and 1989 three-door Mirages sold or leased.

For 1988 and 1989 pickups and Vans, payment is also based on volume. Dealers get $500 per unit for the first 12, $1,000 each for units 13-25 and $1,500 each above that.

NISSAN is offering dealer incentives ending Sept. 5 on 1988 and 1989 Sentras, Hardbody pickups and Pathfinders. Awards per vehicle range from $100 to $2,000.

For Sentra, a dealer gets $100 per unit for 0 to 33.9 percent of quota; $800, 34 to 99.9 percent; $1,500, 100 percent or more.

For pickups or Pathfinders, the cash bonus is $100, $1,000 and $2,000 in the same steps.

OLDSMOBILE increased rebates on Cutlass Calais to $1,250 from $1,000; other than that, the program is a carryover.

Olds rebates are: $1,000 on Cutlass Ciera, 88 and Custom Cruiser; and $1,500 on Cutlass Supreme, 98 and Toronado.

Dealers are required to contribute on some of the incentives. On Calais, the dealer must pay $250 on the $1,250 incentive. If the dealer chooses not to participate financially, the rebate on the Calais is $750. On the Ciera, the dealer must pay $250 of the $1,000; otherwise the Ciera incentive is $500. The dealer payment is $250 on Supreme, otherwise $1,000.

PEUGEOT factory-to-dealer rebates run through Sept. 16. They are: $2,000 on 405-DL; $1,500, 405-S; $1,000, 405-Mi 16; $1,000, 1989 505 wagon.

Peugeot also lengthened its optional factory-sponsored extended service contract to 6 years/60,000 miles from 5/50.

PONTIAC rebates are: $1,250 on Grand Prix; $1,250, Grand Am; $1,000, 6000, Sunbird, Bonneville, Firebird, Safari wagon and LeMans GSE and SE; $700 on LeMans LE and Value Leader.

According to dealers, Pontiacs in the rebate program have a $250 dealer financial participation cost except for LeMans, which has a $150 fee. If the dealer decides not to participate, the consumer receives the rebate minus the dealer participation cost, dealers said.

STERLING continues to offer factory rebates and low-interest financing on 1988 models and special lease rates on 1989 models.

In August, Sterling customers will have three choices: low-interest financing or special lease rates on 1989s, or a dealer-cash offer to be applied to the purchase price at the dealer's discretion.

For a 66-month, no-money-down lease, payments are $336 to $448 per month, depending on model.

With a 10 percent down payment on a 66-month lease, the monthly rates are $292 to $391. Payments increase on shorter-term leases.

Low-interest financing on the 1989s will include a 24-month loan at 4.9 percent; 36 or 48 months at 5.9 percent; or 60 months at [illegible].9.

Cash rebates to dealers will be $1,500 on 827S and $2,750 on SL, SLi or LE.

SUBARU fine-tuned rebates, which run through Sept. [illegible] Incentives on Subaru's GL and DL three-door and four-door models and the GL 10 wagon remain at $2,000. The $2,000 rebate was cut to $1,500 on GL and DL wagon models.

A $300 rebate on the Justy DL was discontinued, while the $500 rebate on the Justy GL was doubled to $1,000. The $1,000 rebate also was applied to the Justy RS and the Justy with continuously variable transmission. The rebate on the XT sport model was doubled to $3,000.

Whether the rebate goes directly to the customer or to the dealer varies by sales region.

SUZUKI has a three-part cash program on selected Sidekicks and Swifts until Aug. 2. Dealers get $1,000 each on Swifts with automatic transmissions and uplevel Sidekick sport-utilities except Sidekick JS.

TOYOTA: Program runs until Sept. 5 and combines dealer cash payments of up to $2,500 and a sales manager trip contest on pickups, vans, 4Runners, Camrys, Corollas, Supras and MR2s.

Cargo and panel vans have three dealer cash payments based on volume. They are: one to three units, $1,250 each; four to six, $1,500 each; seven or more, is $2,500 per unit for all units, retroactive to the first six.

For 1988 and 1989 pickups and 4Runners, the dealer payment is based on percentage of quota achieved. For 0 to 34.9 percent, $200 per unit; 35 to 84.9 percent, $400 per unit; 85 to 99.9 percent, $1,000 per unit; and $1,200 for meeting or exceeding quota. There is a $400 bonus on all base 4x2 and 4x4 models and a $200-per-unit bonus on each sale before Aug. 2 if the July sales objective is reached.

On 1988 and 1989 Camrys and Corollas, the program uses different percentage groupings. For 0 to 33.9 percent of objective, the payment is $100 per car; 34 to 66.9 percent, $300 per car; 67 to 100 percent, $600; and for exceeding quota, $800 per car.

Toyota will pay dealers a flat $2,000 on all 1988 and 1989 Supras and $1,000 on 1988 and 1989 MR2s sold until Sept. 5.

VOLKSWAGEN: Cash rebates through July 31 are: $200 on Wolfsburg Edition Fox GL; $500 on Wolfsburg Edition Golf GL; $750 on 1988 and 1989 GTI 16V, Wolfsburg Edition Cabriolet and Wolfsburg Edition Jetta GL; $1,000 on 1988 and 1989 Jetta GLI and 1989 Wolfsburg Edition Vanagon GL; $1,500 on Wolfsburg Edition Jetta GLI; and $2,000 on 1989 and 1988 Vanagon camper. No dealer financial participation is required.

Dealers receive $500 on every Vanagon camper sold during July.

Automotive News Staff Reporters Jim Henry, Dutch Mandel and Jesse Snyder contributed to this report.

Cars, trucks post sales gain in early July

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Early-July sales of U.S.-built cars and light trucks climbed 8.93 percent above last year's lackluster period, which had followed the second best 10-day period of 1988.

Both car and truck sales performance improved in the July 1-10 period. Only Chrysler Motors and Honda suffered sales declines. Chrysler's light-truck increase could not make up for lower car deliveries. And domestic Hondas fell by nearly a third.

The 10-day upswing represented "a little bit of bounce back in early July after very bad late June sales," said Wendy Beale Needham, auto analyst at Smith Barney, Harris, Upham & Co. in New York.

She said good weather and shopping on the July 4 holiday weekend probably helped boost sales. Showroom traffic may have increased because some incentives, particularly those from General Motors, were due to expire July 10.

In the period, 249,298 domestic cars and light trucks were sold, an increase of 20,428 over last year's 228,870.

GM and Ford Motor Co. both reported 11 to 12 percent increases in combined car and light-truck sales. Nissan's domestically assembled car and truck deliveries soared 98.43 percent above last year's. Chrysler Motors' combined sales slipped 2.08 percent below the equivalent period in 1988.

Deliveries of U.S.-built cars for the July 1-10 period totaled 155,297, up 9.28 percent from last year's 142,110.

Light-truck sales rose 8.35 percent. The four light-truck makers sold 94,001 units, up from 86,760 last year. Nissan's light-truck deliveries more than doubled the year-ago total.

Boosted by hefty Lincoln gains, Ford delivered 16.95 percent more cars than it did a year ago.

GM sold 11.34 percent more cars in this year's early-July period. Buick had the biggest gain; Chevrolet and Pontiac were up.

Chrysler reported a 5.76 percent decline, although Plymouth posted a 3.74 percent increase.

Among the transplants, only Honda reported a decline: 31.83 percent. Toyota U.S.-built Camry sales more than doubled in the first 10 days of July. Nissan reported a hefty 86.90 percent gain in domestic Sentra deliveries. Mazda's MX-6 sales rose 47.33 percent. Mitsubishi, which was not making cars here last year, sold 716 Eclipses in the first 10 days of July.

All four U.S. truck makers reported early-July increases. Nissan's transplant light-truck sales doubled. GM boosted its light-truck deliveries 13.16 percent, and Ford sold 3.56 percent more light trucks than it did last year.

DOMESTIC CAR SALES

	July 1-10, 1989	July 1-10, 1988
Eagle	1,013	1,143
Chrysler	4,440	5,397
Plymouth	5,937	5,723
Dodge	9,059	9,437
Chrysler Motors	20,449	21,700
Ford	34,248	28,718
Mercury	9,977	9,790
Lincoln	4,233	2,928
Ford Motor Co.	48,458	41,436
Buick	12,513	8,391
Cadillac	4,148	4,840
Chevrolet	33,747	29,032
Oldsmobile	11,414	13,317
Pontiac	12,482	11,157
General Motors	74,304	66,737
Honda	6,623	9,715
Nissan	2,639	1,412
Toyota	1,694	829
Mazda	414	281
Mitsubishi	716	—
U.S. Car Total	155,297	142,110

COURT

FROM PAGE 3

The petition also notes that eight federal courts and five state supreme courts have addressed the issue of whether compliance with federal law exempts automakers from liability in design defect cases and that the situation is "utterly unclear." For example, a jury found that the placement of a gas tank between the rear bumper and the axle was negligent even though it met federal safety standard 301. Another jury found a side door design inadequate even though it met standard 214.

The lawyers maintain that those and the air-bag cases need clarification by the Supreme Court.

Air bag suits: GM wins one, settles one

By Helen Kahn
SENIOR CORRESPONDENT

WASHINGTON — In two separate cases charging that General Motors cars were defective because they weren't equiped with air bags, the automaker won one on appeal and settled the other out of court.

A three-judge U.S. Court of Appeals for the 11th Circuit in Atlanta upheld a Florida court decision in GM's favor saying that the Motor Vehicle Safety Act of 1966 "implies" federal pre-emption of some liability claims in state courts.

The ruling applies not only to GM in the Taylor vs. GM case, but also to a joined case of Evans vs. American Honda. In that case, the plaintiff charged that a 1977 Accord was not crashworthy because it, too, lacked an air bag.

While the appellate court found no express federal pre-emption in the 1966 law, it found implied pre-emption, saying that a 1974 federal safety standard adopted under the 1966 law provided manufacturers a choice of equipping their vehicles with seat belts or passive restraints such as air bags.

If a state court suit were to require automakers to install passive restraints, it would eliminate their option, thereby "frustrating the federal regulatory scheme," the court said.

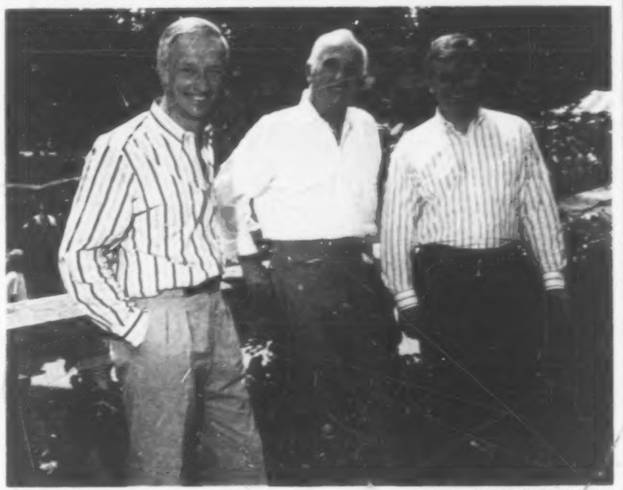
Meanwhile, GM reached a confidential, out-of-court settlement in a similar case, Ritt vs. GM, in the U.S. Court of Appeals for the Seventh Circuit in Chicago.

That court requested the government's view on whether the 1966 safety law and federal standard 208, which provides for passenger restraints, were meant to pre-empt state auto design litigation.

NHTSA's position, forwarded by the Justice Department, held that mere compliance with the minimum federal safety standard is not a shield against litigation and a federal policy of "uniformity" does not make auto companies immune from damages under common law.

But the government confined its view on the issue to the 1984 version of standard 208, which requires the phase-in of passive restraints by 1990. It took no position on vehicles made before that standard was issued.

GM settled the case. It involved a 1980 Pontiac Sunbird in which the driver was paralyzed in an accident. The driver's guardian sued on grounds the car was uncrashworthy because it lacked passive restraints.



AUTOMOTIVE NEWS/JOE WILSSENS

Designers eye the classics
The Big 3's leading auto designers set aside their corporate competition and relaxed for a few moments at the Eyes on the Classics concours d'elegance in Grosse Pointe Farms, Mich. Standing, from left, are: John J. Telnack Jr., Ford Motor Co.; Charles M. Jordan, General Motors; and Thomas C. Gale, Chrysler Motors. Cadillac General Manager John O. Grettenberger presented an award for best expression of Cadillac to L.C. Harriman for his 1941 Cadillac 60-S sedan. Cadillac was the honored marque of the event.

EPA questions tax loophole used by Ford [illegible] Chrysler

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The EPA has asked the Internal Revenue Service to examine its method of taxing gas guzzlers based on sales projections rather than on actual sales, according to Thomas M. Ball, chief of the EPA's certification branch.

Following the disclosure last week that loopholes in the gas-guzzler law allowed Ford Motor Co. to avoid nearly $200 million in taxes and Chrysler Motors to avoid about $29 million, the EPA is studying alternative ways to determine gas guzzlers. It is also investigating to see if other manufacturers are using loopholes, Ball said.

Ford and Chrysler used different ways to avoid the tax.

If the fuel-economy rating of a category of cars is below 22.5 mpg, the maker is penalized $500 to $3,850 per car. For Ford and Chrysler, the penalty probably would have been $500, Ball said.

Gas guzzlers are determined in classes by the projected best-selling model of a category of cars.

Ford counted its 1986 Thunderbird V-8 as its best-selling model [illegible]e EPA fuel economy category with the Mercury Cougar, Ford Crown Victoria, Mercury Grand Marquis and Lincoln Town Car, Continental and Mark VII.

By breaking the cars into subcategories — based on things like axle ratio and engine controls — Ford turned the more efficient Thunderbird into the class' best seller.

Chrysler got its rating by projecting higher sales than it actually achieved for the highest-economy version of its 5.2-liter V-8-powered 1988 Chrysler Fifth Avenue, Dodge Diplomat and Plymouth Gran Fury models.

"We discussed the situation with Ford and they agreed not to do it again," Ball said.

Donald R. Buist, director of Ford's automotive emissions and fuel economy office, said, "Ford Motor Co. has done nothing inconsistent with the law."

A Chrysler spokesman said, "We were in strict compliance with the law. Sales projections are based on our best estimate at the time. It didn't work out."

CAFE

FROM PAGE 2

approved its use of $4.03 million in credits accumulated during the three years prior to 1987, when the company exceeded CAFE.

Porsche Cars North America settled liabilities recently for both the 1986 and 1987 model years, paying penalties of $323,440 and $948,480, respectively.

Porsche's CAFE in 1987 was 25.4 mpg and it anticipates it will again pay a fine for the 1988 model year because its CAFE dropped to 24.9 mpg. But because of weaker sales, it anticipates a fine of about $887,000, a spokesman said. Peugeot's CAFE was only 24.1 mpg in 1987 and the automaker paid a $767,600 penalty. Peugeot Motors of America's civil liability could be equally high in 1988 when the marketing arms expects its CAFE will be 23.5 mpg.

"CAFE is just something that we have to bear with, it's just the cost of doing business," a Peugeot spokeswoman said.

Because of Peugeot's small sales and already strained U.S. finances, paying a CAFE fine significantly impacts the company's bottom line, she said. "To others (carmakers) selling more cars, it's a drop in the bucket. For us there's just no way around it right now," she said.

Range Rover vehicles are classified as light trucks, and are subject to a lower CAFE standard. The light-truck CAFE for 1987 was 19.5 mpg and Range-Rover's average was 16.4 mpg, subjecting the manufacturer to a $272,955 fine.

Range Rover does not expect to meet the 1988 light-truck CAFE of 19.5 mpg or the 19 mpg level set for 1989.

"We aren't contesting it, or arguing the figures," a spokeswoman said.

WARRANTY

FROM PAGE 3

position — having to handle very angry customers," Downey said last week. "There is virtually zero chance there will be sufficient assets to pay all the creditors." He said dealers and customers are among the creditors least likely to be paid.

"My reputation is being beat to pieces over this, and it's not my fault," said Archie Huebner, a Chevrolet-Oldsmobile-Geo dealer in Carrollton, Ohio.

Heubner said he sold about 800 Thermo-Care warranties in 1987-88. He said he is owed $19,000 to $20,000 for warranty work that the administrator of the Thermo-Care warranties has refused to pay, citing the dispute with Ravinsky.

Jeffrey Fine, general manager of Peugeot of Westfield in New Jersey, said he has been refused reimbursement for work performed on cars owned by more than a dozen of his Thermo-Care Warranty customers. Three customers sued the dealership for fraud when they were told that repairs weren't covered, he said.

At the center of the case is Ravinsky, principal owner of Guardall Warranty Corp. in Mississauga, Ontario, and related businesses that filed for bankruptcy in March after the Ontario government closed them and froze their assets.

Ravinsky is also president and director of the company best known as Thermo-Guard Warranty Co., which is chartered in Fort Lauderdale, Fla. Ravinsky legally changed the name of Thermo-Guard Warranty Co. to SJR Warranty Co. soon after he bought out his partner in 1986. The company sold service contracts in the United States under the Thermo-Care name. In Canada, warranties were sold under the Guardall name.

An affidavit filed by the bankruptcy trustee said Ravinsky's Canadian companies sold an average of 2,000 extended service contracts a month from January to May 1987 alone.

Downey said customers paid $700 to $800 Canadian ($588-$672 U.S.) per warranty, and the selling dealers kept $300 to $400 ($252-$336 U.S.). Of the remainder, about 62 percent was supposed to be kept in trust, with $10 to go for insurance premiums for large claims.

But, according to Downey's affidavit, Ravinsky's companies failed to maintain sufficient reserves to pay claims, as they were obliged to do under Canadian law. He said the companies sometimes failed to buy insurance.

On April 5, Downey was put in charge of Guardall Financial Services Corp. and its five subsidiaries.

Downey then sought to force Ravinsky into bankruptcy in U.S. Bankruptcy Court in Miami, with an eye toward seizing Ravinsky's personal assets, notably the yacht that Ravinsky had tried to sell before the corporate bankruptcy was declared.

On July 5, Ravinsky settled the case and avoided being forced into personal bankruptcy by agreeing to hand over his personal and corporate assets.

Downey refused to divulge the financial terms of the settlement except to say it was "significant in monetary terms."

Ravinsky took over Thermo-Guard Warranty Co. in 1986 after buying out his former partner, Hap Hirsh.

> **Dealers are in a very difficult position — having to handle very angry customers. There is virtually zero chance there will be sufficient assets to pay all the creditors.**
>
> **Bankruptcy Trustee**

Hirsh of Deerfield Beach, Fla., founded the warranty business about two years earlier as part of Thermo-Guard Inc., which sells aftermarket sealant and protectant chemicals to dealers. Hirsh recently bought out his partner, Lou Small, and is now sole owner of the chemicals company.

Hirsh said he hasn't been associated with the warranty business since he sold it to Ravinsky.

Ravinsky expanded the business into Canada under the Guardall name and later moved its headquarters to Canada.

But Hirsh and Ravinsky shared the same office building in Florida until last year, and both organizations were represented by the same salespeople in the field in some markets. Hirsh said the Ravinsky bankruptcy has had a bad effect on the chemicals business, even though the two businesses were under separate ownership.

Under Hirsh and then under Ravinsky, 1,000 to 1,500 U.S. dealers have sold Thermo-Care warranties, at an average rate of about 1,300 warranties per month, according to Gerald Zipper, chairman of Dealer Service Network.

Dealer Service Network administered the service contracts for Ravinsky, both in Canada and the United States. It continues to honor valid Thermo-Care warranties, even though Thermo-Guard Warranty Co. is out of business, Zipper said.

Zipper said Ravinsky's companies virtually ceased selling service contracts in the United States after Dealer Service Network terminated its contract with Ravinsky last October. Sales ceased completely following the Canadian bankruptcy in March, he said.

Zipper said relatively few dealers, "no more than 50," have been denied claims because of the conflict between Dealer Service Network and Ravinsky.

Dealer Service Network is now suing Ravinsky in the New York Supreme Court, alleging that Ravinsky's companies accepted money for service contracts without forwarding the money to Dealer Service Network to maintain sufficient trust fund reserves or insurance.

Ravinsky countersued Dealer Service Network for more than $5.5 million in damages. He alleged that the warranty administrator breached its contract and withheld the money he needed to pay claims, making it impossible for him to meet his obligations.

Ravinsky did not return messages on his home answering machine. His attorney in New York, Susan Rosenthal, refused to discuss any aspect of the case. His attorney in Florida, James Paul, didn't return phone calls.

OBITUARIES

Charles E. Vincel

ST. LOUIS — Charles E. Vincel, 76, a top Pontiac dealer nationally in the 1960s, died June 12. He founded Vincel Pontiac in 1938.

Ford to idle two Ranger truck plants

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

A softening demand for compact pickup trucks will cause Ford Motor Co. to idle two plants that assemble the popular Ford Ranger model, beginning July 24.

Ford said sales of compact pickups have declined more this year than the truck market as a whole. Ford will shut down its Louisville, Ky., and Twin Cities, Minn., plants resulting in a weekly production loss of about 11,900 units during the first week and 4,300 cars the second.

The Louisville plant builds the Ranger and Bronco II and will be idle for a week. The Twin Cities plant, which produces the Ranger and F-series trucks, will be shut down for two weeks.

Meanwhile, last week's targeted domestic truck production remained low, with several plants closed for model changeover and vacation.

Output of 40,061 was 29.35 percent more than the previous holiday week's 30,972 and 0.86 percent above the year-ago week's 39,721.

Car production totaled 56,573 units last week, up 38.24 percent from the previous week's 40,925 but 39.81 percent below the year-ago week's 93,984.

Last week's estimated car build was split as follows: General Motors, 62.40 percent; Honda of America, 12.89 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 7.67 percent; Toyota Motor Manufacturing U.S.A., 6.22 percent; New United Motor Manufacturing Inc., 4.33 percent; Chrysler Motors, 3.54 percent; and Diamond-Star Motors, 2.95 percent.

Ford and Nissan Motor Manufacturing Co. plants are expected to resume production today after being idle for vacation.

Mazda, Honda, and Diamond-Star Motors resumed domestic production last week.

GM shut down its Buick City plant in Flint, Mich., for model changeover last Thursday. The plant is expected to reopen Aug. 7.

These GM plants remain closed for changeover: Detroit-Hamtramck; Orion Township, Mich.; Wentzville, Mo.; Flint, Mich.; Lordstown, Ohio; and the Reatta Craft Centre in Lansing, Mich.

Remaining idle for model changeover at Chrysler are: Toledo, Ohio; St. Louis; Belvidere, Ill.; Newark, Del.; and Sterling Heights, Mich., plants.

Canada plans 50 percent hike

Canadian auto production was scheduled at 12,800 units last week, up 50.59 percent over the previous holiday week's 8,500, and 49.39 percent over the year-ago week's 8,568.

Truck output last week of 6,533 dipped 45.49 percent from the prior week's 11,919 but rose 15.73 percent over the year-ago week's 5,645.

Ford Motor Co. reopened its plants today after a two week vacation shutdown.

U.S. CAR	Week Ended July 15, 1989	Week Ended July 16, 1988	Week Ended July 8, 1989	July to Date	Jan. 1 to July 15, 1989	Jan. 1 to July 16, 1988
Horizon	1,000	1,400	900	1,900	13,941	54,389
Sundance	0	3,142	1,964	1,964	64,561	59,633
Reliant	0	2,120	0	0	0	51,961
Acclaim	0	0	1,860	1,860	70,752	0
Caravelle	0	0	0	0	0	9,087
Gran Fury	0	290	0	0	0	15,057
Total Plymouth	1,000	6,952	4,724	5,724	149,254	190,127
LeBaron K	0	0	0	0	0	7,912
LeBaron J	0	2,050	0	0	55,273	44,526
LeBaron GTS	0	329	0	0	2,946	5,428
N. Yorker C-Class	0	0	0	0	57,496	63,233
Fifth Avenue	0	249	0	0	0	15,745
Total Chrysler	0	2,628	0	0	115,715	136,844
Omni	1,000	1,218	980	1,980	15,169	53,084
Daytona	0	2,020	0	0	46,536	43,801
Shadow	0	2,648	1,719	1,719	61,412	59,265
Aries	0	1,894	0	0	0	50,811
Dodge 600	0	0	0	0	0	8,549
Dynasty	0	0	0	0	83,278	59,366
Lancer	0	185	0	0	1,528	5,471
Spirit	0	0	1,124	1,124	60,292	0
Diplomat	0	297	0	0	0	12,371
Total Dodge	1,000	8,262	3,823	4,823	268,215	292,718
CHRYSLER MOTORS	2,000	17,842	8,547	10,547	533,184	619,689
Escort	0	0	0	0	169,288	201,238
Mustang	0	0	0	0	116,716	109,640
Tempo	0	0	0	0	81,238	102,764
Taurus	0	0	0	0	205,266	213,056
Thunderbird	0	0	0	0	88,353	84,245
Total Ford Div.	0	0	0	0	660,861	710,943
Topaz	0	0	0	0	37,232	38,291
Cougar	0	0	0	0	74,071	63,775
Sable	0	0	0	0	66,515	73,626
Total Mercury	0	0	0	0	177,818	175,692
Continental	0	0	0	0	37,593	23,716
Mark VII	0	0	0	0	13,265	12,997
Lincoln	0	0	0	0	70,039	75,589
Total Lincoln	0	0	0	0	120,897	112,302
Total L-M Division	0	0	0	0	298,715	287,994
FORD MOTOR CO.	0	0	0	0	959,576	998,937
Skyhawk	0	177	0	0	6,913	9,945
Skylark/Somerset	1,600	712	1,303	2,903	34,151	27,983
Century	2,725	1,580	2,250	4,975	69,787	66,096
Riviera	0	0	0	0	11,348	3,642
Electra	0	1,905	0	0	43,308	49,803
LeSabre (fwd)	3,528	2,592	2,297	5,825	90,610	69,970
LeSabre (rwd)	40	196	33	73	4,027	5,820
Reatta	0	166	0	0	3,140	5,140
Total Buick	7,893	7,328	5,883	13,776	263,284	238,399
Cimarron	0	0	0	0	0	3,693
Eldorado	0	0	0	0	19,103	23,410
Seville	0	0	0	0	13,997	14,488
Brougham (rwd)	1,325	356	920	2,245	22,308	17,799
Deville (fwd)	0	1,116	0	0	113,516	97,108
Allante	75	0	60	135	1,768	1,135
Total Cadillac	1,400	1,472	980	2,380	170,692	157,633
Cavalier	4,480	7,369	3,536	8,016	209,750	201,538
Camaro	0	2,825	0	0	64,591	51,925
Celebrity	0	2,638	1,727	1,727	70,349	108,343
Corsica/Beretta	4,695	9,460	3,657	8,352	229,395	231,362
Caprice	3,300	4,457	2,835	6,135	110,446	114,478
Corvette	560	450	448	1,008	14,853	11,878
Total Chevrolet	13,035	27,199	12,203	25,238	699,384	719,524
Calais	2,000	1,360	1,618	3,618	55,575	64,657
Firenza	0	0	0	0	0	5,230
Cutlass Ciera	3,055	2,260	1,557	4,612	50,399	13,156
Cutlass Supreme	0	3,937	0	0	51,125	90,891
Toronado	0	0	0	0	4,845	10,209
88 (fwd)	762	2,919	636	1,398	85,849	89,661
88 (rwd)	360	118	221	581	4,972	6,925
Olds 98	0	584	0	0	41,993	44,948
Total Oldsmobile	6,177	11,178	4,032	10,209	294,758	325,677
Sunbird	0	1,834	0	0	81,176	59,756
Grand Am	4,800	4,186	3,923	8,723	139,811	138,286
Firebird	0	1,325	0	0	35,352	36,632
Grand Prix	0	2,536	0	0	69,565	73,415
Pontiac 6000	2,000	711	742	2,742	45,304	43,569
Bonneville	0	2,345	0	0	51,680	63,962
Safari/Parisienne	0	71	0	0	2,691	4,697
Fiero	0	496	0	0	0	11,134
Total Pontiac	6,800	13,504	4,665	11,465	425,579	431,451
GENERAL MOTORS	35,305	60,681	27,763	63,068	1,853,697	1,872,684
DIAMOND-STAR	1,668	0	0	1,668	28,140	0
HONDA	7,290	7,133	0	7,290	204,887	196,869
Civic	2,580	2,325	0	2,580	69,798	54,206
Accord	4,710	4,808	0	4,710	135,089	142,663
MAZDA†	4,340	3,514	0	4,340	110,848	53,699
NISSAN	0	0	0	0	61,735	53,571
NUMMI	2,450	3,237	2,542	4,992	108,845	85,176
Corolla	950	1,172	1,016	1,966	43,776	31,278
Geo Prizm/Nova	1,500	2,065	1,526	3,026	65,069	53,898
TOYOTA	3,520	0	2,073	5,593	64,116	0
VOLKSWAGEN	0	1,577	0	0	0	35,595
Golf/GTI	0	1,577	0	0	0	30,042
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	56,573	93,984	40,925	97,498	3,925,028	3,916,220
Total Cars, Canada	12,800	12,343	8,500	21,300	542,467	637,740
U.S., Canada Cars	69,373	102,552	49,425	118,798	4,467,495	4,553,960
U.S., Canada Cars and Trucks	115,967	147,918	92,316	208,283	7,377,838	7,338,722

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended July 15, 1989	Week Ended July 16, 1988	Week Ended July 8, 1989	July to Date	Jan. 1 to July 15, 1989	Jan. 1 to July 16, 1988
Premier	0	1,595	0	0	22,370	38,874
CHRYSLER MOTORS	0	1,595	0	0	22,370	38,874
Tempo	0	0	0	0	72,675	102,017
Topaz	0	0	0	0	30,827	36,450
Crown Victoria	0	0	0	0	68,779	71,940
Grand Marquis	0	0	0	0	74,446	71,864
FORD MOTOR CO.	0	0	0	0	246,727	282,271
Celebrity	1,103	553	791	1,894	13,606	12,948
Cutlass Ciera	2,457	1,978	1,805	4,262	90,875	155,498
Lumina	6,321	0	4,181	10,502	70,863	0
Pontiac 6000	0	0	0	0	0	29,675
Regal	749	3,368	1,203	1,952	42,208	94,088
GENERAL MOTORS	10,630	5,899	7,980	18,610	217,552	292,209
HONDA	1,590	894	0	1,590	44,035	20,377
TOYOTA	400	0	376	776	6,956	0
VOLVO	180	180	144	324	4,827	4,009
Total Cars, Canada	12,800	8,568	8,500	21,300	542,467	637,740

U.S. TRUCK☆	Week Ended July 15, 1989	Week Ended July 16, 1988	Week Ended July 8, 1989	July to Date	Jan. 1 to July 15, 1989	Jan. 1 to July 16, 1988
Caravan	1,700	0	1,639	3,339	62,196	52,630
Dakota	0	0	0	0	54,919	61,653
Caravan C/V	0	0	6	6	4,518	8,496
Ram pickups	0	0	0	0	55,023	40,119
Total Dodge	1,700	0	1,645	3,345	176,656	162,898
Cherokee	0	3,626	0	0	122,181	102,230
Comanche	0	874	0	0	16,753	26,130
Grand Wagoneer	0	284	0	0	6,279	8,231
Wagoneer	0	0	0	0	4,987	6,190
Total Jeep	0	4,784	0	0	150,200	142,781
Voyager	1,600	0	1,515	3,115	58,813	48,601
Town & Country	100	0	137	237	1,825	0
Total C-P Div.	1,700	0	1,652	3,352	60,638	49,354
CHRYSLER MOTORS	3,400	4,784	3,297	6,697	387,494	362,297
Aerostar	0	0	0	0	127,712	109,133
Bronco	0	0	0	0	43,085	32,390
Bronco II	0	0	0	0	69,685	69,881
Econoline	0	0	0	0	129,119	130,025
Heavy trucks	0	0	0	0	34,992	35,060
Light trucks	0	0	0	0	292,860	266,783
Ranger	0	0	0	0	183,701	191,433
Total Ford Div.	0	0	0	0	879,154	834,705
FORD MOTOR CO.	0	0	0	0	879,154	834,705
Astro	2,993	3,365	2,371	5,364	92,245	96,392
Blazer	690	617	253	943	15,779	15,565
Mediums/Heavies	375	333	200	575	1,887	9,936
P-Model	725	1,017	562	1,287	20,041	22,311
Pickups	8,207	6,620	6,008	14,215	222,128	187,810
S-10	5,088	5,886	4,106	9,194	149,220	163,366
S-10 Blazer	3,991	3,648	3,178	7,169	107,949	93,409
Sportsvan/Van	1,886	2,036	1,477	3,363	54,374	50,113
Suburban	1,997	1,561	735	2,732	44,048	41,525
Total Chevrolet	25,952	25,083	18,890	44,842	707,671	680,427
Jimmy	199	71	72	271	4,679	4,486
Mediums/Heavies	341	769	575	916	2,412	22,023
P-Model	155	16	132	287	2,720	3,198
Pickups	2,393	1,991	2,312	4,705	66,427	58,177
S-15	1,059	1,162	826	1,885	34,614	37,244
S-15 Jimmy	1,035	966	810	1,845	30,040	24,264
Safari	767	892	596	1,363	23,937	24,547
Suburban	682	505	235	917	17,257	18,653
Vandura/Rally Vans	628	732	467	1,095	14,867	19,857
Total GMC	7,259	7,104	6,025	13,284	196,953	212,449
GENERAL MOTORS	33,211	32,187	24,915	58,126	904,624	892,876
NAVISTAR	0	0	0	0	45,126	45,649
NISSAN	0	0	0	0	65,298	55,959
AM GENERAL*	450	450	360	810	12,240	12,510
MISCELLANEOUS*	3,000	2,300	2,400	5,400	76,300	63,940
Total Trucks, U.S.	40,061	39,721	30,972	71,033		

CANADIAN TRUCK	Week Ended July 15, 1989	Week Ended July 16, 1988	Week Ended July 8, 1989	July to Date	Jan. 1 to July 15, 1989	Jan. 1 to July 16, 1988
Caravan	0	0	2,020	2,020	80,624	79,451
Caravan C/V	0	0	145	145	7,048	7,850
Ram Wagon	0	0	428	428	15,578	13,401
Ram Van	0	0	857	857	39,800	35,238
Total Dodge	0	0	3,450	3,450	143,050	135,940
Voyager	0	0	1,773	1,773	71,727	72,320
Total Plymouth	0	0	1,773	1,773	71,727	72,320
Wrangler	0	23	1,500	1,500	44,644	26,865
Total Jeep	0	23	1,500	1,500	44,644	26,865
CHRYSLER MOTORS	0	23	6,723	6,723	259,421	235,125
FORD MTR. (lt. trks.)	0	0	0	0	89,294	91,509
Light trucks	3,600	2,604	2,964	6,564	89,885	86,130
Vans	1,116	983	991	2,107	36,690	35,398
Total Chevrolet	4,716	3,587	3,955	8,671	126,575	121,528
Light trucks	1,280	1,434	711	1,991	40,146	44,378
Vans	537	601	530	1,067	18,072	18,450
Total GMC	1,817	2,035	1,241	3,058	58,218	62,828
GENERAL MOTORS	6,533	5,622	5,196	11,729	184,793	184,356
NAVISTAR	0	0	0	0	6,599	5,836
Total Trks., Canada	6,533	5,645	11,919	18,452	540,107	516,826
U.S., Canada Trks.	46,594	45,366	42,891	89,485	2,910,343	2,784,762

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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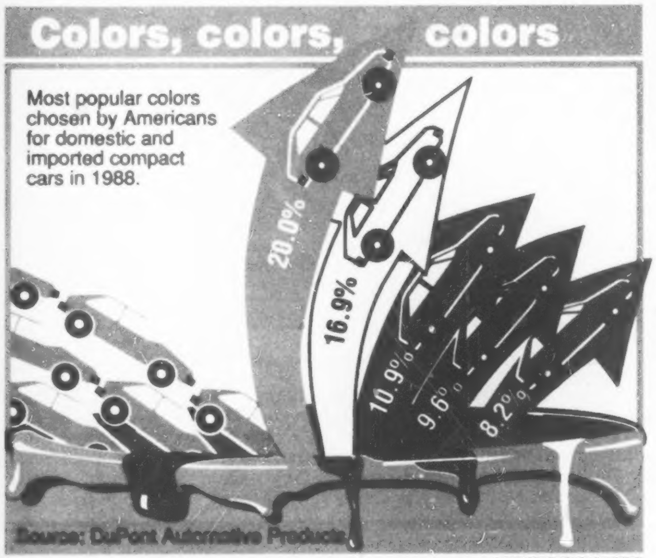


AUTOMOTIVE NEWS / C. BEEVER

Car orders simplified

Chrysler analyzes sales to help dealers

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

WARREN, Mich. — In the auto industry's latest and most ambitious effort to simplify vehicle ordering, Chrysler Motors has launched a Customer Preferred program on some 1990 cars.

The program kicked off nationally with 1990 Plymouth Sundance and Dodge Shadow orders and all 1990 Chrysler Motors domestic-car orders in California, except those for Jeep-Eagle Division models.

Chrysler will use computerized analysis to help dealers order specific, popularly equipped models for their individual markets, thereby keeping the best-selling models continuously in stock.

It will be expanded nationally to more models in the 1991 model year and will include all Chrysler vehicles within two to three years, according to Michael E. Dowd, Chrysler Motors' manager of sales inventory management.

The program will also become part of the $100 million satellite system under which every Chrysler dealership is being equipped with a two-way communications dish.

Domestic automakers and their dealers have long wrestled with the headaches and costs in the complex field of optional equipment.

Manufacturers offer big discounts to persuade dealers and customers to order special equip-

See ORDERS, Page 54

Chrysler trimming costs, expects '90 sales to fall

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — Chrysler Motors is battening down the hatches and readying a cost-cutting campaign as it predicts that U.S. vehicle sales will drop to 14.2 million units in the 1990 calendar year.

Chrysler Motors Chairman Bennett E. Bidwell said in an interview that Chrysler internally is forecasting U.S. sales of 9.4 million cars and 4.8 million trucks in 1990.

Chrysler is predicting that U.S. car and truck sales in the second half of 1989 will be lower than in the first half. The company had been predicting 15 million for the year; now it has reduced its second-half forecast to an annual rate of 14.5 to 14.7 million sales. First-half sales for the industry were down 6.55 percent from 1988 and the annual rate was 14.9 million in the first six months of 1989.

Ford Motor Co. earlier this month revised its 1989 sales forecast to 14.7 million units, down 300,000 from its estimate at the start of the year.

AUTOMOTIVE NEWS/JOE WILSSENS

Chrysler's Bennett E. Bidwell: "In my judgment, we've been in a mild recession in the auto industry for at least a year."

"Everybody says there is a recession coming. In my judgment, we've been in a mild recession in the auto industry for at least a year," Bidwell said.

He cited a drop from a seasonally adjusted annual selling rate of 16.5 million units in the first quarter of 1988 to 15.5 million units in the fourth quarter of 1988 and 14.6 million units in the first quarter of 1989.

Bidwell said that without the "artificial respiration" of retail incentives, selling rates would be 500,000 to one million units lower.

see BIDWELL, page 57

Automotive News exclusive: Analyst Keller's GM book

Highlights from "Rude Awakening: The Rise, Fall and Struggle for Recovery of General Motors," by Maryann Keller.

- How GM spent tens of billions on technology while ignoring continuous improvement
- Why the Hamtramck plant's robots didn't work
- How Hoglund improved efficiency while Reuss spent
- Why Allante flopped
- The promise and risk of Saturn: It has to be "perfect"

Excerpts on pages 52-53.

Big 3 lobbies, gets break in Bush air plan

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

Smith

Greenwald

Gilmour

WASHINGTON — Roger Smith and other top Big 3 executives lobbied President Bush's chief of staff last week in a last-minute effort to press their concerns over clean air legislation.

That visit and other contacts with the administration paid off somewhat with the industry winning a longer phase-in period for tighter 1993 tailpipe emission standards for cars and light trucks. And light-truck standards will not be as strict as those initially outlined in Bush's draft proposal announced last month.

But the industry was still disappointed with the light-truck levels and provisions requiring them to sell alternative fuel vehicles.

Joining the General Motors chairman in the meeting with John H. Sununu were Chrysler Corp. Vice Chairman Gerald Greenwald and Ford Motor Co. Executive Vice President D. Allan Gilmour. They met last Wednesday to talk about the legislation that was unveiled Friday.

A joint statement released by the automakers said, "The purpose of the meeting was to reaffirm support for legislation that can lead to a proper balance between effectiveness in cleaning the air and the economics involved, such as international competitiveness."

The Big 3 was worried specifically about tighter 1993 tailpipe emission standards that

see CLEAN AIR, page 57

Ford kills modular truck plan for '90s

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co.'s ambitious program to develop composite and modular trucks has been killed.

"It's dead. The PN38 program is dead, kaput, defunct," a source familiar with the program said. "It has not been postponed."

The death knell was sounded because of Ford's capital spending cuts and low profitability projections, combined with the cost of the new technology and concern over fuel-economy standards.

The PN38 program would have created a modular truck platform on which to build plastic vans, pickups and sport-utilities beginning in 1993 and driving the company into the next century.

Officially, a Ford spokesman said no decision had been made on PN38's fate. But he said questions are being raised industry-wide surrounding future product programs.

Questions about the PN38 project's health were raised last spring with the abrupt departure of its overseer. Thomas S. Moore, executive engineer for vehicle engineering in Ford's truck operations, left the company tojoin Chrysler Motors as general manager of New Liberty Vehicle Engineering. Moore, 48, was a 20-year Ford veteran.

By canceling PN38, Alexander J. Trotman, executive vice president of Ford's North American automotive operations, lops what could ultimately have cost the company $5 billion in product spending.

The PN38 project originally included replacements for

see TRUCKS, page 58

Yugo proposal favors dealers:

Bankrupt Yugo America proposes repaying its dealers half in cash and half in cars. Unsecured creditors would get nine cents on the dollar. Story on page 3.

Cadillac bucks a trend; '90 ads will stress safety

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Cadillac will roll out a national advertising campaign in the 1990 model year that emphasizes the safety aspects of its automobiles. Other GM divisions are likely to follow suit.

The campaign reverses a trend. Automakers for years have argued that safety doesn't sell automobiles and have stayed away from it in their advertising.

But test-market research conducted by Cadillac in eight cities indicates otherwise. In the cities where Cadillac heavily advertised the safety aspects of its cars, sales for November and December 1988 rose 35 percent over the year-earlier total while sales in control-group markets rose 19 percent.

Cadillac interviewed 833 buyers before and after the advertising campaign. Many of the buyers said they were more interested in safety after seeing the advertising than they had been before.

They said safety became a factor in their purchase decision. First-time Cadillac buyers were found to be the most likely to consider safety as a factor.

As a result of the positive test-market results, Cadillac will use the safety ads nationwide beginning this fall, said Elias R. Torre, Cadillac assistant general sales manager for marketing. The advertising will be combined with a comprehensive training program for dealership personnel on how to sell safety.

Torre said Cadillac was selected to do the test-market research after the medical community and GM's medical advisory committee pressured the automaker to tell the GM safety story.

The specific advertising campaign was developed by ad agency D'Arcy Masius Benton & Bowles after Cadillac ran consumer focus groups in six cities. Torre said those groups suggested Cadillac use a warm, family approach rather than a threatening angle that showed cars crashing.

The campaign themeline is "Building a safer automobile, Cadillac style," an extension of Cadillac's theme of "The only way to travel is Cadillac style."

Other ads use the slogans: "At Cadillac, we don't just surround your family with luxury. We surround them with safety." Still others say: "Cadillac proves a beautiful automobile can also be a safer automobile."

The ads note various Cadillac safety features including anti-lock brakes, side-door beams and crash-protective fuel tanks.

The promotion of safety in GM advertising comes in the first model year that the federal law requires that all cars be equipped with passive belts or air bags. As a result, the auto industry is expected to install air bags in about 3 million cars in 1990.

GM President Robert Stempel said at the automaker's press conference on automotive safety last week that GM will build 500,000 air bag-equipped cars during the 1990 model year, making the bags standard equipment on 13 models and optional on two others.

Chrysler will make air bags standard equipment on 16 models, or about 1 million cars in 1990. Ford will make air bags standard on nine models.

Two Geo models will have air bags; elsewhere, they will be on GM's higher-priced cars. Stempel said the air bags had to go on less-price-sensitive cars because of the expense. He said the system costs GM more than $500 per car.

For 1990, air bags will be standard on: all Cadillac models; Buick Reatta and Riviera; Chevrolet Camaro and Corvette; Geo Metro convertible and Storm; Oldsmobile Toronado; and Pontiac Firebird. They will be optional on the Oldsmobile 88 Royale and 98 Regency.

A recent GM study on the effectiveness of air bags showed that they reduce fatalities 18 percent when used in combination with seat belts. Stempel declined to reveal how much the prices of 1990 vehicle will be increased to cover the cost of passive restraints.

AUTOMOTIVE NEWS/JOE WILSSENS

GM President Robert Stempel demonstrates the automaker's air bag.

Aussie debut nears for Capri; turbo offered

By Barry Brazier
SPECIAL CORRESPONDENT

Ford Motor Co.'s answer to the Mazda Miata MX-5 is nearing its Australian debut, and details on the car to be sold next year in the United States as the Mercury Capri are beginning to trickle out.

The Australian-built convertible will bow Down Under in September, with U.S. and European launches slated for February or March.

The front-wheel-drive Capri will be based on Mazda's 323 platform and, unlike the rear-drive Miata, will offer 2 + 2 seating.

Not only does the Capri have greater seating area, it also will have a turbocharged engine option at approximately $2,000 above the projected base price of $11,500 (U.S.). Test vehicles are currently fitted with the Mazda 323-GTX 1.6-liter, 16-valve turbo engine capable of 132 horsepower and 136 pounds-feet of torque.

The base engine, which is expected to be approximately 82 hp, will be mated to either an automatic transmission or a five-speed gearbox. The Miata offers only a manual transmission.

Ford also plans to offer the five-speed with the turbo engine. The turbo model is expected to accelerate from zero-to-60 mph in about eight seconds. Turbocharged cars will be denoted by a two-tone paint trim, split at the beltline.

BARRY BRAZIER PHOTOGRAPHS

Ford of Australia's Capri goes on sale there in September. The car offers 2 + 2 seating. U.S. versions are expected early next year.

Both models will be offered in a standard Ghia trim level that includes power windows, anti-theft stereo radio system, dual electric mirrors and adjustable steering wheel. Package tray, glove box and analog gauges — including a turbo boost gauge on turbocharged models — are standard. Air conditioning will be optional at or below $1,500 ($1,080 U.S.).

The soft top can be stored under a metal panel similar in design to those in BMW 3-series and Corvette convertibles. There will also be an optional hard top for about $1,900 ($1,370 U.S.).

The car's suspension uses MacPherson-struts at all four corners. Power disc brakes and power steering are standard.

Sources say Ford is planning to build 8,000 to 9,000 vehicles for the Australian market the first year, with the United States getting 15,000 to 20,000 and Europe being allotted about 5,000.

While first-year production is set at about 30,000 units, Ford expects to build about 50,000 units annually.

All U.S.-bound Capris will have a driver's-side air bag to meet federal passive-restraint requirements.

UAW vote at Nissan called more than a one-plant test

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

NASHVILLE, Tenn. — When the 2,400 production workers at Nissan Motor Manufacturing Co. cast their votes this week on union representation, the outcome will undoubtedly set the tone for labor-management relations at all non-union transplants and suppliers.

For the UAW, dogged by years of membership decline and recent dissension among the rank-and-file, winning the Nissan election could be one of the biggest plums it has picked in this decade.

Yet labor experts predict the union will fail in its bid and the UAW itself is downplaying the vote's importance.

"I'm frankly a little tired of reading about how this election is going to make or break us," said Maxey Irwin, a private consultant and former union worker who was enlisted by the UAW as a combination spokesman and adviser. "This isn't the biggest campaign we've done, and it isn't the only one we're doing. It isn't going to determine the future of the labor movement in the United States or the South. The Nissan election is important only in so far as it relates to the people who work there."

Richard Lowe, a national labor-management consultant with the Nashville-based law firm King and Ballow who has followed the labor situation at Nissan, predicts the bid will fail. "The question isn't whether the UAW will lose or not at Nissan," Lowe said. "The question is how badly they'll get beaten. I would guess the outcome to be 60 to 40, in favor of Nissan. If it ends up any worse than that, you probably won't hear much from the UAW for a while."

But Jim Weaver, UAW international representative and coordinator for the Nissan campaign, predicts a union win — estimating a 58 percent majority of support for the drive now. Organizers spent the plant's mid-July shutdown attempting to reach 1,700 workers in a door-to-door canvassing effort. Weaver said a core of about 35 organizers finally reached 1,693 employees.

It's hard to say who is more accurate, although the usual campaign signs of active union support at the plant — UAW caps, bumper stickers and on-site rallies — are missing. Perhaps more visible as workers come and go at the operation are the bright red shirts that read, "Union Free and

see NISSAN, page 55

Can't match GM on incentives, says Chrysler's Bidwell

By Mary Connelly and Laura Clark
AUTOMOTIVE NEWS STAFF REPORTERS

Chrysler cannot afford to match General Motors' incentive program, Chrysler Motors Chairman Bennett E. Bidwell said last week.

Chrysler estimates GM's program costs more than $1,000 per vehicle, Bidwell said, compared to Chrysler's program, which costs $700 per vehicle.

GM is offering sweetened rebates and alternative cut-rate loans on almost all its vehicles. GM also announced a cleanup program for dealers with rebates up to $1,000 per vehicle.

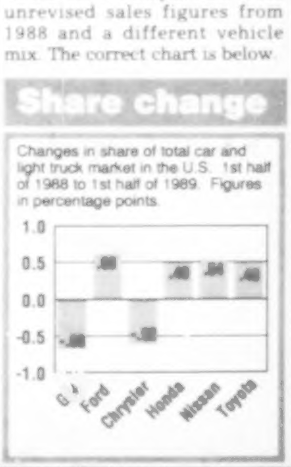
"It's just gone a little crazy," Bidwell said. "It would cost us a lot of money in the third quarter to match what they have done."

Bidwell said GM would have been better off offer-

see INCENTIVES, page 58

Correction

A chart in the July 10 issue on change in market share was based on a comparison with unrevised sales figures from 1988 and a different vehicle mix. The correct chart is below.


Share change

Changes in share of total car and light truck market in the U.S. 1st half of 1988 to 1st half of 1989. Figures in percentage points.

'90 ads seek to erase Plymouth's stodgy image

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — Plymouth's 1990 advertising campaign is designed to overcome the brand's stodgy image and convince buyers that it offers a contemporary array of vehicles, according to Chrysler Motors Chairman Bennett E. Bidwell.

Bidwell in an interview acknowledged that the Plymouth nameplate needs to be revitalized.

"The guy I put on the 1990-model-year advertising said, 'Well, the first thing you do is change the name to Thoumply,' " quipped Bidwell, playing off the Plymouth name. "I said, 'That's a little radical.' He said the problem is that there are people who really like Plymouth but they don't want to be seen in a Plymouth."

> **"Plymouth is like that old song about Mobile, Ala. Dorothy Loudon sang it, and she sang, 'it just kind of sits there.' "**
>
> **— BIDWELL**

Bidwell said it is harder to differentiate Plymouth in the market than Chrysler, the luxury division, or Dodge, the performance division. Plymouth marketing suggests it offers contemporary value.

"Plymouth is like that old song about Mobile, Ala. Dorothy Loudon sang it, and she sang, 'it just kind of sits there.' " Bidwell said.

"We're going to spark Plymouth. We're going to have some fun with Plymouth."

"We're going to build the brand to mean that instead of you buying it *despite* the fact that it's a Plymouth, you buy it *because* it's a Plymouth," he said.

Bidwell said the perception of the brand lags behind the actual products in the showroom and that the 1990 ad campaign will work to correct that.

"Good cars will get it done," he said. "The product job is 70 to 80 percent done.

"The Plymouth line was a Reliant, a Caravelle, a Horizon, a Turismo and a Gran Fury," Bidwell said. "Now look at the brand of Plymouth today — a Voyager, a Laser, an Acclaim and a Sundance. That's a pretty competitive lineup today. There's a little pizzazz to it."

Bidwell declined to specify the 1990 Plymouth ad theme. But he said campaigns for Chrysler, Plymouth and Dodge will change for the new model year. The company is striving to find successful campaigns that can run for four to five model years.

In 1989, Plymouth used the tagline "The 9 most important words Plymouth knows: satisfy the customer, satisfy the customer, satisfy the customer."

Bidwell said the concept of satisfying the customer may remain in the new Plymouth campaign.

He also said the company will retain the Jeep campaign, which has used the theme "Only in a Jeep."The 1990 Eagle campaign will refine recently introduced 15-second television spots, he said.

The "New Spirit of Dodge" campaign will be dropped, but Bidwell said the music may be used.

GM sales outgain rivals in Europe

Vectra/Cavalier paces advance; overall market rise continues

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — General Motors, which had been losing market share in Europe since 1985, staged a turnaround in the first half of 1989.

Bolstered by demand for its new compact Opel Vectra/Vauxhall Cavalier, GM sales rose at a faster rate than Europe's five other full-range manufacturers — edging past high-flying Peugeot S.A. in the second quarter. Meanwhile, BMW's sales growth outpaced all other major European carmakers in the January-June period.

Overall, the European industry showed surprising strength in the first half of the year. New-car sales in 17 Western European countries during June increased 4.8 percent to 1,175,800 units, according to industry estimates compiled by Automotive News.

Sales in the first half climbed 6 percent over last year's record to 7,263,400, despite universal predictions of a decline in 1989.

Fiat Auto ranked first with a 15.5 percent market share. Volkswagen-Audi-Seat, Europe's sales leader the past four years, was next with 14.7 percent.

Strong June sales once again pushed back the long-anticipated drop in European sales, though most analysts still expect a second-half decline. Sales were flat in May after a 10.4 percent gain in April.

GM's surge in market share is due to the Vectra/Cavalier, introduced last fall. According to separate statistics released by GM, European sales of the model totaled 167,376 in the first five months of 1989, compared to 106,089 for the previous Ascona/Cavalier model in the same period in 1988.

According to independent industry estimates, GM's European sales rose 9.8 percent in the first half to 802,000 cars, driving market share to 11 percent from 10.7 percent in the same period last year. In June, GM sales increased 8.6 percent to 132,900, a market share of 11.3 percent.

GM's European share peaked at 11.4 percent in 1985 and declined each year since then, dipping to 10.6 percent last year. But so far this year, Opel/Vauxhall sales have outpaced overall growth in all of Europe's major markets, rising 33 percent to 50,800 units in Italy, 13.2 percent to 182,300 in the United Kingdom, 12.9 percent to 57,200 in France and 14.1 percent to 83,900 in Spain.

In West Germany, GM's six-month sales were up 7 percent to 248,700 in a market that improved only 3.2 percent. Opel's German share rose from 15.7 percent in the first half of 1988 to 16.3 percent this year, while German market shares for VW and Ford declined.

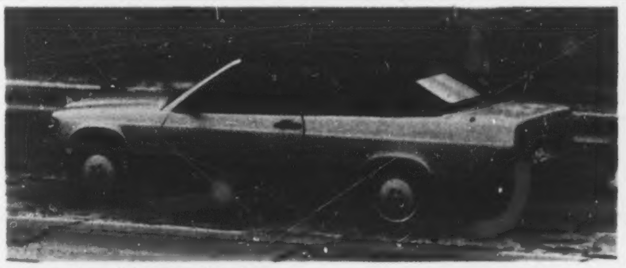
But in all of Europe, GM trailed Ford Motor Co., which finished the first half with 11.5 percent of the market. For the period, Ford sales were up 7.1 percent. The company's June increase of 16.7 percent to 141,900 was tops in Europe for the month. In the United Kingdom, Ford's best European market,

see EUROPE, page 55

EUROPEAN SALES

Manufacturer	6 Mos. 1989	1989 share*	6 mos. 1988	Volume Change '89 vs '88
Fiat Group*	1,126,800	15.5	1,050,300	+ 7.3
VW-Audi-Seat	1,069,400	14.7	1,003,700	+ 6.6
PSA**	938,600	12.9	868,700	+ 8.0
Ford	834,000	11.5	778,400	+ 7.1
General Motors***	802,000	11.0	730,660	+ 9.8
Renault	726,200	10.0	691,400	+ 5.0
Mercedes-Benz	232,100	3.2	241,800	− 4.0
Austin Rover	215,400	3.0	227,700	− 5.4
BMW	212,700	2.9	180,200	+18.0
Nissan	213,300	2.9	195,800	+ 8.9
Toyota	179,400	2.5	181,400	− 1.1
Volvo	146,300	2.0	144,300	+ 1.4
Mazda	123,700	1.7	131,700	− 6.1
Mitsubishi	88,900	1.2	80,900	+ 9.8
Honda	71,600	1.0	75,600	− 5.3
Others	283,000	3.9	271,000	+ 4.4
Total	7,263,400	100.0	6,853,500	+ 6.0

*Doesn't add to 100 because of rounding
**Includes Alfa Romeo
***Peugeot, Citroen, Talbot
****Opel, Vauxhall, GM-U.S. Canada



Mercedes 190 goes topless HIDDEN IMAGE/HANS G. LEHMANN

A prototype of a Mercedes 190 cabriolet was caught in this spy photo. It reportedly may be on the market in two years' time or less and be equipped with engines ranging from a 2-liter four-cylinder to a 2.8-liter, four-valve, in-line six producing 220 horsepower.

Yugo debt-payment plan gives dealers favored role

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — In a proposed bankruptcy settlement, Yugo America has offered its unsecured creditors only nine cents on the dollar, while its active dealers will get 50 cents, plus the remainder of their money in cars and parts.

Unsecured creditors are offered the option of receiving 21 cents on the dollar if they're willing to spread payments over three years. Dealers no longer active with Yugo are being offered the same deal as other unsecured creditors, according to sources familiar with the negotiations.

Yugo America officials confirmed that offers have been put on the table in the last two weeks, but said the specifics are confidential.

To settle its accounts and work its way out of bankruptcy, the company needs the approval of at least half its creditors, representing at least two-thirds of its total debt of more than $50 million.

During proceedings in U.S. Bankruptcy Court, the company listed about $35 million in unsecured debt and about $16 million in secured debt, which is backed by liens or other security.

If a settlement isn't reached by early September, Yugo America loses its exclusive right to devise its own reorganization plan, and the creditors could impose a plan of their own.

Peter Redston, a Jeep-Eagle and Yugo dealer in Wappingers Falls, N.Y., and head of a dealer creditors' committee, confirmed last week that dealers will eventually

see YUGO, page 55

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Audi rejoices in ad as 'runaway' probe ends

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

Audi's battle against charges of unintended acceleration officially ended this month, and within days the company placed a one-time print ad to punctuate the results.

The ad appeared July 18 in USA Today, The Wall Street Journal and 34 major-market daily papers.

"This is a one-time, one-shot, case-closed ad," an Audi spokesman said.

On July 11, NHTSA completed its investigation of unintended acceleration. NHTSA concluded there was no mechanical or electrical defect that would cause the alleged malady, thereby vindicating Audi.

Chicago lawyer Robert Lisco sees it another way. "These guys have a lot of nerve," he said of Audi. "This case is not closed."

Lisco represents up to 300,000 Audi 5000 owners who are seeking damages for lost resale value that they blame on the unintended-acceleration controversy.

Audi did not decide to advertise the NHTSA findings on the spur of the moment. "We have had a closure case plan for the last couple of weeks. We knew the tone we wanted to get and the kind of ad. The actual words had to wait until NHTSA came up with its findings," the Audi spokesman said.

The final few paragraphs of the advertisement were written and approved the day after NHTSA's decision. Audi of America's agency is DDB-Needham in Chicago.

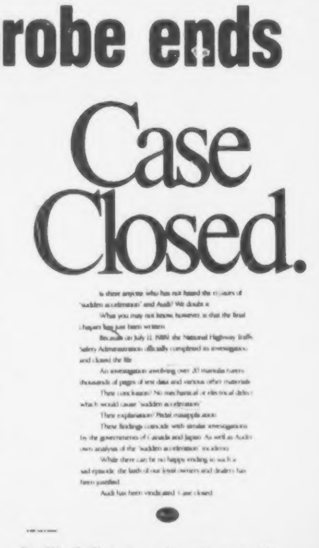
The headline — "Case Closed" — was followed by a full page of copy explaining NHTSA's findings. The final paragraph summarized the company's point of view: "Audi has been vindicated. Case closed."

Audi said it plans no television, radio or enthusiast press advertisements. The only medium outside the daily press to carry the ad is Automotive News.

The allegations of unintended acceleration have plagued Audi for three years. The allegations were brought to the public's attention by CBS's "60 Minutes."

Audi said there are no official plans to bring the NHTSA findings to the attention of "60 Minutes."

"If any of our owners or dealers wanted to point it out to them, they would get no objection from us," the Audi spokesman said.



Case Closed.

Audi's full-page advertisement

'Smokeless' diesel developed by Navistar

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

ANAHEIM, Calif. — With both federal and regional governments pushing proposals to curb air pollution, Navistar International may be in the right place at the right time with its new diesel engine.

Navistar, Chicago-based producer of International trucks, will begin testing the industry's first "smokeless" diesel engine in Southern California next year, according to John R. Horne, general manager of Navistar's engine and foundry division.

A prototype of the clean-burning engine, called the '94 Smokeless, was displayed at the 1989 International Trucking Show here.

The new design emits almost clear exhaust because it burns fuel more efficiently than the traditional diesel engines that power most big trucks, Horne said

The prototype model already meets the toughest 1994 state and federal pollution standards for diesel engines.

"We are confident that we will be able to begin full-scale production of this engine in 1994 through advances in fuel injection system and cylinder design, development of a new catalytic converter and the use of low-sulfur diesel fuel," Horne said.

The International '94 Smokeless Diesel will eliminate the kind of black smoke that has given the diesel a bad reputation.

The prototype engine also will significantly reduce emissions of every other major pollutant — hydrocarborns, oxides of nitrogen and carbon monoxide, Horne said.

A combination of technologies was used to create the smokeless engine. The prototype has a turbocharger with charge-air cooling that uses ambient air to cool the air going into the combustion chamber. That allows lower NOx without sacrificing fuel economy, Horne said.

The pistons and rings have been designed for maximum air utilization and minimum oil consumption. That helps reduce the carbon black in the particulate matter.

Navistar also installed two catalytic converters in the exhaust. They are formulated to reduce the unburned hydrocarbon portion of the particulates.

Horne said the prototype differs from the engine Navistar plans to sell in 1994 in one major respect. The prototype has a mechanically driven pump-line-nozzle system. The rate of injection of the fuel injection pump is controlled mechanically, although the pump is governed electronically.

The actual 1994 engine will be equipped with unit injectors. There, activation is controlled by electronic-hydraulic means. The system will improve the control of the injection rate and also provide better control of both injection pressure and injection timing over the engine's full range of speed and power, according to Horne.

"We still have several years of work ahead of us to turn this into an engine we can make on a production line," he said.

The company said the chief reason it can't introduce the new engine to the market sooner is that it still hasn't proved the durability of the catalytic converter for the 150,000 miles required by law.

So far, durability has been demonstrated only to 50,000 miles, the firm said.

The engine must also await widespread availability of low-sulfur fuel required for the effective use of its catalytic converters. Such fuel won't be available nationally until October 1993, according to Navistar.

Horne said the company will test the prototype engine in Southern California because that state's air resources board already requires the availability of diesel fuel Navistar needs for its converters. The next step is to find a trucking company that will test 20 to 25 trucks equipped with the smokeless diesel, he added.

Looking beyond 1994, Horne said Navistar believes it can achieve further NOx emissions reductions of up to 25 percent in its diesels and do it without significant cost increases, major fuel economy penalties or further changes in fuels.

Navistar said it has spent $20 million on research in the last few years to develop the new engine.

At this point, it may be the only manufacturer willing to state publicly that it will meet the 1994 standards cost-effectively.

Navistar gears up to double aftermarket parts business

ANAHEIM, Calif. — Navistar International captured 27 percent of the U.S. Class 6-8 truck market last year but only 7 percent of its aftermarket parts business.

Neil A. Springer, Navistar chairman and president, told the Motor Equipment Manufacturers Association here that the company will "do everything we can" to lift its parts sales to the market-share level of its new-truck sales.

Navistar plans to double its parts business over a five-year period, which began in 1987.

The company has been emphasizing dealer and customer product support as well as profitable aftermarket growth, Springer said.

A core group of dealer development managers is helping dealers to better package the firm's multitude of products and services and emphasizing value-added services to increase dealer business and profitability.

To enhance customer awareness, the firm introduced a sophisticated parts and maintenance marketing system at dealerships. The system uses retail marketing concepts, such as visual displays and promotional materials.

Navistar is "carefully, but aggressively," developing its own independent distribution system so that it enhances dealer profitability, Springer said.

June truck sales by manufacturer and segment

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1989	TOTAL 1988
CHRYSLER-PLYMOUTH	MO	18,206						18,206	21,736
	YR	98,331						98,331	105,119
DODGE	MO	50,018						50,018	56,627
	YR	293,555						293,555	312,119
JEEP	MO	25,271						25,271	22,839
	YR	126,268						126,268	124,104
TOYOTA	MO	20,329						20,329	20,461
	YR	112,324						112,324	121,309
NISSAN	MO	13,047						13,047	14,746
	YR	79,215						79,215	84,661
MAZDA	MO	6,148						6,148	7,676
	YR	41,905						41,905	52,125
ISUZU	MO	6,917						6,917	7,554
	YR	44,564						44,564	39,196
MITSUBISHI	MO	2,583						2,583	3,316
	YR	20,020						20,020	24,131
SUZUKI	MO	1,633						1,633	2,199
	YR	13,152						13,152	32,221
RANGE ROVER	MO	404						404	209
	YR	2,394						2,394	1,576
FORD	MO	119,944	1,754		817	3,759	1,367	127,641	140,977
	YR	717,439	13,207		4,762	17,285	8,113	760,806	797,579
FREIGHTLINER	MO						2,147	2,147	2,090
	YR						12,385	12,385	11,846
CHEVROLET	MO	111,328		22	722	710		112,782	125,887
	YR	655,854		135	3,434	4,475		663,898	692,911
GMC	MO	28,060		283	456	1,213		30,012	34,771
	YR	178,912		1,889	2,844	6,892		190,537	201,530
KENWORTH	MO					19	1,426	1,445	1,615
	YR					184	8,908	9,092	8,165
MACK	MO				162	215	2,036	2,413	2,668
	YR				1,048	1,394	10,419	12,861	12,574
MERCEDES	MO				66	106		172	337
	YR				441	637		1,078	1,585
NAVISTAR	MO		19	10	767	2,693	3,824	7,313	6,828
	YR		89	66	6,517	15,495	18,365	40,532	41,994
PETERBILT	MO					44	1,325	1,369	1,558
	YR					292	8,111	8,403	7,981
VOLVO/GM HEAVY	MO					59	1,590	1,649	1,865
	YR					480	8,368	8,848	7,979
HINO	MO	21		54	53	89		217	157
	YR	123		242	272	525		1,162	1,037
NISSAN DIESEL	MO	44		51	26	50		171	151
	YR	240		386	189	344		1,159	1,009
ISUZU TRUCK	MO	330	52	21	57	52		512	616
	YR	3,018	333	99	457	381		4,288	3,495
MITSUBISHI FUSO	MO	145		69	30	45		289	292
	YR	884		342	176	328		1,730	1,347
SCANIA	MO						24	24	10
	YR						58	58	95
IVECO TRUCKS	MO	161	52	28	18			259	225
	YR	642	273	143	76			1,134	1,097
WESTERN STAR	MO						161	161	100
	YR						827	827	781
OTHER DOMESTICS	MO				24	—	106	130	95
	YR				74	116	419	609	474
GRAND TOTAL	MO	404,589	1,877	538	3,198	9,054	14,006	433,262	477,599
	YR	2,388,840	13,902	3,302	20,290	48,826	75,973	2,551,135	2,689,040
1988 YR to DATE		2,521,576	10,085	4,240	29,672	51,728	71,739		

NOTE: 1989 Year-to-date includes 9 Subaru Brats
Class 1-3 sales data reported by individual manufacturers; Class 4-8 reported by Motor Vehicle Manufacturers Assoc.

SERVICE MANAGEMENT

Shop volume continues to rise

By Francis J. Gawronski
AUTOMTIVE NEWS STAFF REPORTER

Service and parts business in new-car dealerships continued to climb in May and increased for the first five months of the year.

According to the Automotive News Service Index, May's shop volume rose 9.3 percent over the business done in May 1988. The hefty increase followed a gain of 1.3 percent in April and boosted total 1989 shop volume 2.7 percent above that recorded last year.

The index is compiled from reports on shop business supplied by a cross-section of new-car dealerships in the United States.

All indicators used in the index registered healthy gains in May.

The month's results helped push five-month volume 2.7 percent ahead of last year's and 2.6 percent above the total for the first four months of 1989.

Gross profit on all labor, parts and accessories sales — the most important indicator from the dealers' viewpoint — recorded May's biggest gain, up 10.1 percent, followed by sales of all parts and accessories, which climbed 8.2 percent over figure for the year-ago month.

Shop-parts sales (customer paid and warranty) rose 7.0 percent in May, while total labor sales (customer paid and warranty) advanced 6.6 percent.

Dealers reported repair-orders written posted the second monthly gain in May, topping the year-ago volume by 2.5 percent

SERVICE INDEX
109.3★

	May '89 vs. May '88	Jan.-May '89 vs. Jan.-May '88
Gross Profit on All Labor and P&A Sales	+10.1%	+4.2%
Repair Orders Written	+2.5%	−2.2%
Total Labor Sales (Customer & Warranty)	+6.6%	+3.4%
Shop Parts Sales (Customer & Warranty)	+7.0%	+3.1%
Sales of All P&A	+8.2%	+1.3%

★ Survey by Automotive News shows that dealers' service and parts business in May 1989 was 109.3 percent of business in May 1988. Service business in the first 5 months of 1989 was 102.7 percent of business in the corresponding period in 1988

Service adviser: vital but misused

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

While many new-car dealers realize that their service department is a potential gold mine, few have been able to make that department's key position — the service adviser — pay off.

That is one of the findings of the Power Report's 1989 National Profile of the Service Adviser. Published by J.D. Power and Associates of Agoura Hills, Calif., the study is said to be the first independent, national survey of the service adviser and his role.

Although the job was created to enhance customer satisfaction and boost Customer Satisfaction Index ratings, the system is undermining the index, the Power Report said.

For example, the publication noted, most service advisers find themselves caught between customers who are dissatisfied with their warranty work and a compensation system that usually does not reward service advisers (or service technicians) for doing warranty work.

"Moreover, service advisers candidly admit that, because they typically are not compensated for warranty repairs, they work hard at avoiding them," the publication said.

"In short, the service-adviser system as it currently is practiced perversely undermines the very thing it was created to support — customer satisfaction."

The study indicated that one of the key areas in which service advisers must respond to customers is warranty service. The impact that subject appears to have on customer satisfaction cannot be overestimated, the publication said.

A great amount of the service adviser's time is devoted to resolving issues related to the customer's misunderstanding of the warranty coverage, the study found. The issue, according to the Power Report, is further complicated by the compensation structure in which the pay of the service adviser is enhanced by customer-paid labor. In that case, the report said, warranty work is not a priority.

"Can pay plans catering to this system serve both profits and customer satisfaction?" the report asked.

"The service adviser is in the middle. Damned if he does, damned if he doesn't. The pressures and stresses generated by this issue alone are further impacted by issues that revolve around a dealership that appears to see service as a necessary evil.

"Conflicting goals are set forth by both manufacturer and dealer," the report said. "The service adviser is left in the middle trying to balance the Customer Service Index and the profitability of the department."

The study found the majority of service managers feel the dealer principal does not have a true understanding of their job functions and does not care to deal with their problems or pressures.

Also, while service managers feel that the factory and dealer principal favor customer satisfaction, the dealer does not create the proper environment to make it happen on a consistent basis. The study also said that in most instances neither the factory nor the dealer is perceived to be supportive of the service manager's efforts.

The study found that 86 percent of all service advisers are on some form of commission, and 20 percent are on commission exclusively. Also, 40 percent are not qualified for the job and a much higher percentage believe that they have have not had proper training in critical areas for the assigned duties.

Respondents also noted that current dealership service appointment and operating systems are not designed to make life easy for the dealership or the customer.

The Power Report said the service adviser is the point person serving as the factory's and dealer's representative writing nearly 200 million repair orders annually. It questioned whether the industry effectively "equips this pivotal person."

That and many other "difficult questions must be answered on an industrywide basis as well as by manufacturers and individual dealerships if we are going to be prepared to enter the era of service and expect to make a profit and satisfy customers," the report said.

SERVICE BRIEFS

APAA tracks sales

LANHAM, Md. — A research service to help manufacturers track sales of aftermarket products through automotive chain stores has been announced by the Automotive Parts and Accessories Association.

The Automotive Sales Index, said to be the first of its kind, is being developed by the association and the market research firm of Audits and Surveys, New York, and will be available by subscription in January 1990.

With initial participation of 10 of the industry's largest automotive chains, Audits and Surveys will develop monthly retail sales volume and market-share reports on a wide variety of product categories. Sales will be reported on a unit basis, dollar basis and by average consumer buying price.

The association said the new service will project national product sales from a base of 2,300 automotive aftermarket chain stores. The data base sample will be drawn from aftermarket chains in which 50 percent or more sales are across the counter to do-it-yourselfers.

Dover to close Weaver

MEMPHIS, Tenn. — Dover Industries announced it will close Weaver Corp. in Paris, Ky., by late August because of continuing financial losses and reduced demand for its lift products.

Until the closing, Weaver will continue business as usual, with orders being taken, processed, produced and shipped. Weaver customers, manufacturer's representatives and distributors will continue to be supported from the Kentucky facility, a company spokesman said.

When the company closes, Rotary Lift of Memphis, another Dover Industries firm, will assume Weaver's warranty obligations. Rotary Lift also will support Weaver parts requirements to service Weaver lifts still in operation, a company spokesman said.

Allied adds rebuilder

EAST PROVIDENCE, R.I. — The automotive division of Allied-Signal has signed a partnership agreement with General Brake of Arkadelphia, Ark., the ninth in a nationwide network of independent rebuilders that reline Bendix brake shoes to meet company standards.

Bendix began selling relined brakes in January 1986. The product is sold exclusively through the Allied-Signal salesforce.

Freightliner adopts red-carpet shop plan

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

Freightliner Corp. has formed a dealer service network to provide truckers with fast, quality support at competitive prices nationwide.

The program is called Fleetpack. Freightliner said truckers enrolled in the plan have access to a 24-hour emergency road service hotline, competitive parts and service pricing, priority maintenance and repair service and a credit plan.

It will be available at Freightliner dealerships and at dealerships of its subsidiary, Mercedes-Benz Truck Co. Although there is no enrollment fee, subscribers must furnish a letter of credit from a bank.

"Fleetpack is a comprehensive customer service package, designed in cooperation with our dealers, and represents another step in increasing the strength of our dealer organization," said Ernst G. Stoeckl, Freightliner president.

"Fleetpack," he said, "is designed to meet the needs of any trucking company, regardless of vehicle make or fleet size."

Fleetpack subscribers have a 24-hour phone number to call in the event of a breakdown. The operator will help the caller find a qualified shop to perform the repairs, will monitor the process to ensure timely completion of the work and will notify the fleet's headquarters when the vehicle is back in service.

Fleetpack vehicles also will receive priority service at participating dealerships. The company said that means a dealer's service department will inspect the vehicle within one hour of arrival and will start repairs within four hours after receiving authorization from the fleet's headquarters.

Freightliner said Fleetpack will provide competitive prices for both parts and labor to participating customers. Also, to ensure a uniform level of parts stocking across the country, dealers will stock a standardized list of parts recommended by the two truck manufacturers.

Stoeckl

Fleetpack also provides a private-label credit card accepted exclusively at Fleetpack dealers.

Jim Hebe, senior vice president of sales and marketing, said Fleetpack allows Freightliner and Mercedes-Benz dealers to give complete service support to their local customers wherever their business takes them.

"Freightliner recognizes the difficulty that truckers have in finding a reliable source for necessary repairs when they are out on the road," Hebe said. "In response, Fleetpack's goal is to offer superior customer support through a network of dealers with consistent parts and service programs.

"To remain competitive, fleets need maximum vehicle utilization. Fleetpack provides fleets with the tools to maximize equipment usage and minimize downtime due to road breakdowns."

Ford survey finds drivers oppose non-OE crash parts

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — More than 80 percent of consumers would support legislation requiring their written consent before non-original-equipment sheet metal crash parts are used in the repair of their vehicles, according to a national survey commissioned by Ford Motor Co.

Ford commissioned Cambridge Reports of Cambridge, Mass., to assess consumer awareness of nongenuine parts use in repairs.

According to survey results, nearly 90 percent of consumers feel strongly that they have a right to know, in advance, the origin of parts used to repair their vehicles. And 81 percent feel non-OE parts should not be used unless consumers' consent is obtained in advance by their insurance companies.

Myers

Those attitudes may be based partly on the fact that most consumers (63 percent) surveyed feel vehicle manufacturers produce higher-quality parts, according to Cambridge Reports.

The survey also revealed that 35 percent of consumers were unaware that replacement crash parts are produced by firms other than their car's original manufacturer, while more than 54 percent were not aware that factory warranties do not cover non-OE parts.

"These results confirm our belief that the vast majority of consumers feel that they should be informed in advance that imitation crash parts have been selected for collision repairs and that they should have a voice in the parts selection decision," said Kenneth W. Myers, parts and service marketing manager for Ford parts and service division.

"And the survey results show that, if given a voice, the overwhelming majority would prefer genuine replacement parts."

According to Ford, use of imitation crash parts, manufactured primarily in Taiwan, has increased dramatically in the past decade. Department of Commerce figures show that body stamping imports from Taiwan jumped from $35,000 in 1978 to $34.9 million in 1987.

Ford said that such parts tested by its engineers and by other vehicle manufacturers do not meet manufacturers' standards for fit, finish, structural integrity or corrosion protection.

By the end of 1988, 14 states had passed legislation or insurance regulations requiring, at a minimum, disclosure to the consumer when non-OE crash parts are specified for collision repairs.

COVER STORY

Downturn ahead for dealers?

Service managers are less optimistic about the auto market

The nation's auto dealership service managers are less bullish about the automobile market today than at any time in the past four years.

Compared to a year ago, they also are less optimistic about the outlook for business at their dealerships.

These are among the findings of the fifth annual nationwide survey of dealer service managers, conducted last month by Automotive News.

Only 34.1 percent of those polled said they expect the automobile business in their markets will improve during the next two years. That is the lowest improvement response in the five-year history of the survey, and the first time it has dropped below 40 percent.

Major reasons given by those who do not expect new-car sales to climb include:

"Too many manufacturers building too many cars."

"I feel the economy is slowing, so business will slow."

"We expect a rise in inflation, and a drop in consumer spending."

"Cars are priced too high, and they're going to be higher."

"We're concerned about over-saturation of market and a growing number of new-car dealers."

"The market is soft, prime is high and there's a surplus of products as we head into 1990."

"The market has got to drop after higher new-car sales the last three years."

"People are slowing down new-car buying. They seem to be keeping their cars longer."

"It looks like a market recession is due."

"The industry is reaching a saturation cycle, and the trend toward long-term financing and improved product quality will keep people in their vehicles longer."

As for new-car business at the dealerships they work for, 74.2 percent of service managers surveyed said they expect it to improve over the next three years. That is down from 78.4 percent last year.

On the other hand, an all-time high 6.1 percent said they expect car sales at their dealerships to go down between now and 1991. Among the reasons:

"Our highline German imports are becoming too expensive compared to domestic and Japanese products."

"New-car sales in general will go down, and we will follow the trend."

"We have been in a depressed area since 1984, due a lack of oil-related jobs. We don't see that changing."

"Product proliferation and ever-increasing competition are diminishing our opportunity for higher sales and gross profits."

"The big problem with the future is today's 60-month financing."

While they may be less optimistic about future new-car sales, service managers are in a good mood over business profits in their own departments.

Exactly 95.5 percent said they and their dealership management believe their service operations offer a potential for greater future profits. That is the highest rate since 1986 (96.0 percent). Among the reasons for their positive attitude on service profitability:

"There are fewer qualified service outlets at a time when the complexity of cars is increasing. That means more business for those who can handle it."

"We are aggressive. We have a professional service management group. We are constantly targeting areas to increase gross profits and control expenses."

"More people are taking their cars to factory-approved service centers."

"Increased technology demands will give astute franchised dealers an increasing advantage in service business."

"We recently moved into new facilities, and our service business is just beginning to grow"

"Due to new-car prices, most people will have to keep their cars. That means more service work."

"Dealership service shops are becoming more efficient on electronics. The independents can't keep up. We'll profit from that."

"As vehicles are retained longer, we have a greater service potential, especially with effective merchandising."

"Increased profits will come in spite of our dealership management, which continues to express the archaic opinion that the service department is just a monkey on the back of the dealership. They're learning, but slowly."

"People can't hardly get independent outside garages to work on new cars any more. There's too much technology involved."

"We have been investing in quality equipment and personnel. And we're concentrating more on service advertising."

"Our growing awareness of customer satisfaction is starting to pay off."

"We're getting more training, and proper tools to do the job."

"The cars are so advanced that GM dealerships will be the only ones able to work on GM cars."

"Management has finally become intelligent enough to realize the service department has to be a profit center to survive. They've found out there's a market out there that our dealership hasn't tapped into in the past."

"Technology changes are forcing out mass merchandisers, service stations and independents. The public has to rely on the expertise of new-car dealerships."

"Service, used cars and F&I will prop up decreased new-car gross profit in the next year or two."

"Our dealer management realizes that with limited new-car sales coming, more emphasis is needed on parts and service sales."

"More and more people are looking for good service backup when purchasing new cars. We are concentrating on that."

Just 65.9 percent believe their dealerships are spending enough on advertising and promotion to improve their service business. That is down slightly from last year. Many of those who do advertise stress their use of local newspapers for that purpose. Among the comments:

"We advertise in two local newspapers every week."

"Approximately 4 percent of our service gross is spent on advertis-

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PREVIEW

COMING AUG. 21: AUTOMOTIVE NEWS DEALER PROFITS EXTRA

Automotive News Survey of Dealer Service Managers

Note: Figures indicate percent of total responses for each question, each year; in some cases, totals do not add to 100 percent because either multiple responses to a question were given or no response was given. Blank areas indicate questions that are new to that year's survey.

Question 1: What do you consider the business outlook to be for the automobile market in general and your dealership specifically for the next two years?

	Automobile Market				
	1989	1988	1987	1986	1985
Improve	34.1	44.3	50.0	61.2	64.9
Same	38.6	39.2	27.9	32.6	25.7
Worse	23.5	12.4	22.1	6.2	9.4

	Dealership				
	1989	1988	1987	1986	1985
Improve	74.2	78.4	74.3	88.0	86.9
Same	17.4	16.5	20.0	8.0	10.2
Worse	6.1	1.5	5.7	4.0	2.9

Question 2: Do you, as a service manager, feel that your service department offers a potential for increased profits in the future?

	1989	1988	1987	1986	1985
Yes	95.5	94.8	94.4	98.0	98.6
No	3.0	5.2	5.6	2.0	1.4

Question 3: Do you feel that your dealership management believes the service department offers the potential for increased profits in the future?

	1989	1988	1987	1986	1985
Yes	95.5	92.8	90.0	96.0	97.1
No	1.5	6.2	10.0	4.0	2.9

Question 4: Do you, as a service manager, believe your dealership is spending enough on advertising and promotion to improve your service business?

	1989	1988	1987	1986	1985
Yes	65.9	67.5	62.5	74.0	72.3
No	33.3	30.4	37.5	26.0	27.7

Question 5: Who hires the service technicians in your service department?

	1989	1988	1987	1986	1985
Dealership owner	13.6	11.3	18.1	15.5	15.7
Dealership manager	8.3	5.7	2.7	2.9	5.7
Service manager	91.7	92.3	91.7	88.9	87.6
Other	9.8	10.8			

Question 6: Compared to last year, finding competent service technicians today is:

	1989	1988
Less difficult	4.5	3.1
Same	22.7	23.7
More difficult	71.2	71.1

Question 7: Do you have women service technicians?

	1989	1988
Yes	1.5	5.2
No	98.5	92.3

Question 8: When your dealership buys new service equipment and services, are you involved?

	1989	1988	1987	1986	1985
Yes	97.0	96.4	100.0	100.0	100.0
No	2.3	3.6	0.0	0.0	0.0

If yes, which one statement below best describes your involvement?

	1989	1988	1987	1986	1985
Originate purchase request	59.8	57.8	53.5	62.0	62.9
Approve make(s) selected	39.4	47.6	39.4	48.0	38.6
Negotiate terms	25.0	32.1	19.7	28.0	22.9
Give advice on needs	50.8	49.2	42.2	58.0	37.1

Question 9: Does your dealership plan to buy any service equipment this year?

	1989	1988	1987	1986	1985
Yes	49.2	58.8	59.2	55.0	61.5
No	46.2	38.1	40.8	45.0	38.5

If so, what type?

	1989	1988	1987	1986	1985
Tuneup	15.4	15.8	30.9	24.5	21.4
Wheel alignment	24.6	31.6	21.4	26.4	18.6
Wheel balance	12.3	12.3	14.3	11.8	10.0
Brakes	16.9	15.8	11.9	7.1	5.6
Transmissions	7.7	7.0	9.5	2.9	1.8
Engine overhaul	3.1	1.8	9.5	3.7	2.9
Refinishing	4.6	14.0	9.5	1.8	—
Frame-body straightening	6.2	7.0	7.1	10.8	10.0
Computerized diagnostic (console)	27.7	37.7			
Computerized diagnostic (hand-held)	26.2	19.3			
Other	21.5	25.4	40.5	30.0	29.7

Question 10: Are 1989-model cars more profitable to service than those of previous years?

	1989	1988	1987	1986	1985
Yes	8.3	8.2	12.5	13.7	11.4
No	37.9	43.8	40.3	50.9	54.3
Same	52.3	46.4	47.2	35.4	34.3

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COVER STORY

Continued from page E2

ing, primarily papers."

"During slow periods, we spend about 5 percent of service gross on ads. We are planning on that."

"We are using daily papers and direct mail to tell people that we have a brand new $10 million facility to service them. It's working."

According to the survey, tuneups continue to be the most profitable service operation, followed by brake and transmission work.

The contribution of transmission service as a profit generator climbed to its highest level in the five-year history of the survey. The least profitable operation — for the first time — is rustproofing, followed by wheel balancing and body shop work.

The most significant generator of service business continues to be general customer drive-in, although it is down slightly from last year. In attracting business, it is followed by special service packages (up somewhat from last year), new-car warranty work (down slightly) and extended service contracts (down considerably).

Among those surveyed, 49.2 percent said their dealerships will buy service equipment this year. That is the lowest percentage in the history of the survey, and down nearly 10 points from a year ago.

Of those who intend to buy equipment, the most popular purchases will be computerized diagnostic equipment (console and hand-held), followed by wheel-alignment equipment.

Lowest on the purchase list are engine overhaul, refinishing, frame-body straightening and transmission equipment.

The role of the service manager in the dealership's acquisition of shop equipment continues to show through in the 1989 survey. Exactly 97 percent said they are involved in the buying process.

Indicating a trend during the past year toward shorter service department hours, 20.5 percent of the managers say their shops are open less than 45 hours a week, the highest percentage in survey history. Another 43.9 percent said their departments are open only 45-50 hours.

Meantime, the number of service departments open more than 60 hours fell to 8.3 percent this year from 13.9 percent last year.

Also on the decline is service department employment. This year, only 12.1 percent of the service managers say they employ more than 40 parts and service personnel, down from 17.5 percent last year.

This contrasts to a rise (29.5 percent in 1989 versus 23.2 percent in 1988) in departments employing just one to 10 people.

Service managers continue to assume major responsibility for hiring dealership technicians.

For the third straight year, more than 90 percent say they handle the hiring.

Asked whether finding competent technicians today is more difficult than last year, more than 71 percent said yes. That is unchanged from last year.

There has been a decrease in the number of women service technicians, according to the 1989 survey. Only 1.5 percent of the service managers say they have women technicians working in their departments, down from 5.2 percent last year.

As for compensation, this year's survey indicates a trend toward pay boosts for veteran service managers.

Most service managers (26.5 percent, an all-time survey high) indicate their total compensation (including salary, overtime, bonus, incentives, stock) tops $50,000 annually. There also is an increase in the number of service mangers earning $40,000-$49,999.

However, there are also more service managers this year who are making less than $15,000 and $15,001-$19,999 annually.

In most cases (35.6 percent), compensation is comprised of salary plus incentive. That is up from 30.9 percent in 1988. Last year, the top compensation consisted of salary plus bonus.

Compared to last year's survey, this year's shows a decline in the number of service managers who believe their salary and benefits are commensurate with their experience.

Last year, 62.9 percent said they were satisfied with their pay checks. The number is down to 56.8 percent this year.

As was the case the previous three years, most service managers in 1989 are in the 35-39 age bracket (21.2 percent).

And as was the case the previous two years, most have been service managers for less than three years (26.5 percent). Most of them (49.2 percent) were mechanics before becoming service manager.

Asked whether 1989-model cars are more profitable to service than those of previous years, most managers (52.3 percent) say they are the same, down from 46.4 percent last year.

As for the challenge of servicing today's high-tech cars, they aren't all that much more difficult, according to service managers.

Only 37.1 percent say '89 model cars are more difficult to service than those of previous years. That is down from 40.7 percent a year ago.

That notwithstanding, 41.7 percent of the service managers this year say they subcontract service work out to specialists when it involves high-tech repair.

Asked if their service shops are having difficulties with today's high-tech basecoat/clearcoat paints, 40.2 percent of those surveyed respond yes, 53.8 percent say no.

This year for the first time the survey includes questions related to quick lube/oil change and "detailing" businesses as a means of boosting the profitability of service departments. (Detailing is considered to be the painstaking cleaning and polishing of a vehicle, for which customers are charged upwards of $100.)

Of those surveyed, 47.7 percent said their department offers quick lube/oil change service. Of those who say they do not offer it, 50.0 percent add that they plan to do so in the near future. These results indicate that before long, among those surveyed by Automotive News, more than 97 percent of the service operations will be in the quick lube/oil change business.

As for the vehicle-detailing, 65.9 percent of those surveyed say their departments currently offer that service to customers, and another 7.0 percent indicate they plan to do so in the near future. That comes to a cumulative positive response of 72.9 percent. ■

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Question 11: Are 1989-model cars more difficult to service than those of previous years?

	1989	1988
Yes	37.1	40.7
No	25.8	25.3
Same	36.4	33.0

Question 12: How many hours per week is your service department open?

	1989	1988	1987	1986	1985
Less than 45 hours	20.5	12.9	11.1	18.0	18.6
45 to 50 hours	43.9	38.7	54.2	60.0	38.6
51 to 55 hours	15.9	22.7	20.8	14.0	27.1
56 to 60 hours	11.4	11.9	9.7	6.0	11.4
More than 60 hours	8.3	13.9	4.2	2.0	4.3

Question 13: How many employees are there in your service department including parts and service personnel?

	1989	1988	1987	1986	1985
1 to 10	29.5	23.2	25.0	28.0	25.7
11 to 20	34.1	32.0	27.8	18.0	28.6
21 to 30	10.6	15.5	33.4	36.0	15.7
31 to 40	13.6	11.3	6.9	8.0	17.1
More than 40	12.1	17.5	6.9	10.0	12.9

Question 14: What is your most profitable service operation?

	1989	1988	1987	1986	1985
Tuneup	39.4	37.6	50.7	24.0	40.3
Wheel alignment	15.2	12.9	14.5	6.6	9.0
Wheel balance	4.5	8.2	8.7	4.0	1.8
Brakes	28.0	32.0	34.8	25.3	20.4
Transmissions	22.0	13.9	15.9	6.6	10.4
Engine overhaul	15.2	9.8	10.1	13.3	3.3
Rustproofing	3.8	12.9			
Body shop	7.6	10.3	11.6	9.3	6.1
Other	20.5	14.9	13.0	10.6	8.7

Question 15: How much of the following contribute to your service profits?

1989	Significantly	Some	None
New car warranty work	37.9	56.8	1.5
Extended service contracts	25.0	65.2	6.8
General customer drive-in	77.3	21.2	0.0
Special service packages	40.2	51.5	4.5
1988	Significantly	Some	None
New car warranty work	41.2	50.0	7.2
Extended service contracts	36.1	56.2	3.6
General customer drive-in	73.6	23.8	0.0
Special service packages	38.7	46.9	7.7
1987	Significantly	Some	None
New car warranty work	40.3	54.2	5.5
Extended service contracts	34.3	62.9	2.8
1986	Significantly	Some	None
New car warranty work	40.8	48.9	10.2
Extended service contracts	27.0	66.6	6.4
1985	Significantly	Some	None
New car warranty work	44.3	48.6	7.1
Extended service contracts	17.1	67.3	15.6

Question 16: Do you subcontract service work to specialists for jobs involving high-tech repair?

	1989
Yes	41.7
No	58.3

Question 17: Has your shop had any difficulties with today's high-tech basecoat/clearcoat paints?

	1989
Yes	40.2
No	53.8

Question 18: Does your service department offer quick lube/oil change service?

	1989
Yes	47.7
No	50.0

Question 19: If not, does it plan to in the near future?

	1989
Yes	50.0
No	48.5

Question 20: Does your service department offer detailing to customers?

	1989
Yes	65.9
No	32.6

Question 21: If not, does it plan to in the near future?

	1989
Yes	7.0
No	93.0

Question 22: What is your age?

	1989	1988	1987	1986	1985
18 to 24	1.5	2.1	2.9	4.0	0.0
25 to 29	13.6	8.8	9.7	16.0	15.7
30 to 34	13.6	18.6	15.3	16.0	11.4
35 to 39	21.2	20.6	26.4	26.0	18.6
40 to 44	19.7	18.6	20.8	16.0	22.9
45 to 49	14.4	12.9	8.3	10.0	12.9
50 to 54	9.8	8.8	6.9	2.0	11.4
55 to 59	2.3	5.7	6.9	4.0	4.3
60 to 64	3.0	2.1	1.4	6.0	2.8
65 or over	0.0	1.0	1.4	—	—

Question 23: Before becoming a service manager at your present or at any other dealership, what type of job did you have?

	1989	1988	1987	1986	1985
Write-up man	34.8	34.2	30.6	24.6	31.4
Mechanic	49.2	51.0	43.4	43.4	37.2
Parts manager	15.2	21.1	7.3	8.6	5.7
Other	34.1	37.1	18.7	23.4	25.7

Question 24: How many years have you been a service manager (including time spent at previous dealerships)?

	1989	1988	1987	1986	1985
1 to 3	26.5	24.9	20.8	19.6	22.9
4 to 7	23.5	19.7	19.4	33.3	21.4
8 to 11	23.5	22.3	26.4	17.6	15.7
12 to 15	9.8	12.4	13.9	5.8	12.9
16 to 19	5.3	8.8	8.4	9.8	11.4
20 or more	10.6	11.9	11.1	13.9	15.7

Question 25: What was your total compensation last year for being a service manager?

	1989	1988	1987	1986	1985
Less than $15,000	3.0	0.5	2.7	4.1	2.9
$15,001 to $19,999	5.3	3.1	11.3	4.1	10.0
$20,000 to $24,999	6.8	11.9	14.1	18.7	14.3
$25,000 to $29,999	12.9	11.3	7.0	10.4	24.1
$30,000 to $34,999	14.4	12.9	9.9	8.3	11.4
$35,000 to $39,999	9.1	12.9	12.7	20.8	10.1
$40,000 to $44,999	10.6	9.8	11.3	14.5	8.7
$45,000 to $49,999	7.6	5.7	9.9	6.2	10.2
$50,000 or more	26.5	25.8	21.1	12.5	8.3

Question 26: What was your total compensation for being a service manager based on?

	1989	1988	1987	1986	1985
Salary only	15.2	12.9	15.3	9.4	8.6
Salary + overtime	0.8	0.0	0.0	1.8	1.9
Salary + bonus	34.1	42.8	31.9	26.7	38.6
Salary + incentive	35.6	30.9	41.7	43.6	45.2
Salary + stock	1.5	0.0	1.4	—	—
Salary + other	11.4	11.3	9.7	18.5	5.7

Question 27: Do you believe your salary and benefits are commensurate with your experience?

	1989	1988	1987	1986	1985
Yes	56.8	62.9	50.0	48.9	54.2
No	40.9	33.0	50.0	51.1	45.8

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Zimmer's plan to reorganize gets court nod

POMPANO BEACH, Fla. — Zimmer Corp. said the Bankruptcy Court for the Southern District of Florida confirmed its plan for reorganization following the favorable vote of its creditors.

As a result of the confirmation, Zimmer will emerge from its Chapter 11 bankruptcy proceedings.

Upon emergence from Chapter 11, Zimmer will continue to convert vans and chassis and upfit sport and recreational vehicles.

Zimmer is an authorized van converter for General Motors and Ford Motor Co., according to Terry P. McMahan, the company's president and chief executive officer.

Fruehauf, Terex complete sale of trailer line

DETROIT — Fruehauf Corp. said it completed the sale of its trailer, maritime and CEMCO businesses to Terex Trailer Corp., a subsidiary of Terex Corp.

Fruehauf received approximately $231.3 million, consisting of $171 million in cash, a promissary note of $6.5 million and the assumption of long-term debt of about $53.8 million.

Proceeds of the sale are being used by Fruehauf to pay off $35 million of interest on its 13.5 percent senior subordinated notes and 13.75 percent senior subordinated debentures and to repay borrowings of about $133 million under its bank credit agreement.

The balance of the proceeds are being used for working capital.

Warranty arbitration OKed for Toyota in Fla.

TORRANCE, Calif. — Toyota Motor Sales U.S.A. has received certification from the state of Florida to resolve vehicle warranty disputes through its third-party arbitration, making it the first import auto company to offer such a program in that state.

Toyota qualified for the certification from Florida's Department of Agriculture and Consumer Affairs after developing a program consistent with state requirements and Federal Trade Commission rule 703, which sets strict guidelines for settling disputes during a vehicle's warranty period.

Toyota satisfied the Rule 703 provision that calls for an unbiased, independent third party to arbitrate disputes.

Survey names Ford in list of 10 best workplaces

DEARBORN, Mich. — Ford Motor Co. is one of the best companies at which to work, according to a survey commissioned by the Society of Manufacturing Engineers.

Ford was the only automaker among the 10 companies selected.

Judging criteria included compensation and benefits, job security and the manufacturer's commitment to producing safe, high-quality products.

The other companies were Apple Computer, Boeing, General Electric, Digital Equipment, IBM, Eastman Kodak, AT&T, Hewlett-Packard and Westinghouse.

SHUTDOWN DATES FOR U.S. CAR ASSEMBLY PLANTS

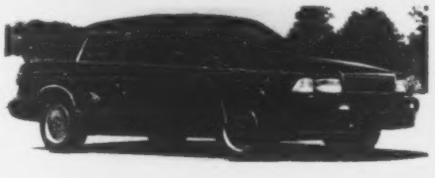
Plant	1990 product	Production down days 1989	Change from May schedule	Production down days 1988
GENERAL MOTORS				
Arlington, Texas	Cadillac Brougham, Oldsmobile Custom Cruiser and Chevrolet Caprice	14	+10	0
Bowling Green, Ky.	Chevrolet Corvette	9	+ 4	0
Detroit (Detroit-Hamtramck plant)	Oldsmobile Toronado; Buick Riviera; Cadillac Eldorado, Seville and Allante	15*		10
Doraville, Ga.	Oldsmobile Cutlass Supreme	25		14
Flint, Mich. (Buick City)	Buick LeSabre, Oldsmobile 88 Royale	19	+ 1	5
Framingham, Mass.	Chevrolet Celebrity, Oldsmobile Cutlass Ciera	**		34
Janesville, Wis.	Chevrolet Cavalier	2	− 1	5
Kansas City, Mo. (Fairfax)	Pontiac Grand Prix	30		10
Lakewood, Ga.	Chevrolet Caprice, Buick Estate Wagon	0		0
Lansing, Mich. (Plant 1)	Pontiac Grand Am	10	+ 5	10
Lansing, Mich. (Plant 2)	Oldsmobile Cutlass Calais, Buick Skylark	18		20
Lansing, Mich. (Craft Centre)	Buick Reatta	50		0
Linden, N.J.	Chevrolet Beretta and Corsica	19	+ 4	10
Lordstown, Ohio	Chevrolet Cavalier, Pontiac Sunbird	5		10
North Tarrytown, N.Y.	Oldsmobile Silhouette, Pontiac Trans Sport, Chevrolet Lumina APV	0		11
Oklahoma City, Okla.	Oldsmobile Ciera, Pontiac 6000, Buick Century	5		5
Orion Township, Mich.	Oldsmobile 98 Regency, Buick Electra, Cadillac Deville, Cadillac Fleetwood	14		17
Van Nuys, Calif.	Chevrolet Camaro, Pontiac Firebird	30		15
Wentzville, Mo.	Oldsmobile Delta 88, Buick Electra, Pontiac Bonneville	20		8
Ypsilanti, Mich. (Willow Run)	Changing over to Chevrolet Caprice	140		10
Wilmington, Del.	Chevrolet Beretta and Corsica	20	+20	10
FORD MOTOR CO.				
Atlanta	Ford Taurus, Mercury Sable	15	+ 5	10
Chicago	Ford Taurus, Mercury Sable	15	+ 5	10
Dearborn, Mich.	Ford Mustang	10		10
Edison, N.J.	Ford Escort	20	+10	10
Kansas City, Mo.	Ford Tempo, Mercury Topaz	10		10
Lorain, Ohio	Ford Thunderbird, Mercury Cougar	13		59
Wayne, Mich.	Ford Escort	59		10
Wixom, Mich.	Lincoln Town Car, Mark VII and Continental	10		10
CHRYSLER MOTORS				
Belvidere, Ill.	Dodge Dynasty, Chrysler New Yorker Salon and Imperial models to be added in September	10		15
Detroit (Jefferson Ave.)	Dodge Omni and Plymouth Horizon	5		20
Newark, Del.	Dodge Spirit, Plymouth Acclaim	10		80
St. Louis	Dodge Daytona, Chrysler LeBaron J	3		5
Sterling Heights, Mich.	Plymouth Sundance, Dodge Shadow	15	+ 5	5
HONDA OF AMERICA MANUFACTURING				
Marysville, Ohio	Civic and Accord	0		5
MAZDA MOTOR MANUFACTURING (U.S.A.) CORP.				
Flat Rock, Mich.	Ford Probe, Mazda MX-6	5		0
NISSAN MOTOR MANUFACTURING CO. U.S.A.				
Smyrna, Tenn.	Sentra	10		10
NEW UNITED MOTOR MANUFACTURING INC.				
Fremont, Calif.	Chevrolet Geo Prizm, Toyota Corolla FX	0		5
TOYOTA MOTOR MANUFACTURING U.S.A.				
Georgetown, Ky.	Camry	0		—
DIAMOND-STAR MOTORS				
Normal, Ill.	Plymouth Laser, Mitsubishi Eclipse, Eagle Talon; Eagle Summit and Mitsubishi Mirage to be added in the fall	5		—

*Plus 17 days for Allante line
**Closes indefinitely by model year end

Intermediate segment sales rise

Six new entries nibble away at Taurus while specialties fall off

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER



Plymouth Acclaim was the best-selling new intermediate.

In a first half scarred by sales declines, the intermediate segment of the U.S. market was the only one to show a year-to-year sales increase, according to an Automotive News analysis.

There were 14 new entries this year, six of them in the hot-selling intermediate class.

Chrysler Motors accounted for four of the 14 newcomers.

Sales of intermediate cars rose 2.12 percent for the first half to 1,541,637 compared to the year-ago total of 1,509,656.

Of the six new models that joined the intermediate class in the first half of 1989, Plymouth Acclaim — with 43,077 retail deliveries — was the best seller.

Top-selling intermediate was the Ford Taurus, though Taurus six-month sales dropped to 185,440 this year from 210,973 in in the first half last year.

All other market segments showing decreases, and on a percentage basis, the largest decline was in the speciality class.

Sales of specialty cars from January through June totaled 59,390 units, down 33.22 percent from last year's first-half total of 88,935.

Two models joined the speciality category during the first half of 19089.

Mazda introduced its two-seat Miata. It went on the sale late in the first half and garnered 1,756 deliveries. Chrysler Motors' TC by Maserati accounted for 709 first-half sales.

The leader in the speciality class was Nissan's 300ZX.

The subcompact category had the second-largest decrease from a percentage standpoint.

Six-month sales of subcompacts totaled 1,059,187 units, 15.68 percent below the 1,256,130 sold during the year-earlier period.

The Eagle Summit was the sole new entry in the subcompact segment. First-half Summit sales totaled 12,048 units.

Ford Escort retained its No. 1 spot in the subcompact category with 174,382 sales in the January-June period.

Sales of standard-sized cars slowed to 689,171 in the first six months of 1989, a drop of 13.48 percent from the 796,506 sold in the comparable period last year. There were no new models in the standard category this year. Best seller in the class was the Cadillac DeVille.

Sales of compact cars, which had accounted for the largest increase during the second half of 1988, slipped in the first half of 1989. Subcompact sales dropped 5.79 percent to 1,739,093 in the January-June period, compared to 1,846,022 in the first six months of 1988.

Three models joined the compact category. Among those newcomers, Plymouth Laser had first-half sales of 8,818 while its sister, the Mitsubishi Eclipse, had sales of 11,230, and the Subaru Legacy posted sales of 5,412.

Corsica-Beretta, the best selling compact for the six-month span, also was the best-selling line model for all categories.

Rounding out the list of the five top-selling models for the first half were the Ford Escort, Ford Taurus, Honda Accord (compact) and Toyota Camry (compact).

The Automotive News market-class list includes cars sold in the United States.

TOP TEN SELLING CARS FIRST HALF 1989

1989 Position	1989 Sales	Make	1988 Sales	1988 Position
1	199,228	Corsica/Beretta	222,514	1
2	185,440	Taurus	210,973	2
3	174,382	Escort	192,071	3
4	166,381	Accord	172,667	4
5	158,551	Camry	125,717	8
6	154,656	Cavalier	156,855	5
7	119,434	Tempo	147,088	6
8	118,899	Civic/CRX	108,400	10
9	115,975	Sentra	123,625	9
10	112,148	Celebrity	138,504	7

ORDERS

FROM PAGE 1

ment packages, which simplify ordering by grouping popular items.

Those packages reduce a dealer's choice to one of a dozen or less factory-prepared popular item packages per vehicle, rather than the hundreds of potential equipment combinations. Some stand-alone options also are available.

Dealers have a big stake in the issue because a popularly equipped car in the right color may sell quickly while an unpopular car can run up a big floorplan bill.

Car manufacturers and independent suppliers, like PMH/Caramanning of Bloomfield Hills, Mich., provide varying degrees of information to guide dealers in color and equipment choices.

Some 2,000 Buick and GMC Truck dealers, for example, pay PMH/Caramanning $12 to $19 a month for such information, according to Joni Brown, director of corporate marketing for PMH/Caramanning.

Ford Motor Co. also issues what a company spokesman described as a monthly "fast-turn" report to its dealers, informing them of the latest color and equipment popularity trends in their regions.

Chrysler's new program goes beyond such efforts by analyzing sales data for each dealership, comparing each dealer's sales performance with regard to the equipment on every model against that of other dealers in his area and dealers in other markets with similar customer demographics.

It creates and compares sales clusters by taking the serial number of every Sundance model sold, for example, spreading out every option on it and comparing it to every other Sundance, measuring how long each configuration remains in stock before it is sold.

If a dealer sells a model faster than average with specific equipment, he gets his order pattern back as a recommendation. Otherwise, the company recommends different equipment and color combinations.

Sundance offered 2,700 color and equipment combinations in the 1989 model year, Dowd said. But about 5 percent of the combinations accounted for 95 percent of the car line's sales.

The new program reduces the combinations to 300, including a number of packages and some free-standing options dealers can still choose.

The average 1989 Sundance model sat for 70 days on a dealer's lot before it was sold. But 30 percent of them — those ordered with oddball items and colors — sat for about 150 days, Dowd said.

The company's goal is to shave 10 days off the sales turn rate and weed out slow sellers.

"If we improve the turn rate and keep the same inventory, we'll (company and dealers) sell more cars," Dowd said.

Some 90-95 percent of all Sundances are sold off the lot, underscoring the importance of a dealer's selection.

Auto dealers throughout the industry tend to sell most of their cars from inventory rather than through special customer orders. That reflects dealers' desire to close deals quickly rather than risk losing customers to a competitor while waiting for a special order.

Dealers have responded strongly to the new Chrysler program, Dowd said.

Some 96 percent of the 15,000 1990 Sundance/Shadow models ordered so far have come through the company's new system.

Equally significant is that a single package has accounted for 40 percent of all orders, Dowd added. That helps the company's manufacturing operation by greatly simplifying plant-loading schedules.

The package includes automatic transmission, air conditioning, tilt steering wheel, rear-window defroster and other high-volume items.

"We tried to stair-step and tier packages the way people actually buy them. People don't want 2,700 combinations of a car. They don't want a lot of peculiar things. They tend to fall into particular buying patterns," he said.

Bruce DiBiase, customer relations manager at Buhler and Bitter Chrysler-Plymouth in Hazlet, N.J., helps order cars for his dealership. He said Chrysler's system imposed order restrictions that required getting used to, but also greatly simplified the ordering process.

"All you have to do is check one block, and you have ordered the car," DiBiase said.

CAR SALES BY SIZE CLASS

First Half 1989 vs. 1988

	1989	1988
Subcompact Cars		
Escort	174,382	192,071
Civic/CRX	118,899	108,400
Sentra	115,975	123,625
Excel	86,469	148,403
Corolla	56,495	71,703
Tercel	48,070	42,586
Integra	39,663	28,129
Mazda 323	39,179	47,017
Festiva	36,426	35,289
Geo Prizm/Nova	34,415	62,006
Tracer/Lynx	32,420	31,056
Colt	31,638	45,109
Spectrum	30,195	40,734
Metro	27,223	23,613
LeMans	26,919	32,434
Fox	20,511	29,477
Omni	16,281	26,899
Horizon	15,932	27,806
Pulsar	14,054	26,872
Golf/GTI	12,048	24,939
Summit	10,685	0
Justy	10,645	14,322
Precis	9,573	11,539
Mirage	9,383	5,777
Vista	7,101	10,035
Daihatsu	6,827	5,273
I-Mark	6,687	7,578
Cabriolet	6,092	7,176
Yugo	5,305	16,544
Loyale	3,155	0
Impulse	2,906	4,017
Swift	2,809	0
Scirocco	825	1,590
Chevette	0	191
Alliance	0	3,696
Pontiac 1000	0	154
TOTAL	1,059,187	1,256,130
Compact Cars		
Corsica/Beretta	199,228	222,514
Accord	166,381	172,667
Camry	158,551	125,717
Cavalier	154,656	156,855
Tempo	119,434	147,088
Grand Am	104,966	127,760
Mustang	97,780	99,430
Probe	70,646	18,837
Sunbird	50,588	45,100
Calais	48,030	54,832
Topaz	47,498	44,657
Sundance	40,058	43,179
Shadow	39,835	47,823
Daytona	39,395	40,888
Nissan 240SX/200SX	38,417	10,112
Somerset/Skylark	36,598	32,030
Jetta	30,029	30,437
Celica	28,159	32,521
Mazda 626	27,849	33,878
Mazda MX-6	24,155	19,940
Stanza	23,967	27,125
Prelude	23,644	25,071
Subaru 4-Door Sedan	23,116	15,166
Aries	19,728	58,293
Reliant	19,477	65,697
Subaru Station Wagon	17,175	31,520
BMW 3-Series	17,109	19,334
Eclipse	11,230	0
Skyhawk	10,967	15,574
Laser	8,818	0
Audi 190	6,714	9,002
Subaru 3-Door	6,118	4,274
Subaru XT/XT6	6,103	7,220
Legacy	5,412	0
Peugeot	3,067	3,482
Merkur XR4Ti	2,683	2,567
Audi 90	2,552	3,067
Audi 80	2,440	3,079
Subaru Hatchback	1,999	3,222
VW Quantum	847	1,415
Dodge 600	808	9,404
LeBaron K	787	14,338
Milano	654	1,374
BMW M3	580	939
Cordia	339	3,341
Cimarron	232	3,697
Maserati	163	510
Audi 4000	89	458
Firenza	12	6,646
Tredia	10	415
Charger	0	1,022
Eagle	0	1,392
Turismo	0	1,115
TOTAL	1,739,093	1,846,022
Intermediate Cars		
Taurus	185,440	210,973
Celebrity	112,148	138,504
Cutlass Ciera	103,397	119,859
Century	67,923	59,173
Dynasty	64,995	37,897
Grand Prix	63,903	44,531
Thunderbird	62,882	68,432
Sable	61,176	66,893
Camaro	60,057	53,055
Maxima	54,121	36,739
Cougar	52,718	59,788
Cutlass Supreme	50,936	54,320
New Yorker C	50,623	34,524
LeBaron J	47,980	56,931
Acclaim	43,077	0
Regal	42,837	63,127
Pontiac 6000	38,418	55,389
Spirit	37,451	0
Firebird	34,896	33,632
Legend	31,397	33,174
Lumina/Monte Carlo	23,593	21,563
Volvo 740 Series	23,468	21,699
Premier	23,289	18,486
Volvo 240 Series	21,897	21,494
Eldorado	17,212	14,348
Galant	16,707	8,901
Seville	13,895	10,611
Sonata	11,821	0
Mercedes 300	11,053	11,527
BMW 5-Series	10,841	7,028
Cressida	10,628	5,861
Mazda 929	10,576	13,167
Riviera	10,300	5,187
Supra	8,357	10,721
Jaguar XJ6	7,120	7,472
Volvo 760 Series	6,498	5,268
Saab 900 Turbo	4,740	4,542
Toronado	4,021	8,898
Medallion	3,480	8,568
Saab 900S	3,423	5,115
Sterling	3,351	4,947
Mercedes 300 SE	3,342	1,631
Audi 100/200	3,014	0
Saab 900	2,737	3,280
LeBaron GTS	2,721	8,796
Mercedes 260E	2,247	3,862
Jaguar XJS	2,245	2,425
Scorpio	1,811	3,837
Saab 9000 Turbo	1,800	4,214
Lancer	1,755	5,755
Saab 9000CD	1,616	0
Saab 9000S	1,459	1,707
Audi 100/200 Quattro	969	0
Volvo 780	900	789
BMW 635 CSi	834	877
Caravelle	733	10,287
BMW M6	295	270
Audi 5000	248	5,129
New Yorker E	237	14,170
BMW M5	231	194
Mercedes 300SDL Turbo	1	87
TOTAL	1,541,637	1,509,656
Standard Cars		
DeVille	82,855	77,352
Caprice	81,317	89,898
Olds 88	74,909	94,819
LeSabre	66,963	79,231
Lincoln	59,060	64,388
Crown Victoria	54,322	64,104
Grand Marquis	54,192	61,020
Bonneville H	47,538	64,811
Electra	39,683	41,836
Olds 98	37,066	38,051
Continental	29,453	21,562
Brougham	18,734	20,385
Mark VII	15,469	11,275
Fifth Avenue	7,765	26,398
BMW 7-Series	4,959	6,135
Mercedes 420SEL	3,203	4,700
Diplomat	2,551	12,227
Mercedes 560SEL	2,467	2,738
Paris./Safari	2,482	3,804
Mercedes 300SEL	2,016	3,363
Gran Fury	1,443	7,584
Mercedes 560SEC	744	825
TOTAL	689,171	796,506
Speciality Cars		
Nissan 300ZX	12,753	11,695
Corvette	10,175	13,544
Mazda RX-7	9,591	16,151
Reatta	4,215	1,634
Mercedes 560SL	4,090	6,074
Conquest	3,371	5,679
Toyota MR2	2,949	4,742
Fiero	1,961	15,689
Miata	1,756	0
Allante	1,667	1,792
911 Coupe/Carrera 4	1,277	1,750
Spider	1,049	1,334
911 Cabriolet/ Speedster	849	1,039
Porsche 911 Turbo	718	513
TC by Maserati	709	0
Porsche 944	679	2,056
Starion	548	1,795
Porsche 928S	453	753
944 Turbo	357	1,024
Porsche 944S	141	269
Porsche 924S	82	1,302
TOTAL	59,390	88,935
*Total Car Sales	5,088,478	5,497,249

*Total does not include tourist deliveries.

EUROPE

FROM PAGE 3

sales jumped 18.5 percent to 50,000 units in June and rose 9.8 percent to 326,800 for the first half.

Among specialist makers, BMW sales increased 18 percent in the first half to 212,700, and market share moved from 2.6 percent in 1988 to 2.9 percent in 1989.

In Germany, BMW jumped 19 percent in the first half to 111,300. That was good for a 7.3 percent share, a full percentage point higher than last year.

Elsewhere in Europe, BMW's sales rose 25.1 percent to 15,800 in Italy, 23 percent to 24,400 in the United Kingdom, 11 percent to 13,100 in France and 61.5 percent to 10,500 in Spain.

First-place Fiat's European sales increased 7.3 percent to 1,126,800 in the first half. The Italian maker was up 7 percent to 178,300 in June.

But second-place VW is slowly narrowing the gap, outselling its rival by about 10,000 units in June. VW sales rose 4.3 percent to 188,130 for the month — good for 16 percent of Europe's June market, compared to Fiat's 15.2 percent.

NEW-CAR SALES BY COUNTRY IN EUROPE

Country	6 mos., 1989	Percent gain/loss
West Germany	1,525,900	+ 3.2
Italy	1,363,500	+11.0
United Kingdom	1,196,400	+ 8.3
France	1,111,700	+ 5.8
Spain	598,200	+10.2
Netherlands	312,700	− 0.2
Belgium-Luxembourg	275,500	+ 0.3
Switzerland	197,000	+ 7.7
Sweden	164,400	− 8.1
Austria	157,900	+12.6
Finland	103,500	+ 6.3
Portugal	101,100	− 0.5
Ireland	49,200	+25.9
Denmark	45,600	−14.5
Greece	33,800	+21.6
Norway	27,000	−31.4
Total	7,263,400	+ 6.0

In the first six months, VW sales were up 6.6 percent to 1,069,400. VW is keeping pace with the market in Germany and making headway in the other major European countries. In Italy, sales increased 14.4 percent to 166,800 in the first half. VW climbed 20.3 percent to 93,500 in France and 16.7 percent to 72,500 in the United Kingdom.

The VW brand, which controls nearly 10 percent of the European market, rose 7.8 percent to 720,000 units in the first half, while the Seat subsidiary increased 9.9 percent to 155,500 across Europe. Audi fell a tenth of a percentage point in the first six months, with sales of 194,000 cars. Audi's first-half sales were off 13.2 percent in Germany, to 87,400.

Peugeot S.A., Europe's fastest-growing volume carmaker in 1987 and 1988, was up 8 percent to 938,600 in the first half after slowing down in the second quarter. Market share was 12.9 percent for the year, the same level at which Peugeot finished 1988.

Among specialist makers, Mercedes slipped in Europe in the first half, with sales dropping 4 percent to 232,100 and market share dipping to 3.2 percent from 3.5 percent. Mercedes sales declined 11.3 percent to 137,300 units in West Germany, where market share shrunk from 10.5 percent to 9 percent.

Japanese makers grew 2 percent in the first six months to 775,600, for 10.7 percent of the European market. Nissan was tops among Japanese makers with sales of 213,300, a jump of 8.9 percent. Its market share was 2.9 percent.

Among national markets, Germany rose 2.4 percent in June to 276,000 units following a 5.1 percent decline in May. For the first half, new-car sales in Germany were 1,525,900, a gain of 3.2 percent over 1988.

The current rate appears to give Germany a chance to top its record 1987 sales of 2.92 million cars. Last year, German sales slipped to 2.81 million.

Italian sales continued strong, surging 12.4 percent in June to 218,000. In the first half, sales improved 11 percent to 1,363,500.

The United Kingdom was up 3.5 percent to 174,700 in June and ahead 8.3 percent to 1,196,400 for the first half. France rose 7.2 percent in June to 151,000 and climbed 5.8 percent in the first half to 1,111,700.

Spanish sales continued to grow, although at a less-spectacular rate than in 1986-88. Sales rose 8.4 percent in June to 110,000 and were up 10.2 percent for the first half to 598,200.

Kan. UAW local honored for work with homeless

KANSAS CITY, Kan. — UAW employees at the General Motors Fairfax plant have received the Volunteer Action Award for developing and operating the Kansas City Rebound Center for homeless people.

Workers at the plant, who build the Pontiac Grand Prix, raised $100,000 for the center. Bud Carroll, Local 31 president, accepted the award from President Bush during a White House ceremony.

NISSAN

FROM PAGE 2

Proud," and "Say No To UAW."

If the union fails, Lowe predicts his side will contest the election over Nissan's failure to release employee injury records in accordance with Tennessee Department of Labor instructions, and seek a rematch.

At stake are more than Nissan's 2,400 eligible production workers, or even the 2,000 workers who will be added when the Smyrna plant doubles production over the next two years. The gain in union membership is debatable, since Tennessee is an open-shop state and workers are not required to join the union.

More important in the contest is what it will reveal about the UAW's ability to rise to the challenge of Japanese management, argues Robert Cole, professor of sociology and business administration at the University of Michigan.

"It comes down to a symbolic question of whether the UAW can organize the Japanese, with their mystical ways of running plants," Cole said. "Nissan has been very outspoken in its anti-unionism, and it would be a very symbolic win for the UAW. At the same time, a loss would be a real blow to their (the UAW's) confidence."

> **"It comes down to a symbolic question of whether the UAW can organize the Japanese, with their mystical ways of running plants."**
>
> **— COLE**

Nissan is one of only three nonunionized auto assembly plants in the country, and all three are Japanese companies operating in ways that are new to the American auto industry. The UAW withdrew from a bid to organize Honda of America Manufacturing in Marysville, Ohio, three years ago and has never been back. Toyota Motors' new Camry plant in Georgetown, Ky., only recently learned that the UAW is preparing to mount its first campaign there.

A win at Nissan may provide the other plants a signal on their own future labor relations. "If the union wins at Nissan, I predict you'll hear an announcement very quickly from Toyota to the effect that it intends to cooperate with the UAW at Georgetown," Cole said. "If that happens, there may even be hope for Honda in the union's eyes."

The election will also be significant for Japanese auto suppliers now moving into the United States. Suppliers often take their cue in labor relations from their original-equipment customers, Lowe points out. If the UAW succeeds at Nissan, it will open the door for organizing Nissan's suppliers, he said.

A victory would also lend support to UAW organizing efforts around the Mid-South, where many transplants are locating and many domestic operations were never conquered. The union, typical of the AFL-CIO as a whole, has still not fully penetrated the South. Over the past five years, in fact, the UAW has called 774 local elections around the country. Only 84 of them occurred in the South.

More telling is the UAW's recent won-loss record. For the country, the union has lost 54 percent of all elections held since 1985. In the South, the UAW has lost 65 percent of its elections.

YUGO

FROM PAGE 3

be paid back all the money they are owed, but he said the amount of upfront cash is subject to negotiation.

Yugo America and its parent company, Global Motors, declared Chapter 11 bankruptcy Jan. 30, but Yugo America is now seeking to settle its debts and reorganize as a subsidiary of Zavodi Crvena Zastava, the Yugoslavian manufacturer of the Yugo.

Yugo America owes its dealers about $2.5 million, mostly for rebate and warranty claims.

Some dealers have reacted favorably to the 50 percent offer, but it may not sit well with the rest of the company's unsecured creditors, sources said.

Also, some dealers who have given up their Yugo franchises or have stopped selling Yugos may not like the proposals because Yugo America has stipulated that "active" dealers will be paid in full, while "inactive" dealers will be given nine cents on the dollar.

Most of the company's secured creditors are covered by agreements, so negotiations are expected to center on the unsecured creditors.

For instance, Manufacturers Hanover Trust Co. is owed about $3 million, but the bank has a lien on the company's inventory and is being paid as cars are sold.

Yugo America owes about $6.2 million to its 20 largest unsecured creditors, not counting dealers.

Lambert Dale Advertising, Yugo's ad agency, tops the list at $2.7 million. Car haulers are also among the leading unsecured creditors.

Paul Lambert, a partner in the New York ad agency, is chairman of the unsecured creditors' committee. Dealers have their own committee, headed by Redston.

Based on the settlement negotiations, the committees will recommend to the creditors at large whether to accept Yugo America's offers, but the creditors are not bound by the recommendations.

Any settlement also would have to be accepted by Chief Bankruptcy Judge Vincent J. Commisa in Newark, N.J.

If the creditors accept a settlement, it could be more than six months before Yugo America emerges from Chapter 11, said Robert Baime, attorney for Impex Car Corp., the New York-based agent for Zastava in the United States.

Lambert acknowledged last week that Yugo America's failure forced his advertising agency to fold, and he has since gone to work for Global Motors founder Malcolm Bricklin at Bricklin's ranch in Meeker, Colo.

In April 1988, Bricklin sold his 70 percent interest in Global Motors to a group of private investors led by the Wall Street firm of Mabon, Nugent for a reported $20 million, though Bricklin is reported to have received only about $14 million.

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TRUCKS

FROM PAGE 1

Aerostar, Econoline and Club Wagon vans, the large F-series and smaller Ranger pickups and the Bronco and Bronco II sport-utility vehicles. Each of those vehicles was based on one platform of varying wheelbase, formed through modular construction methods.

Also on the program was to have been a four-door Bronco to compete with Chevrolet's Suburban and a mid-sized pickup to go head-to-head with the Dodge Dakota, as well as a Mazda-badged Ranger pickup.

Those vehicles would have been introduced from 1993 to 1996.

Key to the PN38 program was its modular adaptability. The idea: A common platform on which would be built front-, rear- and four-wheel-drive vehicles with two different wheelbases. To those modular platform variations would be added modular four-, six- and eight-cylinder engines.

The engine program is still in full swing. At Ford's Cleveland Engine Plant No. 2 last week, Trotman said the plant would be the $735 million home to one of the company's new family of engines.

The confluence of new technologies — engine and platform modularity coupled to composite-structured vehicles — played the primary role in changing Ford's mind about the PN38 program.

The insider said the technology is so advanced that Ford didn't have the resources — engineers, tooling or investment — to make it work.

Another possible contributing factor is talk within Ford that each platform program would live or die based on its ability to meet profitability targets and to contribute to truck corporate average fuel economy standards.

The PN38 program did not lack support. According to an insider exposed to the market research, "it was an absolute home run. Everything was very positive and it seemed to be on the right track."

While denying that the program has been scrapped, a Ford spokesman acknowledged: "There is a fair amount of uncertainty surrounding our forward-look programs — as I'm sure is the case elsewhere — particularly when you take into account CAFE standards and what they will be years out. If you look at the outer limits, talk in Washington puts the figure at 40 mpg. While no laws have been passed, you have to take (figures like those) into account when you determine forward-look programs."

With CAFE standards still up in the air, Ford did not feel comfortable undertaking such a broad product program as PN38.

A source close to the project said new long-range truck plans, now sketched in pencil, would be firmed up following a meeting of Ford's policy and strategy committee in August or October.

Replacing PN38 is a new Ford truck product plan — derived by consensus from product planners and truck engineers — that is less ambitious and more drawn out, with introductions from 1993 through 1998.

- The modular Aerostar replacement which, before the PN38's death, had been scheduled for 1993, becomes a long-wheelbase derivative of the Ford-Nissan joint-venture minivan, coded VX54. The Aerostar replacement, to be built in Avon Lake, Ohio, will appear as a 1994 model. The VX54 will debut in 1992.

- In 1995, a minivan like the General Motors all-purpose vans will be built from Ford's DFC55 program, the platform replacement for the Taurus/Sable and Scorpio. The current rear-drive Aerostar will be dropped after 1995, giving Ford two front-drive passenger vans by 1996.

"That handles Ford's first priority to replace the Aerostar," the source said. Ford's major concern is that the current Aerostar, designed by truck designers, trails the Chrysler Motors minivans in popularity.

Ford's second priority is replacing its aging F-series pickup that is losing ground to GM's recently redesigned full-sized pickups.

The F-series replacement will arrive in 1996 with a full-sized conventional pickup fitted with a composite bed. Ford will begin testing composite material with the 1990½ Ranger, 10,000 of which will be fitted with a plastic box.

- In 1997, a full-sized Bronco will be pulled off this F-series replacement, and a Ranger pickup replacement will debut.

- A 1998 Bronco II is scheduled for introduction, as well as a replacement for Ford's full-sized Econoline and Club Wagon vans.

Ford's modular engines under development — which include a 2.4-liter four-cylinder, a 3.5-liter V-6 and a 4.6-liter V-8 — are expected to be built, contingent on fuel-economy standards set in Washington.

Plans call for compact vehicles to be fitted with both four- and six-cylinder powerplants while the larger vehicles will get V-6s and V-8s.

Ford will use its composite technology to engineer multiple pieces as a single unit. The process will substantially reduce Ford's manufacturing complexity.

Under the modularity plan, large sections of trucks will be shipped from suppliers as complete modules. Only final assembly will be required.

INCENTIVE WATCH

	Customer Incentives						Dealer Incentives	
		Finance Rates (Pct.) — Months —						
	Rebates	24	36	48	60	Expiration Date	Type	Expiration Date
Chrysler Motors								
Chrysler	$500 - $2,000	0.0*	5.9	6.9	10.9	None		
Dodge Cars	$500 - $1,000	0.0*	5.9	6.9	10.9	None		
Dodge Trucks	$500 - $2,000	0.0*	5.9	6.9	10.9	None		
Eagle	$500 - $1,000	0.0*	5.9	6.9	10.9	None		
Jeep	$500 - $1,000	0.0*	5.9	6.9	10.9	None		
Plymouth	$500 - $1,000	2.9	5.9	6.9	10.9	None		
*2.9 percent on some models								
Ford Motor Co.								
Ford Cars	$400 - $1,000	2.9	5.9	6.9	10.9	July 31*		
Ford Trucks	$300 - $750	2.9	5.9	6.9	10.9	July 31*		
Mercury	$750 - $1,500	2.9	5.9	6.9	10.9	July 31*		
Merkur	$2,000 - $4,000	2.9	5.9	6.9	10.9	July 31		
Lincoln	$1,000 - $1,500	2.9	5.9	6.9	10.9	July 31		
*No expiration for Ford Crown Victoria, Ford Bronco and Mercury Grand Marquis								
General Motors								
Buick	$500 - $1,500	2.9	5.9	6.9	10.9	July 10	All GM divisions: Zero to $1,000 per sale based on performance against quota. $150 per sale if dealer elects not to participate in quota program.	Sept. 27
Cadillac	$1,500							
Chevrolet Cars	$400 - $1,000	2.9	5.9	6.9	10.9	Sept. 27*		
Chevrolet Trucks	$400 - $750	2.9	5.9	6.9	10.9	Sept. 27*		
GMC	$500 - $750	2.9	5.9	6.9	10.9	None		
Oldsmobile	$1,000 - $1,500	2.9	5.9	6.9	10.9	None		
Pontiac	$700 - $1,250	2.9	5.9	6.9	10.9	None		
Cadillac does not have a finance-rate incentive *Chevrolet's rebate program has no expiration date								
Alfa Romeo							$1,000 - $6,000	Aug. 31
Audi							$3,000 on 100 and 200 fwd for meeting quota	July 31
BMW 735i			8.5	9.0	9.5	Aug. 31		
735iL, 750iL			8.5	9.0	9.5	Aug. 31		
Daihatsu							$300 if meet sales quota	Sept. 5
Honda							Up to $500	Aug. 31
Hyundai	$300 - $1,000					Sept. 5	$300 - $800, some based on qouta	
Mazda Cars	$200 - $750					Aug. 2	Up to $1,000, some based on quota	
Trucks	$750					Aug. 2		
Mitsubishi Cars							$250 - $1,750	July 31
Trucks							$500 - $1,500	July 31
Nissan Cars							$100 - $1,500, based on quota	Sept. 5
Trucks							$100 - $2,000, based on quota	Sept. 5
Peugeot							$1,000 - $2,000	Sept. 16
Porsche							$3,000 - $6,000 on 40 percent of cars sold	Sept. 30
Sterling		4.9	5.9	5.9	6.9	Aug. 31	$1,500 - $2,750	Aug. 31
Subaru	$1,000 - $3,000*					Aug. 31	$1,000 - $3,000*	Sept. 5
*Rebates go to the customer in some regions and to the dealer in other regions								
Suzuki							$1,000	Aug. 2
Toyota Cars							$100 - $2,000, some based on quota	Sept. 5
Trucks							$200 - $2,500, some based on quota	Sept. 5
Volkswagen Cars	$200 - $2,000					July 31		
Vanagon							$500	July 31

INCENTIVES

FROM PAGE 3

ing dealers a 5 percent carryover allowance on 1989 vehicles and "not doing this huge substitute for it."

Chrysler told its Jeep-Eagle dealers that it will not offer a carryover allowance for 1989 models but it plans to keep its dealers competitive with rebates on carryover models.

A Ford Motor Co. spokesman said a carryover allowance or similar program is "under discussion." Ford did not say when it will make a decision on the carryover allowance issue.

One week after GM sweetened its incentive program, Ford put its Ford Crown Victoria, Mercury Grand Marquis and Ford Bronco into a rebate program that has no expiration date. Ford left intact its current incentive program, which ends July 31.

The new rebates are $1,000 on Crown Victoria and Grand Marquis and $750 on Bronco. Those models also have been added to the Red Carpet lease program. The program offers rates of 2.75 percent of the cost of the vehicle for up to 24 months or 8 percent of the cost of the vehicle for 25-, 36- or 48-month leases, minus a $300 rebate.

Other Ford Motor vehicles are in an incentive program offering a choice between rebates ranging from $300 to $4,000 and low-interest loans on selected vehicles and rebates only on other models.

Daihatsu America announced dealer incentives last week. The importer is offering dealers a $300-per-unit advertising allowance if they meet individual sales quotas, but nothing if they don't, said C.R. "Dick" Brown, executive vice president. The program ends Sept. 5.

Jaguar Cars has extended its $5,000 rebate offer for the purchase of a 1989 Jaguar to owners of 1986 Jaguar sedans.

Previously, Jaguar had offered the $5,000 deal only to owners of 1987 sedans who bought a new Jaguar. That offer expired July 10.

Owners of 1986 sedans have from Aug. 7 to Sept. 18 to take advantage of the offer.

The $5,000 rebate may be applied to the 1989 XJ6 or Vanden Plas sedans, or to the XJ-S coupe, but not to the XJ-S convertible.

Cars must be in dealer stock.

Porsche Cars North America is issuing cash certificates to dealers based on eligible vehicles in stock or ordered between July 1 and Sept. 30. The certificates can be redeemed for $3,000 to $6,000 when the vehicles are sold.

Eligible vehicles are 1988 924-S and 1988 and 1989 944, 944-S, 944-S2 and 944 Turbo models. Dealers must have had at least two new, unused eligible models in stock on July 1 to qualify. Certificates equal to 40 percent of the models in stock or ordered from Porsche during the period will be issued, subject to rounding.

Certificates are $3,000 for 924-S and 944, $5,000 for 944-S and 944-S2 and $6,000 for 944 Turbo.

Automotive News Staff Reporters Jim Henry and Jesse Snyder contributed to this report.

Cars reach four million, ahead of '88

By Karen Detkowski
SPECIAL CORRESPONDENT

U.S. automakers built their four-millionth car of the year last Monday, eight days ahead of 1988.

So far this year, 4,007,880 cars have been assembled, 2.34 percent more than the 3,916,220 completed at this point last year.

Last week's scheduled car output of 83,488 was 49.25 percent above the previous week's 55,937, when all Ford Motor Co. plants were closed for vacation, but it was 11.17 percent below the year-ago week's 93,984.

Companies split last week's estimated output as follows:

General Motors, 35.79 percent; Ford Motor Co., 31.60 percent; Honda of America Manufacturing, 9.11 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 5.06 percent; New United Motor Manufacturing Inc., 4.79 percent; Toyota Motor Manufacturing U.S.A., 4.26 percent; Chrysler Motors, 4.07 percent; Nissan Motor Manufacturing Co. U.S.A., 2.90 percent; and Diamond-Star Motors, 2.42 percent.

Truck production was scheduled at 70,387 units last week, 81.15 percent above the previous week's 38,855 and 77.20 percent above the year-ago week's 39,721.

Year-to-date, 2,439,417 trucks have been built, 7.56 percent more than the 2,267,936 assembled last year at this time.

Last Thursday, GM's Orion Township, Mich., plant began output of the 1990 Cadillac DeVille and Oldsmobile 98 Regency.

Also beginning 1990 production were GM plants in Doraville, Ga., which assembles Oldsmobile Cutlass Supreme, and Kansas City, Mo., which builds Pontiac Grand Prix.

GM's Arlington, Texas, and Linden, N.J., plants are closed for changeover until Aug. 9 and 14, respectively. The Van Nuys, Calif., and Lakewood, Ga., plants go down next week. Van Nuys will reopen Aug. 11; Lakewood, Aug. 21.

GM's Framingham, Mass., facility will close indefinitely July 28.

Ford Motor Co. will idle its Edison, N.J., assembly plant this week and next week because of high inventories of Ford Escorts. Ford's Chicago assembly plant resumes output of Taurus and Sable today. It was down a week because of high inventories.

Cars, trucks fall in Canada

With only five of 10 car and truck assembly plants open, last week's scheduled output in Canada fell below the prior week's total.

Car production was targeted at 12,487 units, 1.86 percent below the previous week's 12,723 but 45.74 percent above the year-ago week's 8,568.

Truck output was scheduled at 5,150 units last week, 20.12 percent below the prior week's 6,447 and 8.77 percent below the year-ago week's 5,645.

Toyota Motor Manufacturing Canada will close for vacation July 31 and is scheduled to resume operations Aug. 7.

U.S. CAR	Week Ended July 22, 1989	Week Ended July 23, 1988	Week Ended July 15, 1989	July to Date	Jan. 1 to July 22, 1989	Jan. 1 to July 23, 1988
Horizon	1,100	1,400	1,172	3,172	15,213	54,389
Sundance	0	3,142	0	1,964	64,561	59,633
Reliant	0	2,120	0	0	0	51,961
Acclaim	0	0	0	1,860	70,752	0
Caravelle	0	0	0	0	0	9,087
Gran Fury	0	290	0	0	0	15,057
Total Plymouth	1,100	6,952	1,172	6,996	150,526	190,127
LeBaron K	0	0	0	0	0	7,912
LeBaron J	700	2,050	0	700	55,973	44,526
LeBaron GTS	0	329	0	0	2,946	5,428
N. Yorker C-Class	0	0	0	0	57,496	63,233
Fifth Avenue	0	249	0	0	0	15,745
Total Chrysler	700	2,628	0	700	116,415	136,844
Omni	1,100	1,218	1,078	3,158	16,347	53,084
Daytona	500	2,020	0	500	47,036	43,801
Shadow	0	2,648	0	1,719	61,412	59,265
Aries	0	1,894	0	0	0	50,811
Dodge 600	0	0	0	0	0	8,549
Dynasty	0	0	0	0	83,278	59,366
Lancer	0	185	0	0	1,528	5,471
Spirit	0	0	0	1,124	60,292	0
Diplomat	0	297	0	0	0	12,371
Total Dodge	1,600	8,262	1,078	6,501	269,893	292,718
CHRYSLER MOTORS	3,400	17,842	2,250	14,197	536,834	619,689
Escort	8,126	0	0	8,126	177,414	201,238
Mustang	4,087	0	0	4,087	120,803	109,640
Tempo	2,761	0	0	2,761	83,999	102,764
Taurus	0	0	0	0	205,266	213,056
Thunderbird	2,929	0	0	2,929	91,282	84,245
Total Ford Div.	17,903	0	0	17,903	678,764	710,943
Topaz	1,672	0	0	1,672	38,904	38,291
Cougar	2,905	0	0	2,905	76,976	63,775
Sable	0	0	0	0	66,515	73,626
Total Mercury	4,577	0	0	4,577	182,395	175,692
Continental	1,178	0	0	1,178	38,771	23,716
Mark VII	381	0	0	381	13,646	12,997
Lincoln	2,343	0	0	2,343	72,382	75,589
Total Lincoln	3,902	0	0	3,902	124,799	112,302
Total L-M Division	8,479	0	0	8,479	307,194	287,994
FORD MOTOR CO.	26,382	0	0	26,382	985,958	998,937
Skyhawk	0	177	0	0	6,913	9,945
Skylark/Somerset	756	712	1,604	3,663	34,911	27,983
Century	2,765	1,580	2,774	7,789	72,601	66,096
Riviera	0	0	0	0	11,348	3,642
Electra	0	1,905	0	0	43,308	49,803
LeSabre (fwd)	0	2,592	2,925	5,222	90,007	69,970
LeSabre (rwd)	35	196	39	107	4,061	5,820
Reatta	0	166	0	0	3,140	5,140
Total Buick	3,556	7,328	7,342	16,781	266,289	238,399
Cimarron	0	0	0	0	0	3,693
Eldorado	0	0	0	0	19,103	23,410
Seville	0	0	0	0	13,997	14,466
Brougham (rwd)	0	356	950	1,870	21,933	17,799
Deville (fwd)	858	1,116	0	858	114,374	97,106
Allante	75	0	75	210	1,843	1,135
Total Cadillac	933	1,472	1,025	2,938	171,250	157,633
Cavalier	6,313	7,369	4,523	14,372	216,106	201,538
Camaro	0	2,825	0	0	64,591	51,925
Celebrity	0	2,638	0	1,727	70,349	108,343
Corsica/Beretta	0	9,460	4,326	7,983	229,026	231,362
Caprice	1,470	4,457	2,884	7,189	111,500	114,478
Corvette	560	450	560	1,568	15,413	11,876
Total Chevrolet	8,343	27,199	12,293	32,839	706,985	719,524
Calais	932	1,360	1,995	4,545	56,502	64,657
Firenza	0	0	0	0	0	5,230
Cutlass Ciera	3,145	2,260	3,072	7,774	53,561	13,156
Cutlass Supreme	1,505	3,937	0	1,505	52,630	90,891
Toronado	0	0	0	0	4,845	10,209
88 (fwd)	0	2,919	817	1,453	85,904	89,661
88 (rwd)	0	118	265	486	4,877	6,925
Olds 98	302	584	0	302	42,295	44,948
Total Oldsmobile	5,884	11,178	6,149	16,065	300,614	325,677
Sunbird	3,032	1,834	0	3,032	84,208	59,756
Grand Am	4,155	4,186	4,806	12,866	143,974	138,286
Firebird	0	1,325	0	0	35,352	36,632
Grand Prix	2,210	2,536	0	2,210	71,775	73,415
Pontiac 6000	1,775	711	1,991	4,508	47,070	43,569
Bonneville	0	2,345	0	0	51,680	63,962
Safari/Parisienne	0	71	0	0	2,691	4,697
Fiero	0	496	0	0	0	11,134
Total Pontiac	11,172	13,504	6,799	22,636	436,750	431,451
GENERAL MOTORS	29,888	60,681	33,608	91,259	1,881,886	1,872,684
DIAMOND-STAR	2,017	0	1,549	3,566	30,038	0
HONDA	7,603	7,133	7,033	14,636	212,233	196,869
Civic	2,652	2,325	2,534	5,186	72,404	54,206
Accord	4,951	4,808	4,499	9,450	139,829	142,663
MAZDA†	4,222	3,514	3,799	8,021	114,529	53,699
NISSAN	2,421	0	0	2,421	64,156	53,571
NUMMI	4,000	3,237	4,206	10,750	114,603	85,176
Corolla	1,600	1,172	1,778	4,394	46,204	31,278
Geo Prizm/Nova	2,400	2,065	2,430	6,356	68,399	53,898
TOYOTA	3,555	0	3,490	9,118	67,641	0
VOLKSWAGEN	0	1,577	0	0	0	35,595
Golf/GTI	0	1,577	0	0	0	30,042
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	83,488	93,984	55,937	180,350	4,007,880	3,916,220
Total Cars, Canada	12,487	12,343	12,723	33,710	554,877	637,740
U.S., Canada Cars	95,975	102,552	68,660	214,060	4,562,757	4,553,960
U.S., Canada Cars and Trucks	171,512	147,918	113,962	377,790	7,547,345	7,338,722

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe

CANADIAN CAR	Week Ended July 22, 1989	Week Ended July 23, 1988	Week Ended July 15, 1989	July to Date	Jan. 1 to July 22, 1989	Jan. 1 to July 23, 1988
Premier	0	1,595	0	0	22,370	38,874
CHRYSLER MOTORS	0	1,595	0	0	22,370	38,874
Tempo	0	0	0	0	72,675	102,017
Topaz	0	0	0	0	30,827	36,450
Crown Victoria	0	0	0	0	68,779	71,940
Grand Marquis	0	0	0	0	74,446	71,864
FORD MOTOR CO.	0	0	0	0	246,727	282,271
Celebrity	1,130	553	1,129	3,050	14,762	12,948
Cutlass Ciera	2,457	1,978	2,458	6,720	93,333	155,498
Lumina	6,380	0	5,077	15,638	75,999	0
Pontiac 6000	0	0	0	0	0	29,675
Regal	230	3,368	1,773	3,206	43,462	94,088
GENERAL MOTORS	10,197	5,899	10,437	28,614	227,556	292,209
HONDA	1,660	894	1,581	3,241	45,686	20,377
TOYOTA	450	0	525	1,351	7,531	0
VOLVO	180	180	180	504	5,007	4,009
Total Cars, Canada	12,487	8,568	12,723	33,710	554,877	637,740

U.S. TRUCK☆	Week Ended July 22, 1989	Week Ended July 23, 1988	Week Ended July 15, 1989	July to Date	Jan. 1 to July 22, 1989	Jan. 1 to July 23, 1988
Caravan	0	0	1,661	3,300	62,157	52,630
Dakota	100	0	0	100	55,019	61,653
Caravan C/V	0	0	0	6	4,518	8,496
Ram pickups	100	0	0	100	55,123	40,119
Total Dodge	200	0	1,661	3,506	176,817	162,898
Cherokee	2,900	3,626	0	2,900	125,081	102,230
Comanche	300	874	0	300	17,053	26,130
Grand Wagoneer	0	264	0	0	6,279	8,231
Wagoneer	50	0	0	50	5,037	6,190
Total Jeep	3,250	4,784	0	3,250	153,450	142,781
Voyager	0	0	1,512	3,027	58,725	46,601
Town & Country	0	0	147	284	1,872	0
Total C-P Div.	0	0	1,659	3,311	60,597	49,354
CHRYSLER MOTORS	3,450	4,784	3,320	10,067	390,864	362,297
Aerostar	3,980	0	0	3,980	131,692	109,133
Bronco	1,320	0	0	1,320	44,405	32,390
Bronco II	1,605	0	0	1,605	71,290	69,881
Econoline	3,925	0	0	3,925	133,044	130,025
Heavy trucks	1,297	0	0	1,297	36,289	35,060
Light trucks	10,916	0	0	10,916	303,776	266,783
Ranger	4,839	0	0	4,839	188,540	191,433
Total Ford Div.	27,882	0	0	27,882	907,036	834,705
FORD MOTOR CO.	27,882	0	0	27,882	907,036	834,705
Astro	2,985	3,365	2,962	8,318	95,199	96,392
Blazer	583	617	665	1,501	16,337	15,565
Mediums/Heavies	375	333	296	871	5,902	9,936
P-Model	687	1,017	768	2,017	20,771	22,311
Pickups	7,911	6,620	6,882	20,801	228,714	187,810
S-10	4,772	5,886	5,136	14,014	154,040	163,366
S-10 Blazer	3,897	3,648	3,890	10,965	111,745	93,409
Sportsvan/Van	2,178	2,036	1,482	5,137	56,148	50,113
Suburban	1,682	1,561	1,905	4,322	45,638	41,525
Total Chevrolet	25,070	25,083	23,986	67,946	730,775	680,427
Jimmy	167	71	189	428	4,836	4,406
Mediums/Heavies	575	769	442	1,592	9,029	22,023
P-Model	193	16	173	498	2,931	3,196
Pickups	2,462	1,991	3,580	8,354	70,076	58,177
S-15	966	1,162	1,003	2,795	35,524	37,244
S-15 Jimmy	1,052	966	947	2,809	31,004	24,264
Safari	775	892	777	2,148	24,722	24,547
Suburban	578	505	672	1,485	17,825	18,653
Vandura/Rally Vans	581	732	1,016	2,064	15,836	19,857
Total GMC	7,349	7,104	8,799	22,173	205,842	212,449
GENERAL MOTORS	32,419	32,187	32,785	90,119	936,617	892,876
NAVISTAR	1,750	0	0	1,750	46,876	45,640
NISSAN	2,136	0	0	2,136	67,434	55,959
AM GENERAL*	450	450	450	1,260	12,680	12,510
MISCELLANEOUS*	2,300	2,300	2,300	7,000	77,900	63,940
Total Trucks, U.S.	70,387	39,721	38,855	140,214	2,439,417	2,267,936

CANADIAN TRUCK	Week Ended July 22, 1989	Week Ended July 23, 1988	Week Ended July 15, 1989	July to Date	Jan. 1 to July 22, 1989	Jan. 1 to July 23, 1988
Caravan	0	0	0	2,020	80,624	79,451
Caravan C/V	0	0	0	145	7,048	7,850
Ram Wagon	0	0	0	428	15,578	13,401
Ram Van	0	0	0	857	39,800	35,238
Total Dodge	0	0	0	3,450	143,050	135,940
Voyager	0	0	0	1,773	71,727	72,320
Total Plymouth	0	0	0	1,773	71,727	72,320
Wrangler	0	23	0	1,500	44,644	26,865
Total Jeep	0	23	0	1,500	44,644	26,865
CHRYSLER MOTORS	0	23	0	6,723	259,421	235,125
FORD MTR. (lt. trks.)	0	0	0	0	89,294	91,509
Light trucks	3,600	2,604	3,211	9,775	93,096	86,130
Vans	0	983	1,169	2,160	36,743	35,398
Total Chevrolet	3,600	3,587	4,380	11,935	129,839	121,528
Light trucks	1,280	1,434	1,545	3,536	41,691	44,378
Vans	0	601	522	1,052	18,057	18,450
Total GMC	1,280	2,035	2,067	4,588	59,748	62,828
GENERAL MOTORS	4,880	5,622	6,447	16,523	189,587	184,356
NAVISTAR	270	0	0	270	6,869	5,836
Total Trks., Canada	5,150	5,645	6,447	23,516	545,171	516,826
U.S., Canada Trks.	75,537	45,366	45,302	163,730	2,984,588	2,784,762

☆—Includes window van production *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Automotive News®

July 31, 1989

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Quality prize for LeSabre; sales double

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Thanks to J.D. Power and Associates and some aggressive promotion, the Buick LeSabre has rocketed out of showrooms in July.

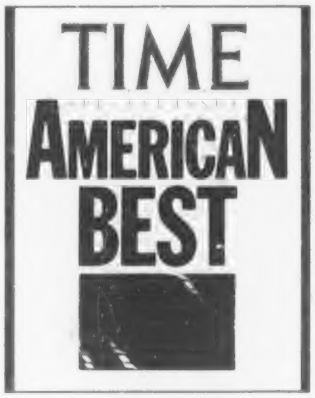
The LeSabre's ranking as the top domestic model in Power's June Initial Quality Survey helped Buick double last year's sales of LeSabre during the first two 10-day periods of July.

Car-truck sales rise 2 percent in mid-July, Page 41

In the 20 days, Buick sold 9,697 LeSabres, compared with 4,541 last year.

The upturn followed the July 1 release of the Power survey, which put LeSabre second to Nissan Maxima in overall quality. Before that, LeSabre sales trailed 1988.

"Customers are coming in with articles in their hands," said Tom Scerbo, owner of Scerbo Buick in Boonton, N.J.



Power-Time-LeSabre spells success.

The LeSabre has been selling so well recently that Buick will keep a second shift to build more front-wheel-drive LeSabres at Buick City in Flint, Mich. The second shift was added in March.

Summer sales have been bolstered by a LeSabre promotional piece that Buick put together for its 2,950 dealers.

On July 11, Buick mailed 300,000 four-page promotional pieces with a simulated red-bordered Time magazine cover featuring two print ads to herald LeSabre's standing in the J.D. Power survey. LeSabre catapulted from last year's 44th spot to the second most-trouble-free car

see LeSABRE, page 41

Chrysler battens hatches with $1 billion cutback

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chrysler Corp., expecting a permanent change in the U.S. car market, last week announced a 15-month cost cutting program to trim $1 billion in fixed expenses by the end of 1990.

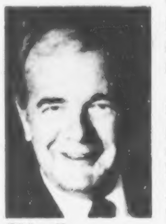
The cuts will not be in areas that affect product plans or customer satisfaction, the company said. Suppliers will be affected.

"We are intending to take a billion dollars out and keep it out and keep it ongoing, then go look for some more," said Bennett E. Bidwell, chairman of Chrysler Motors, following the announcement to 600 top executives.

"We got fat from 1984 to 1987," said Bidwell. "We didn't really go to work until after we bought AMC. And we should have done it earlier at Chrysler on our own," said Bidwell.

Chrysler believes that overcapacity, a soft market of only 14.2 million car and truck sales in 1990 and stiff competition will prolong the need for cost cutting, but General Motors and Ford Motor Co. said they planned no new cuts.

"Chrysler is going through some cost-containment programs that we have already implemented," said a GM spokesman.



Bidwell

In 1987 GM initiated a program to reduce costs by $10 billion by 1990. A year later, that goal was pushed to $12.5 to $13 billion, according to a company spokesman.

GM has reduced its salaried workers by 40,000 worldwide as a result of the effort. Its cost-cutting program already has reached $10 billion of its goal.

David McCammon, Ford vice president for finance and treasurer, said Ford has been preparing for the inevitable downturn through work force reductions and keeping its capacity tight. "We do not expect any major layoffs in salary or hourly" workers, nor any cut in spending programs, he said.

Both Ford and GM said they have no plans to lay off employees, but they said they continually evaluate staffing levels.

The first Chrysler cuts will come when it eliminates 2,300 white collar workers — or about 8 percent of its salaried workforce — in its Chrysler Motors subsidiary and corporate staffs over the next month and a half. The staff cuts could save the company $240 million a year — $100 million in head count reduction and $140 million in reduced in fringe benefits, overtime pay, temporary employees and other personnel costs.

Chrysler hopes about half of the personnel cuts will be achieved through early retirement packages and buyouts of employees 55 years old or older with at least 10 years experience. Special incentives will be offered to those employees over age 62. The remaining employees will be cut. Chrysler Corp. white collar ranks have grown from 20,000 in 1983 to 31,000.

Chrysler's 2,000 top executives are also being asked to voluntarily put into escrow a portion of their salary during the 15-month cost cutting period, which runs from October 1989 to the end of 1990. All participants in the program

see CHRYSLER, page 42

Domestic cars offer more bang for the buck

Japanese quality still wins buyers

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

How much car can a family buy for $16,000 to $18,000? Do domestics or Japanese imports offer better values?

As two trends have converged — improved domestic quality and higher import prices — the scales may be tipping to the domestics, according to analysts and some multi-franchise dealers.

"The comparison is done on a model-by-model level, by people who stand there in the showroom and say 'You mean I can get a Buick LeSabre for the same price as this Mazda 626?' " said Bill Cook, a dealer based in Farmington Hills, Mich., who handles Buick, Mazda, Chrysler, Plymouth, Audi, Porsche and Volkswagen.

But as analyst Maryann Keller said, "There's a big element of subjectivity in value."

"If you take an objective measurement of price, content, size and engine displacement, you can calculate that domestics have a price advantage of $1,000 to $1,500," said Keller, of Furman Selz Mager Dietz & Birney, a New York brokerage house.

"But value also includes things like quality. And while the gap is narrower, Japanese cars are still higher quality. That's still a factor," she said.

AUTOMOTIVE NEWS/JOE WILSSENS

Family vehicles from the Big 3 and Japan jockey for marketing position in an Automotive News comparison. Page 44.

While several multi-franchise dealers report that buyers may be moving toward domestics, Japanese and transplant-built cars picked up three points of market share in the first half of 1989 com- [illegible] half of 1988. [illegible] ord Motor Co. gained in share, from 21.76 percent to 22.56 percent.

Dealer Cook points out that domestic automakers have dramatically improved product quality in recent years. Combined with pricing increases on Japanese imports since 1985, caused by strong appreciation of the yen, domestics have moved from a roughly even position to a clear advantage on price and from a big disadvantage to near-parity on quality, he said.

As an illustration, Automotive News looked at a dozen represen-

see NEW CARS, page 44

Incentives hurt quarterly profit at GM and Ford

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

Expensive incentive programs and slow sales reduced second-quarter profits for General Motors and Ford Motor Co.

Ironically, incentives meant higher volume for the captive finance arms, but rising borrowing costs in a competitive market caused Ford Motor Credit Co. and General Motors Acceptance Corp. to lend money at thin margins, and their profits took a big hit.

GMAC second-quarter profits were off $65.3 million while earnings from Ford's financial services group dropped $42.8 million.

GM's non-automotive subsidiaries contributed 42 percent of second-quarter earnings this year and 41 percent a year ago. Ford's accounted for 12 percent in the second quarter and 13 percent in the year-ago period.

Ford's second-quarter profits of

see PROFITS, page 43

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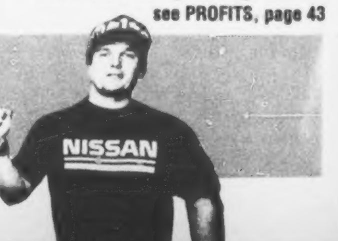
INSIDE:

UAW arsenal depleted:
The UAW is taking aim at Toyota's plant in Kentucky. But the union seems out of organizing ammo after losing 2-1 at Nissan's Tennessee plant last week. Page 2.



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HIDDEN IMAGE/HANS G. LEHMANN

Peugeot's new luxury model was styled by Pininfarina.

Peugeot's flagship set for Frankfurt debut, U.S. sale

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

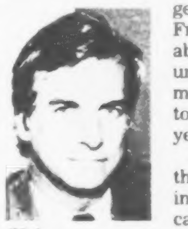
PARIS — Peugeot will show its long-awaited, luxury flagship at September's Frankfurt auto show.

The new Peugeot, which has been variously called the 705 or 605 by sources, is due to be unveiled to dealers Sept. 5.

Sales in France will start in October, and major export markets in Europe will receive the car in the second quarter of 1990.

And despite rumors that the car may not be sold in the United States, Peugeot is looking at a U.S. introduction in late 1990 at the earliest, though perhaps not until the middle of 1991, according to Victor Dial, marketing director for Automobiles Peugeot.

The alleged hesitancy has been pinned to the poor sales of the compact 405 since its American introduction last fall.



Dial

"I'd like to be doing better in the United States," said Dial. "But our intention is to bring it into the United States."

Peugeot sales in the United States dipped to 6,712 last year, down from 9,422 in 1987 and a peak of 20,007 in 1984. Peugeot had hoped to return to 20,000 this year, but six-month sales were only 3,067.

Dial, who oversees the U.S. sales effort, said Peugeot doesn't plan to abandon the American market.

"Basically, it's not so much a problem of the 405 as it is Peugeot in general," he said. "When you're so small, you have no visibility and you're not on anyone's list."

The sales problems of the 405 will not be a factor in the timing of the U.S. debut for the big car.

"It's really not possible to bring it forward," Dial said.

While Dial confirmed that the car will be at Frankfurt, the company has released no technical details and hasn't even confirmed the name of the car.

But the Pininfarina-bodied, front-wheel-drive model reportedly will be launched in four editions, ranging from a a 1.9-liter four-cylinder base model to a flagship with a 24-valve 3-liter powerplant — one of two V-6 offerings.

"It's a small segment and we're shooting for 100,000 cars a year," said Dial. "It's completing our range and hopefully should be a good profit car."

The car will be built at Peugeot's plant in Sochaux in eastern France. Dial said production probably won't reach the 100,000 level until 1991. The 505 last achieved more than 100,000 in 1986, falling to 69,000 in 1987 and 45,000 last year.

In keeping with past practices, the 505 will remain in production in limited volume after the larger car is introduced. Its assembly will be shifted to several smaller Peugeot plants throughout France.

Peugeot S.A. will bring out the new model just after its May introduction of the new Citroen XM, which shares platform components and engines with the new car. But there are notable contrasts, not the least of which is the appearance.

Styling of the Peugeot is markedly different from the Bertone-

see PEUGEOT, page 44

Jeep-Eagle may get awd minivan

Chrysler must predict total·segment as it mulls plans this week

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chrysler Motors is considering an all-wheel-drive version of its next-generation minivan and a car priced under $6,000 for its Jeep-Eagle Division as part of the 1990s product lineup.

Chrysler officials told Automotive News last week the fate of the all-wheel-drive minivan should be decided in 30 to 60 days and the vehicle, if approved, could arrive in Eagle showrooms as soon as 1991. Chrysler officials say 1992 is a more realistic target.

Interior and exterior designs of the Eagle minivan are complete, and Chrysler management will review plans for the vehicle this week, according to Ed Brust, Eagle general product manager.

According to written responses by Chrysler to Jeep-Eagle Dealer Council recommendations at its summer dealer meeting in May, an Eagle minivan will be offered only "if the Chrysler-Plymouth and Dodge dealers do not sell out Chrysler's capacity."

The model would be a seven-passenger, short-wheelbase minivan with standard all-wheel drive. No two-wheel-drive versions of the Eagle van are planned. Eagle would share the awd van with Dodge and Plymouth, though Eagle officials want to develop awd as a niche for the division.

"If there were an Eagle (minivan), it would be great to let us have all-wheel-drive exclusivity for the first six months or the first year or whatever, then let Plymouth and Dodge carry forward with that functional hardware," said Brust.

Austrian 4wd specialist Steyr-Daimler-Puch is expected to provide Chrysler with the technology for the awd minivan. The Austrian firm said it plans to open a Detroit engineering office in 1989.

The Eagle minivan proposal has raised the question of whether another Chrysler Motors minivan would cannibalize business from Plymouth and Dodge, which already sell minivans as fast as the Windsor, Ontario; and St. Louis (No. 2), plants can build them.

"You've either got to increase capacity at Windsor, St. Louis or another source or believe that the market is going to get so intense with competition that maybe there will be some more capacity and you could slide it in," said Brust.

"That's what we're struggling with internally. How do you want to vote? It's not an easy call," he said.

Chrysler faces intense competition in the compact van market that could threaten the company's current 51 percent share of that category. Brust said Chrysler's minivan competition will be Chevrolet Lumina, Oldsmobile Silhouette, Pontiac Trans Sport, Mazda MPV and the minivan that will be built by a joint venture of Ford Motor Co. and Nissan in Avon Lake, Ohio.

If the Eagle minivan is approved, all four Chrysler

see EAGLE, page 42

Chrysler talks vans with Chausson, Steyr

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

Chrysler plans European output of Plymouth Voyager.

FRANKFURT, West Germany — Chrysler Motors is eyeing surplus capacity at two specialty manufacturers in France and Austria as it prepares to begin minivan production in Europe.

The U.S. automaker, which resumed sales in Europe last year after a 10-year absence, is talking with Usines Chausson S.A. of France and Steyr-Daimler-Puch of Austria about subcontracting assembly of the Plymouth Voyager at the manufacturers' facilities, according to sources at one of the specialty makers.

Chrysler is expected to choose one or the other by this fall.

In Graz, Austria, Steyr builds the Mercedes Gelaendewagon off-road vehicle, the Pinzgauer luxury off-roader and the four-wheel-drive Volkswagen Transporter Syncro, which is sold in the United States as the Vanagon Syncro.

Production at Graz has been 20,000 to 30,000 units in recent years, though company officials have said 50,000 is attainable with some added investment.

Sources say the Austrian government is prepared to offer Chrysler lavish incentives to put minivan production into Graz. Steyr, which has long been beset by financial troubles, is a subsidiary of Creditanstalt Bankverein, Austria's largest bank and industrial holding company. The Austrian government owns 60 percent of Creditanstalt.

Chausson has excess capacity at its plant in Creil, France, north of Paris, which produces 100 Peugeot 205 subcompacts, 200 Renault Trafic vans and 60 504 pickups per day. Creil could build another 200 vehicles per day — about 40,000 annually.

Chrysler has relationships with both companies. Steyr is known to have participated in engineering a forthcoming 4wd version of the Chrysler minivan. Chausson is co-owned by Peugeot and Renault, which two years ago sold American Motors to Chrysler and will produce the Jeep JJ in Europe with Chrysler.

Chausson is believed to have been one of the alternatives for European production of the Jeep JJ. But the partners are now understood to favor sites in either Vallodolid, Spain, or Setubal, Portugal.

Chausson has had difficulties in recent years as aging Renault and Peugeot models that were moved to Chausson plants have been discontinued.

Earlier this year, Chrysler ruled out addition of a third minivan plant in North America. But Chrysler sources in Europe have said that the company is intent on having a joint European manufacturing base beyond the Jeep JJ plant with Renault.

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Rough Riders blame rebates for falling profits

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

Auto dealers fired a new round of protests at carmakers last week by charging that customer rebates are contributing to a "nationwide decline in dealership profitability."

The Rough Riders — a dealer action committee formed earlier this year by Ron Tonkin, president of the National Automobile Dealers Association — charged that manufacturer rebates to consumers are confounding the retail market and dampening national auto sales.

In a letter mailed last week to NADA's 20,000 dealer-members, the Rough Riders' steering committee spelled out its agenda for the balance of the year. At the top of the list is a call for carmakers to stop offering factory rebates to buyers and, instead, to pass them directly to dealers.

"These rebate programs are doing more harm than good," said Bob Baker, Rough Riders' chairman and San Diego multi-dealer. "The carmakers should leave their incentive and APR (annual-percentage-rate financing) programs in the hands of their dealers. We're the ones with the inventories to worry about."

The letter said direct rebates cloud the credit application process and increase the incidence of loan default.

Rebates and discount financing have become industry fixtures in the late 1980s. This year's programs, in the face of a soft and highly competitive market, have been especially aggressive.

The committee charged that the direct rebate programs have damaged dealers' ability to make finance and insurance sales, chased many non-factory finance sources out of the market, and interfered with dealers' ability to move their used-car inventories.

Recent production costs and extended plant closings stem from declining dealer demand, Baker said. "We're not ordering the cars because we're afraid we can't sell what we already have. And we can't sell them because of these factory rebate programs.

A GM spokeswoman said that last month the company responded to dealer concerns by offering consumer rebates and a dealer incentive program. That program, which is designed to clear out year-end inventory, offers between $300 and $1,000 per vehicle when dealers reach various sales targets.

Baker said GM has been more receptive to some dealer ideas than other manufacturers.

The communique was muted in comparison to earlier Rough Rider calls to arms. Baker said the car manufacturers seem open to addressing the problems.

He noted that the group, along with NADA's industry relations committee that it serves, has already won a commitment from GM to discuss future franchise changes with NADA before implementing them.

He also said the Rough Riders make an effort to consider the factories' side of issues.

Also on the list of Rough Rider concerns mailed to dealers were restrictive rules for selling dealerships and factory pricing policies for miscellaneous business expenses.

In addition, the group took issue with factories for subsidizing fleet sales to rental-car companies. The dealers said the practice is resulting in a glut of used cars and hurts dealers' own used-car sales.

Did Kentucky overpay for Toyota?

State and outsiders have different views of incentive package

By Georgina Fiordalisi
CRAIN NEWS SERVICE

Kentucky won a valuable prize when it wooed Toyota to Bluegrass Country, but it may have paid too high a price.

The state admits to a $125 million incentive package approved by the legislature, but additional expenditures mean Kentucky paid at least $325 million — perhaps the largest U.S. auto-plant deal so far — for its Toyota plant in Georgetown.

The state and the University of Kentucky say the arrangement, negotiated four years ago, has triggered developments that so far have pumped $1.9 billion into the local economy. But one expert sees a downside, too: It will be 20 years before the investment in Toyota is returned in taxes to the state's general fund.

The deal so far has provided 2,800 jobs with the promise of 700 more. But in the fever of the chase, Kentucky leaders did not realize that they might have won a Japanese auto plant with far fewer incentives.

When Kentucky was negotiating with Toyota in 1985, state officials believed they faced stiff competition from Ohio, Tennessee and Indiana. But in reality, competition may have been minimal.

Conventional wisdom dictates that Ohio and Tennessee probably were out of the running from the beginning, because they already had Japanese plants: Ohio had the Honda plant and Tennessee the Nissan plant. At that time, the Japanese were eager to gain political clout among the states and wanted to spread their wealth around, said Douglas P. Woodward, co-author of "The New Competitors," a book about the heyday of foreign investment in the United States.

"The Japanese were going to locate in this part of the world for something other than incentives," said Jerry Hammond, executive secretary-treasurer for the Kentucky State Building & Construction Trades Council, which opposed the Toyota deal from the start. "But we (Kentucky) didn't know when to stop giving incentives."

At the time, Kentucky was eager for new business and was willing to pay for it. Its traditional industries — horse breeding, mining and tobacco farming — were suffering.

Despite its high price, the deal had redeeming features. Of the $325 million incentive package Kentucky offered, $68 million paid for job training and $40 million paid for roads and sewers to serve the new plant.

"That $68 million wasn't spent on Toyota, it was spent on Kentucky," said Cary W. Blankenship, who was deputy secretary of commerce for the state when the deal was negotiated. "We wanted to make sure that our residents had the capability and training. We were giving them life skills."

As for the infrastructure, Blankenship said that is owned by the state. "How do you make the determination that a road is built for the benefit of one corporation?" he asked.

Of the remainder, the state spent about $49 million to buy the 1,500-acre site for the plant and to carry out other capital improvements and at least $167.6 million to pay the interest cost on the debt.

Now that the deal is done, the question remains: Will Kentucky get its money back?

During the next 20 years, Kentucky will collect only $267.5 million in property, sales and income taxes related to Toyota and the people employed there, according to estimates by Larry Ledebur, visiting senior fellow at the University of South Carolina in Columbia, S.C., an expert on economic development who worked for the Urban Institute in Washington and on a White House study of economic development during the Carter administration.

If inflation is considered, the state will break even on the investment at the end of the 20-year period.

But the University of Kentucky disagrees with those calculations, saying the state will have collected $632.6 million in taxes after 20 years. That includes taxes paid by the $3.7 billion worth of related business that the university expects to come to Kentucky by 1990.

In its calculation, the university used an economic multiplier — a factor that accounts for the repeated turnover of money in the form of jobs and sales — that Ledebur says was too large.

The university used a multiplier as high as 11, Ledebur said, and most economists won't go over two. "No economist would use as high a multiplier as they did," he said.

But Kentucky leaders use business expansion, rather than tax revenue, as justification for the cost of the deal.

The Toyota plant now employs 2,800 people, but Toyota has announced a 700-job expansion by the end of 1990.

That brings the Japanese investment in Kentucky — 48 manufacturing plants with a total employment of 11,297 — up to $1.9 billion in value, said the Kentucky Cabinet for Economic Development.

"When Toyota paid attention to Kentucky and chose the site, the other corporations found us," said Martha Layne Collins, the former governor of Kentucky who negotiated the deal.

Midwest auto jobs

How much states paid per job created when they went after new auto plants.

Source: The New Competitors, Basic Books, NY 1988

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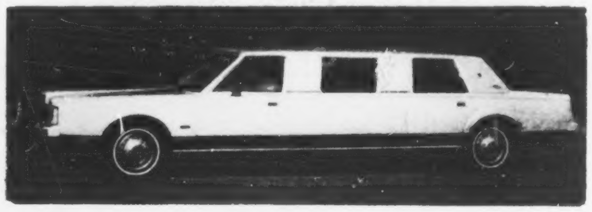

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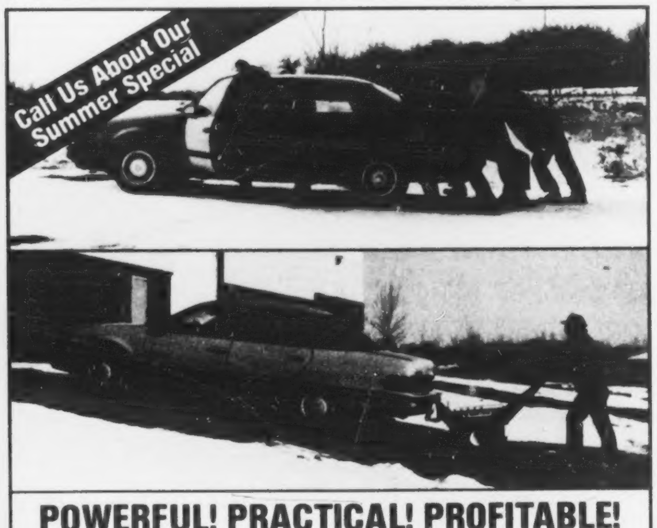

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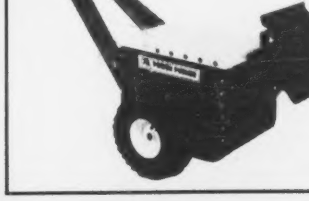

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GM passive belts fail user-choice test

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

VEHICLES INVOLVED IN NHTSA BELT COMFORT TEST:

Two-point motorized belts:
- Dodge Shadow
- Ford Escort
- Ford Tempo
- Mazda 626
- Mitsubishi Mirage
- Nissan Maxima
- Peugeot 405-S
- Saab 900 Turbo
- Toyota Camry

Two-point non-motorized:
- Hyundai Excel GLS
- Volkswagen Jetta
- Yugo GV

Three-pointed non-motorized:
- Chevrolet Beretta
- Pontiac Bonneville
- Pontiac Grand Am
- Pontiac Grand Prix

WASHINGTON — General Motors' automatic three-point shoulder and lap safety belts are the most uncomfortable and inconvenient passive-restraint system, according to an NHTSA study.

Participants in the survey said the belts were uncomfortable and made getting in and out of cars difficult. That may explain why only 77 percent of the drivers queried in an earlier survey use the GM automatic system — the lowest use rate of the three types of automatic belts on the market, NHTSA said.

Two other passive shoulder belt systems also were tested. They are two-point types with the automatic part fixed at one point above the left shoulder and the other down by the right hip on the driver's side. One of those systems is motorized, the other is not. The driver must fasten a lap belt manually on the motorized system while the non-motorized system used on three models tested uses a knee bolster instead of a lap belt.

In the earlier usage study, 97 percent of the survey respondents use the motorized belt, while usage was 80 percent among those with cars equipped with non-motorized systems.

The agency does not mandate what type of belt manufacturers use. But NHTSA studied the belts because driver usage is dependent on comfort and "maybe the manufacturers will do something with this data," said James Hedlund, the agency's director of driver and pedestrian research.

In the latest study of comfort and ease of use, 17 models with the three types of belts were used.

NHSTA paid 120 volunteers of varied sizes, male and female, to rate the shoulder and lap belts and knee bolster for convenience, fit, comfort, ease of entry and exit, and tested whether the shoulder belt retractor worked.

"We found the differences between belt systems were more important than the difference between cars," Hedlund said.

The biggest problem cited by 82 percent of the subjects was entering and exiting the GM cars with the three-point belt. Only 15 percent complained about entry and exiting with the two-point motorized belts and 37 percent complained about the two-point non-motorized belts.

The second biggest complaint was seat-belt inconvenience — including obscured vision by the shoulder belts and difficulties buckling and unbuckling the emergency release — by 67 percent of the subjects for the GM belt; 46 percent for the two-point non-motorized belt and 41 percent for the two-point motorized belt.

Generally, most of the complaints — regardless of the belt — were made by women who were short or overweight, or both. A universal complaint regardless of size and age was that the GM belts were hard to get in and out of.

Hedlund said the high percentage of short, overweight women experiencing problems with the belts came as no surprise because seat belts are made to fit "a normal-sized person."

But NHTSA is concerned with the comfort of the devices and test data will be made available to manufacturers, he said. GM said it has not seen the study. Hedlund said GM experts were present at a government and industry meeting earlier this month in Ann Arbor, Mich., where the survey results were presented.

Almost-Yugo father has new idea

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — The dealer who had the U.S. rights for Yugo before Malcolm Bricklin plans to assemble small luxury cars from imported Fiat-engineered parts.

Miroslav Kefurt, a North Hollywood Bertone dealer who also is known as a restorer of Honda 600s, hopes to start selling cars under the ItalUSA label by late 1990 or early 1991. He plans to start recruiting dealers late this year.

The first model, tentatively called Uno Turbo, bears a strong resemblance to the Fiat Uno subcompact sold in Europe. With anti-lock brakes, 16-channel stereo, remote car alarm, suede interior, celluar telephone and other luxury touches not available on the Fiat, it would sell for $15,000 to $17,000, Kefurt said.

He plans to keep volume at 5,000 to 10,000 annually, even as up to four models are added.

Kefurt's strategy is that of his MIK Automotive Co., which sells Bertone X 1/9s and remanufactured Honda 600s: unusual cars sold with high margins in markets that value distinctiveness, letting the market set the volume.

The plan is similar to one Kefurt originally had for Yugo. He had an exclusive U.S. import contract for 5,000 units a year from Yugoslavian automaker Zavoda Crvena Zastava, but Bricklin bought him out and used more of a mass-market business plan.

Kefurt is minimizing engineering and development costs by using parts imported from the Yugoslavian automaker, other Eastern European makers that also produce vehicles based on Fiat technology, their suppliers and Western European parts firms that make Fiat replacement parts.

Kefurt's original plan of sourcing chassis and powertrain from Fiat in Italy and having assembly done by veteran Fiat associate coachbuilders Bertone and Moretti collapsed last month when he traveled to Italy to close the deal.

A Fiat spokesman said Fiat has no plans to return to the U.S. market under the Fiat label. Fiat will not supply Kefurt with components or assistance or encourage any of its associates to do so because it does not wish to muddy the U.S. waters for either Ferrari, which Fiat now controls, or Alfa Romeo, which Fiat acquired last year, the spokesman said.

Kefurt intends to import parts for what amounts to a knockdown kit and assemble the cars in California, using his Honda reassembly team as a base.

He said private investors, mostly Japanese and Californian, have stuck with him despite the changes and the delayed startup. He said he has invested $300,000 so far.

Kefurt said one major hurdle is meeting U.S. government safety, emissions and mileage regulations. But he hopes to scale that hurdle by sourcing his first engines directly from Zastava and using emissions and mileage data already derived for Yugo. Crash testing and other government compliance work will be handled by a U.S. firm, he said.

ItalUSA will source locally tires and glass that meet Department of Transportation specifications, he said.

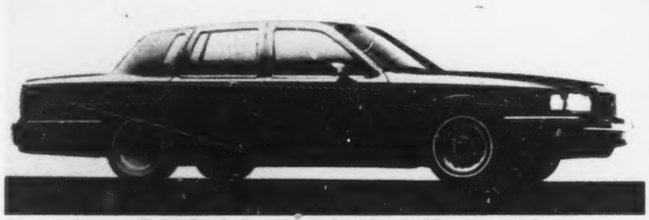
"Essentially what we're doing is using combinations of Fiat parts not sold in Europe," Kefurt said. "These are all off-the-shelf components, but the interior is upgraded and there are some luxury touches to appeal to a more upscale market here."

If the ItalUSA Uno Turbo sells well enough, Kefurt said the next model would probably be loosely based on the Fiat Tipo. Other potential designs include a fiberglass-bodied Lamborghini-style two-seater using a Bertone X 1/9 chassis and a tiny sport-utility aimed at resort operators. It would have a tubular steel frame, a fiberglass body and a Fiat drivetrain.

Kefurt said he hopes eventually to sell 5,000 to 10,000 units a year, but his break-even point is at a much lower volume. He intends to keep first-year production at no more than 10 a day, or about 2,000 a year.

ItalUSA will start recruiting a small number of dealers in metropolitan markets by the end of this year, Kefurt said. He is seeking established dealers who specialize in imported cars, in markets where offbeat, distinctive cars sell well.

Kefurt said he will probably seek a $50,000 dealer fee, which would cover parts, signage and initial advertising contribution.



Driving the new Town Car is homework for Lincoln-Mercury employees.

TESTERS: *L-M workers report on 1990 Town Car*

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Ford Motor Co. employees are taking work home at night.

Lincoln-Mercury Division is handing over keys of 200 new Town Cars every day to various employees, from secretaries to company vice presidents.

Their job is to drive those Town Cars a minimum of 50 miles and report on likes and dislikes in a one-page survey.

Employee evaluation of cars is new for Ford. In the past, the company has placed such vehicles as Continentals, Thunderbirds and Cougars in rental fleets to raise consumer awareness and to expose quality problems before the cars arrive in showrooms. General Motors and Chrysler Motors use rental fleets for similar purposes.

Ford feels using its employees to test drive the 1990 cars gives it the same evaluative results and provides greater control and increased access to the information.

"This is not to say we are not going back to the rental fleets — because we have had very good responses with them, particularly with the Continental," a Ford spokesman said. "But now we have a couple of different ways of evaluating the cars before sale."

Ford believes raising customer awareness with the new Town Car will be no problem, based primarily on its reception when it debuted at the Chicago auto show last February. L-M plans a traditional Town Car introduction in early October.

The employee testing, which began in May and is scheduled to end in September, will expose the Town Car to nearly two million miles of driving.

A Ford spokesman said positive comments on the Town Car have centered on its driveability, its interior roominess and its large trunk capacity. He declined to elaborate on negative comments.

The new Town Car has not been priced, but it probably will be below the Continental. Prices of the 1989 Town Cars range from $25,562 to $29,709. The Continental range is $28,430 to $30,353.

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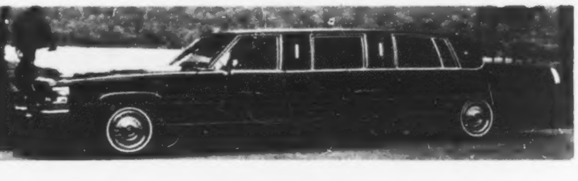

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Car, truck sales post gains in Canada

By Bill Vance
SPECIAL CORRESPONDENT

TORONTO — Despite continuing gloomy predictions, total car and truck sales in Canada increased 1.85 percent in May. Ford of Canada and General Motors of Canada posted record truck sales.

GM had an all-time record month, selling 21,011 imported and domestic trucks and vans. Ford's truck sales of 15,213 were a record for May, up 0.55 percent from last year's 15,130.

Chrysler Motors' 12,571 domestic and imported truck sales were off 2.59 percent from last year's 12,905. Total imported truck sales were up 31.44 percent over last year; the domestic-import count rose 4.80 percent.

On the domestic passenger-car front, GM suffered the worst, although its monthly sales were down only 4.40 percent. Favorable finance terms probably averted a larger downturn. William Atkinson, vice president of sales, service and marketing, said, "We've had two solid months of sales in April and May and undoubtedly our 9.9 percent financing program contributed to these results."

At Ford, domestic car sales were up 141 units, from 23,083 to 23,224. Chrysler's domestic-car sales were down 543 units, from 16,801 to 16,258.

Overall, domestic car sales dipped 1.20 percent compared with May 1988.

Imported-car sales enjoyed a 4.53 percent increase over a year ago. Toyota was up 44.15 percent. Losers among the major importers included Volkswagen, down 27.66 percent; Hyundai, down 25.17 percent; and Nissan, down 22.90 percent.

CANADIAN CAR AND TRUCK SALES

Domestic cars	May 1989	May 1988	5 mos., 1989	5 mos., 1988
General Motors	37,946	39,692	149,522	157,859
Ford	23,224	23,083	83,708	88,667
Chrysler	16,258	16,801	58,472	67,069
Honda	2,180	1,145	12,005	4,088
Volvo	377	236	1,630	864
Domestic car total	**79,985**	**80,957**	**305,337**	**318,547**
Import cars				
Toyota	9,632	6,682	34,473	27,851
Honda	6,321	6,518	21,488	26,351
General Motors	3,350	3,783	12,999	10,975
Mazda	3,243	3,382	11,692	13,762
Nissan	2,774	3,598	11,390	12,998
Chrysler	2,619	943	10,451	5,111
Volkswagen	2,518	3,481	10,974	15,945
Hyundai	2,485	3,321	11,115	13,860
Ford	1,089	543	4,213	2,560
Suzuki	747	544	2,975	3,132
Subaru	506	837	2,171	2,912
BMW	440	481	1,955	2,137
Mercedes-Benz	406	357	1,670	1,653
Volvo	306	327	1,223	1,551
Jaguar	180	206	748	1,012
Saab	102	132	595	606
Lada	81	99	285	469
Skoda	15	25	101	204
Peugeot	41	0	96	78
Import car total	**36,855**	**35,259**	**140,614**	**143,167**
TOTAL — ALL CARS	**116,840**	**116,216**	**445,951**	**461,714**
Domestic trucks (including vans)				
GM	20,096	18,957	73,773	75,933
Ford	15,213	15,130	63,213	63,971
Chrysler	12,336	12,686	46,580	49,935
Domestic truck total	**47,645**	**46,773**	**183,566**	**189,839**
Import trucks (including vans)				
Mazda	2,062	1,168	7,736	4,722
Toyota	1,465	1,408	6,590	6,619
Nissan	1,254	1,463	5,367	6,084
GM	915	119	3,816	430
Suzuki	724	643	3,000	2,613
Chrysler	235	219	1,215	1,460
Volkswagen	88	114	268	397
Lada	26	16	92	61
Import truck total	**6,769**	**5,150**	**28,084**	**22,386**
TOTAL — ALL TRUCKS	**54,414**	**51,923**	**211,650**	**212,225**
TOTAL — CARS, TRUCKS	**171,254**	**168,139**	**657,601**	**673,939**

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AUCTION DATES

Chrysler Motors

Aug. 1 — American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Nashville Auto Auction, Nashville, Tenn.; Florida Auto Auction of Orlando, Ocoee, Fla.; Portland Auto Auction, Portland, Ore.; Riverside Auto Auction, Riverside, Calif.; and Greensboro Auto Auction, Greensboro, N.C.

Aug. 2 — A.D.E. of Birmingham, Birmingham, Ala., and Butler Auto Auction, Gibsonia, Pa.

Aug. 3 — Northway Exchange Auto Auction, Clifton Park, N.Y.; Aptco Auto Auction, Taylor, Mich.; Indianapolis Auto Auction, Indianapolis; Omaha Auto Auction, Omaha, Neb.; Southwest Auto Auction, Phoenix, Ariz.; Ark-La-Tex Auto Auction, Shreveport, La.; San Antonio Auto Auction, San Antonio, Texas; and Amarillo Auto Auction, Amarillo, Texas

Aug. 4 — Manheim Auto Auction, Manheim, Pa.

Aug. 8 — Clanton's Auto Auction, Darlington, S.C.; Southern Auto Auction, Warehouse Point, Conn.; Hatfield Auto Auction, Hatfield, Pa.; South Seattle Auto Auction, Kent, Wash.; Golden Gate Auto Auction, Fremont, Calif.; and Dallas Auto Auction, Grand Prairie, Texas

Aug. 9 — Denver Auto Auction, Aurora, Colo.; Columbus Fair Auto Auction, Obetz, Ohio; and Minneapolis Auto Auction, Plymouth, Minn.

Aug. 10 — Big Sky Auto Auction, Billings, Mont.; Fredericksburg Auto Auction, Fredericksburg, Va.; Salt Lake Auto Auction, Salt Lake City; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Southern States Vehicle Auction of Atlanta, Newman, Ga.

Aug. 11 — St. Louis Auto Auction, St. Louis, and Tri-State Auto Auction, Cicero, N.Y.

Ford Motor Co.

Aug. 1 — Bay Cities Auto Auction, Hayward, Calif., and South Seattle Auto Auction, Kent, Wash.

Aug. 2 — Concord Auto Auction, Acton, Mass.; Aptco Auto Auction, Taylor, Mich.; Fort Worth Auto Auction, Fort Worth, Texas; and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

Aug. 3 — Greensboro Auto Auction, Greensboro, N.C., and Skyline Auto Exchange, Fairfield, N.J.

Aug. 8 — Greater Chicago Auto Auction, Chicago, and Newburgh Auto Auction, Newburgh, N.Y.

Aug. 9 — Atlanta Auto Auction, Red Oak, Ga.; Baltimore-Washington Auto Exchange, Baltimore; Southern California Auto Auction, Fontana, Calif.; and Greater Tampa Bay Auto Auction, Tampa, Fla.

General Motors

Aug. 1 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and Fresno Auto Dealers Auction, Fresno, Calif.

Aug. 2 — Atlanta Auto Auction, Atlanta; Puget Auto Auction, Auburn, Wash.; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Mississippi Auto Auction, Hattiesburg, Miss.; and Omaha Auto Auction, Omaha, Neb.

Aug. 3 — Mid Ark Auto Auction, North Little Rock, Ark.; Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Utah Auto Auction, West Bountiful, Utah

Aug. 8 — A.D.E. of Birmingham, Moody, Ala.; National Auto Dealers Exchange, Bordentown, N.J.; and Florida Auto Auction of Orlando, Ocoee, Fla.

Aug. 9 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Statesville Auto Auction, Statesville, N.C.

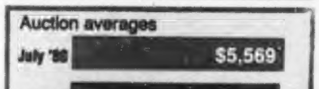
Aug. 10 — Amarillo Auto Auction, Amarillo, Texas; Denver Auto Auction, Aurora, Colo.; Aptco Auto Auction, Taylor, Mich.; Butler Auto Auction, Gibsonia, Pa.; and Nashville Auto Auction, Nashville, Tenn.

Model-year breakdown

Year	May	June	July
1989	$11,469	$10,765	$10,752
1988	8,442	7,068	7,800
1987	6,279	5,965	6,038
1986	5,414	5,200	5,230
1985	4,397	4,264	4,245
1984	3,580	3,447	3,420
1983	2,707	2,563	2,620
1982	2,114	2,033	2,015
Overall Average	$5,625	$5,455	$5,569

Source: NADA Official Used Car Guide

Used car sales



Source: NADA Official Used Car Guide

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Hamilton, Ontario
Canada L8E 3C2
(416) 560-4851
WEDNESDAY — 10:00 A.M.

MONCTON AUTO AUCTION
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Moncton, New Brunswick
Canada E1E 2K6
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Todd Auto Auction, Old Route 309, P.O. Box 380, Telford, Pa. 18969. 215-721-1300 or 800-234-TODD. Next Sale — August 10th.

PENNSYLVANIA

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PENNSYLVANIA

Commonwealth Auto Auction 215-328-7100. Mondays & Wednesdays-7 PM/Saturdays-11 AM. Morton, PA-Rte 420 S. of Baltimore Ave. Open to public-Cars/Trucks/Vans.

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Nittany Auto Auction, 25 Decibel Rd., State College, PA 16801. 814-238-1017. Tues. 12 noon. Off-lease & Bank repos. Recon-transp. "Your equal opportunity dealer sale".

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Fort Worth Auto Auction (div. of GECAA), 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Tuesday. Contact: George Horton, 817-626-5494. –

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Metro Milwaukee Auto Auction. Sale every Wednesday. FMC, GMAC, all leasing. 414-835-4436, Caledonia, Wisconsin.

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LeSABRE

FROM PAGE 1

behind the Nissan Maxima.

Nissan is also hailing J.D. Power's ratings in its advertising, and Honda's Acura Division has heavily advertised its rating atop the J.D. Power customer satisfaction survey. *Acura does not report 10-day sales; Nissan reports them only for the U.S.-built Sentra and pickup trucks.*

Buick's merchandising pieces, developed by McCann-Erickson and Time Inc., supported national print ads running in newsweeklies like Time, Newsweek and Forbes and national newspapers, according to J.W. "Jay" Qualman, Buick general director of advertising.

Dave Power, president of J.D. Power and Associates, said he doesn't object to use of his surveys "as long as it lives within the spirit of the survey."

"It raises customer expectations, so manufacturers that do use it have to stand by it the following year and the year after that," Power said. "So it puts pressure on the manufacturers that do use those findings to keep working on satisfying the customer."

Each Buick dealer received 50 to 100 of the special pieces heralding the J.D. Power ranking.

"We've received special requests from dealers for several thousand pieces," Qualman said. "Initially, they were for dealers to use in the showroom. Some have been more innovative and are mailing them to prospects."

LeSabre sales have not peaked, according to dealers randomly surveyed by Automotive News last week. In the most recent 10-day sales period, LeSabre deliveries totaled 5,516 compared to 2,716 last year.

"There's no question that the J.D. Power survey has helped," said Regis P. McGuire, president of Polkowitz Motors in Perth Amboy, N.J.

When Buick sent out the promotional piece, sales got even better, dealers said.

"Buick was smart to send out those stacks of Time cover facsimiles to dealerships. Since it came out, we've seen a slight increase in sales," said Jim Fitzpatrick, sales manager at McNamara Buick-Pontiac in Port Jefferson, N.Y.

Paul Supples, sales manager at Dickinson Buick-Dodge in Fayetteville, N.C., said, "Several customers were thinking of an unnamed model, and they decided to check out LeSabre. People are picking up the Time insert along with the brochure."

Incentives and talk of Buick as the top domestically built make have helped sell LeSabres for Jim Corwin Buick-Isuzu in Fargo, N.D.

"Most of our customers are aware of the J.D. Power rating. If not, we've instructed our sales people to mention it when they are demonstrating a car," said Ken Cox, new-car sales manager.

In calendar 1989, LeSabre sales have improved each month since January. But total deliveries remain 8.49 percent behind 1988 sales.

Most Buick dealers said LeSabre sales accounted for 20 percent to 35 percent of their recent Buick sales, which is somewhat higher than before the survey came out.

Stocks are still fairly fat, some dealers say.

"Do we have enough inventory? That's the understatement of the year. Recent changes haven't helped that much," one dealer noted. Another said that the J.D. Power survey results helped sales, but his store still had 55 LeSabres in stock — more than he wanted.

INCENTIVE WATCH

	Customer Incentives						Dealer Incentives	
	Rebates	Finance Rates (Pct.) — Months —				Expiration Date	Type	Expiration Date
		24	36	48	60			
Chrysler Motors								
Chrysler	$500 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15		
Dodge Cars	$300 - $1,500	0.0*	5.9	6.9	10.9	Sept. 15		
Dodge Trucks	$500 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15		
Eagle	$1,000 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15		
Jeep	$500 - $1,000	0.0*	5.9	6.9	10.9	Sept. 15		
Plymouth	$300 - $1,500	2.9	5.9	6.9	10.9	Sept. 15		
*2.9 percent on some models								
Ford Motor Co.								
Ford Cars	$400 - $1,000	2.9	5.9	6.9	10.9	July 31*		
Ford Trucks	$300 - $750	2.9	5.9	6.9	10.9	July 31*		
Mercury	$750 - $1,500	2.9	5.9	6.9	10.9	July 31*		
Merkur	$2,000 - $4,000	2.9	5.9	6.9	10.9	July 31		
Lincoln	$1,000 - $1,500	2.9	5.9	6.9	10.9	July 31		
*No expiration for Ford Crown Victoria, Ford Bronco and Mercury Grand Marquis								
General Motors								
Buick	$500 - $1,500	2.9	5.9	6.9	10.9	July 10	All GM divisions: Zero to $1,000 per sale based on performance against quota. $150 per sale if dealer elects not to participate in quota program.	Sept. 27
Cadillac	$1,500							
Chevrolet Cars	$400 - $1,000	2.9	5.9	6.9	10.9	Sept. 27*		
Chevrolet Trucks	$400 - $750	2.9	5.9	6.9	10.9	Sept. 27*		
GMC	$500 - $750	2.9	5.9	6.9	10.9	None		
Oldsmobile	$1,000 - $1,500	2.9	5.9	6.9	10.9	None		
Pontiac	$700 - $1,250	2.9	5.9	6.9	10.9	None		
Cadillac does not have a finance-rate incentive *Chevrolet's rebate program has no expiration date								
Alfa Romeo							$1,000 - $6,000	Aug. 31
Audi							$3,000 on 100 and 200 fwd for meeting quota	July 31
BMW 735i			8.5	9.0	9.5	Aug. 31		
735iL, 750iL			8.5	9.0	9.5	Aug. 31		
Daihatsu							$300 if meet sales quota	Sept. 5
Honda							Up to $500	Aug. 31
Hyundai	$300 - $1,000					Sept. 5	$300 - $800, some based on qouta	
Isuzu Impulse							$2,000	
Other Cars, Trucks							$300 - $1,000, based on quota	
Mazda Cars	$200 - $750					Aug. 2	Up to $1,000, some based on quota	
Trucks	$750					Aug. 2		
Mitsubishi Cars							$250 - $1,750	July 31
Trucks							$500 - $1,500	July 31
Nissan Cars							$100 - $1,500, based on quota	Sept. 5
Trucks							$100 - $2,000, based on quota	Sept. 5
Peugeot							$1,000 - $2,000	Sept. 16
Porsche							$3,000 - $6,000 on 40 percent of cars sold	Sept. 30
Sterling		4.9	5.9	5.9	6.9	Aug. 31	$1,500 - $2,750	Aug. 31
Subaru	$1,000 - $3,000*					Aug. 31	$1,000 - $3,000*	Sept. 5
*Rebates go to the customer in some regions and to the dealer in other regions								
Suzuki							$1,000	Aug. 2
Toyota Cars							$100 - $2,000, some based on quota	Sept. 5
Trucks							$200 - $2,500, some based on quota	Sept. 5
Volkswagen	$200 - $2,000	4.9	6.9	7.9	9.9	Sept. 4		

Transplants, trucks boost vehicle sales in mid-July

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

The strength of transplant car sales and improved light-truck deliveries propelled mid-July's combined sales of U.S.-built cars and light trucks to a year-to-year gain of 2.33 percent.

General Motors and Ford Motor Co. reported slim increases in combined car and light-truck sales for the 10-day period. Cars were down, but trucks brought an overall gain.

Strong sales of U.S.-built trucks only partially offset car-sales losses for Chrysler Motors and Nissan in the July 11-20 period.

Conversely, sales of U.S.-built Toyota Corollas and Camrys more than tripled; Honda car sales doubled and Mazda car sales nearly doubled.

"It's kind of a cliche, but 10-day sales jump around a lot. The underlying trend in sales is down. We're definitely entering some cyclical weakness," said Michael Luckey of Luckey Consulting Group in Cresskill, N.J.

He attributed the slight improvement in overall 10-day sales to general incentive awareness.

In the July 11-20 period, deliveries of U.S.-built vehicles inched up 2.33 percent to 358,988 from 350,804 last year.

There were nine selling days in the period both years.

The eight U.S. carmakers sold 221,231 cars, up 1.51 percent from 217,941 in mid-July last year. Only Toyota, Honda and Mazda reported year-to-year rises.

Light trucks sold at a faster pace in mid-July. All four domestic truckmakers reported sales gains. The light-truck total was 137,757, up 3.68 percent from 132,863 last year.

Chrysler Motors' car sales dipped 18.48 percent while Ford Motor and GM reported much slimmer losses.

Although Ford Motor delivered 2.41 percent fewer cars in the mid-July period, Festiva, Mustang and Probe sales were strong, and Lincoln sales rose 25.21 percent. All were helped by rebates.

GM's decline of 1.39 in car sales was the smallest among the Big 3. Buick and Pontiac were up; Chevrolet, Oldsmobile and Cadillac were down.

Nissan, off 14.07 percent, was the only transplant carmaker to report a year-to-year decline in car sales.

DOMESTIC SALES

CARS	July 11-20, 1989	July 11-20, 1988
Eagle	1,314	1,209
Chrysler	4,428	7,214
Plymouth	7,819	8,745
Dodge	10,858	12,788
Chrysler Motors	24,419	29,956
Ford	46,431	48,758
Mercury	14,759	15,342
Lincoln	6,184	4,939
Ford Motor Co.	67,374	69,039
Buick	17,443	14,539
Cadillac	6,880	8,164
Chevrolet	41,599	45,190
Oldsmobile	19,585	21,851
Pontiac	19,800	17,047
General Motors	105,307	106,791
Honda	13,175	6,344
Mazda	1,334	690
Mitsubishi	992	—
Nissan	2,901	3,376
Toyota	5,729	1,745
U.S. Car Total	**221,231**	**217,941**
TRUCKS		
Chrysler	106	0
Dodge	16,520	17,773
Jeep	8,689	6,334
Plymouth	6,199	6,606
Chrysler Motors	31,514	30,713
Ford Motor Co.	47,324	45,426
Chevrolet	43,953	42,060
GMC	11,435	11,374
General Motors	55,388	53,434
Nissan	3,531	3,290
U.S. Truck Total	**137,757**	**132,863**
U.S. Car-Truck Total	**358,988**	**350,804**

OBITUARIES

John Eckhold

CHARLEVOIX, Mich. — John Eckhold, 71, retired director of automobile safety and research for Ford Motor Co., died July 24. He joined Ford shortly after World War II and retired in 1979.

Reginald J. Nicholas

BIRMINGHAM, Mich. — Reginald J. Nicholas, 88, former comptroller for Pontiac, died July 24. He held several other administrative posts during his 43 years with General Motors.

Thomas J. Carroll

BIRMINGHAM, Mich. — Thomas J. Carroll, 69, retired director of special studies for worldwide product planning at General Motors, died July 23. He worked at GM from 1949 until 1981.

Gordon Reihl

BRANFORD, Conn. — Gordon Reihl, 37, marketing manager for Accel Performance, a marketing unit of Echlin Inc., died June 14.

GM idles 2 and retires Framingham

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Last week, General Motors shut two plants due to material shortages and closed one permanently.

The Fairfax, Kan., and Doraville, Ga., plants, which had just resumed output July 17 after model changeover shutdowns, were idled due to a material shortage.

Doraville assembles Oldsmobile Cutlass Supreme, which had a 114-day supply on July 1; Fairfax builds Pontiac Grand Prix, which had a 131-day supply.

One of GM's A-body assembly plants was closed permanently last week. The Framingham, Mass., facility built its final car last Friday, leaving the Oklahoma City plant the sole U.S. plant building the Oldsmobile Cutlass Ciera and Buick Century. Ciera is also assembled at the GM of Canada plant in Oshawa, Ontario.

Domestic auto production is slowly rising to normal weekly levels as plants resume operations after model changeover downtime.

Last week's targeted build of 86,851 was 4.58 percent above the prior week's 83,044 and 19.73 percent more than last year's 72,541.

Last week's estimated car output was shared as follows:

Ford Motor Co., 37.55 percent; GM, 27.92 percent; Honda of America Manufacturing, 8.72 percent; Chrysler Motors, 6.10 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 4.90 percent; New United Motor Manufacturing Inc., 4.61 percent; Toyota Motor Manufacturing U.S.A., 4.15 percent; Nissan Motor Manufacturing Co. U.S.A., 3.72 percent; Diamond-Star Motors, 2.33 percent.

Truck production last week was reduced by two Ford plants idled due to slow sales and model changeover downtime at Chrysler and GM. The industry scheduled 65,335 trucks last week, 11.08 percent below the 73,479 completed the previous week and 9.55 percent below the same week last year when 72,234 trucks were built.

As reported earlier, Ford's Twin Cities, Minn.; and Louisville, Ky., truck plants and its Edison, N.J., car plant are closed because of sluggish sales. All three are expected to resume output Aug. 7.

Canada increase paced by Ford

Canadian car and truck output rose last week as Ford resumed production at two plants.

Auto production was scheduled at 17,673 units last week, 46.05 percent more than the prior week's 12,101 and 84.54 percent more than the year-ago week's 9,577.

Truck output was targeted at 8,760 last week, 60.29 percent more than the previous week's 5,465 and 2.18 percent above the year-ago week's 8,573.

Ford's Oakville, Ontario, truck plant and its St. Thomas, Ontario, car plant resumed operations last week after model changeover.

Navistar's truck plant in Chatham, Ontario, also resumed output last week.

U.S. CAR	Week Ended July 29, 1989	Week Ended July 30, 1988	Week Ended July 22, 1989	July to Date	Jan. 1 to July 29, 1989	Jan. 1 to July 30, 1988
Horizon	1,000	0	1,055	4,127	16,168	53,889
Sundance	0	0	0	1,964	64,561	62,595
Reliant	0	2,039	0	0	0	56,421
Acclaim	400	0	0	2,260	71,152	0
Caravelle	0	0	0	0	0	9,087
Gran Fury	0	0	0	0	0	15,047
Total Plymouth	1,400	2,039	1,055	8,351	151,881	197,039
LeBaron K	0	0	0	0	0	7,912
LeBaron J	1,000	1,127	1,072	2,072	57,345	46,576
LeBaron GTS	0	0	0	0	2,946	5,716
N. Yorker C-Class	200	0	0	200	57,696	63,233
Fifth Avenue	100	0	0	100	100	15,794
Total Chrysler	1,300	1,127	1,072	2,372	118,087	139,231
Omni	1,100	0	1,295	4,453	17,642	52,602
Daytona	1,000	1,143	650	1,650	48,186	45,821
Shadow	0	0	0	1,719	61,412	61,656
Aries	0	1,645	0	0	0	54,725
Dodge 600	0	0	0	0	0	8,549
Dynasty	400	0	0	400	83,678	59,366
Lancer	0	172	0	0	1,528	5,628
Spirit	100	0	0	1,224	60,392	0
Diplomat	0	0	0	0	0	12,368
Total Dodge	2,600	2,788	1,945	9,446	272,838	300,715
CHRYSLER MOTORS	5,300	5,954	4,072	20,169	542,806	636,985
Escort	5,480	9,598	8,093	13,573	182,861	221,049
Mustang	4,262	4,910	4,053	8,315	125,031	118,865
Tempo	2,252	3,931	2,733	4,985	86,223	110,520
Taurus	7,894	7,682	0	7,894	213,160	229,674
Thunderbird	2,578	2,841	2,864	5,442	93,795	90,265
Total Ford Div.	22,466	28,962	17,743	40,209	701,070	770,373
Topaz	1,713	1,625	1,730	3,443	40,675	41,395
Cougar	2,580	2,751	2,884	5,464	79,535	69,694
Sable	2,394	2,348	0	2,394	68,909	78,715
Total Mercury	6,687	6,724	4,614	11,301	189,119	189,804
Continental	1,000	795	1,189	2,189	39,782	24,940
Mark VII	347	395	365	712	13,977	13,607
Lincoln	2,116	1,192	2,348	4,464	74,503	77,425
Total Lincoln	3,463	2,382	3,902	7,365	128,262	115,972
Total L-M Division	10,150	9,106	8,516	18,666	317,381	305,776
FORD MOTOR CO.	32,616	38,068	26,259	58,875	1,018,451	1,076,149
Skyhawk	0	0	0	0	6,913	9,951
Skylark/Somerset	0	0	718	3,625	34,873	28,172
Century	2,720	0	2,789	10,533	75,345	64,323
Riviera	0	0	0	0	11,348	3,642
Electra	0	0	0	0	43,308	51,299
LeSabre (fwd)	0	2,557	0	5,222	90,007	75,142
LeSabre (rwd)	40	129	51	163	4,117	6,135
Reatta	0	197	0	0	3,140	5,488
Total Buick	2,760	2,883	3,558	19,543	269,051	244,152
Cimarron	0	0	0	0	0	3,693
Eldorado	0	0	0	0	19,103	23,410
Seville	0	0	0	0	13,997	14,488
Brougham (rwd)	0	210	0	1,870	21,933	18,281
Deville (fwd)	3,171	0	557	3,728	117,244	97,287
Allante	75	0	78	288	1,921	1,135
Total Cadillac	3,246	210	635	5,886	174,198	158,294
Cavalier	6,616	3,708	6,341	21,016	222,750	211,490
Camaro	0	0	0	0	64,591	54,287
Celebrity	0	409	0	1,727	70,349	106,298
Corsica/Beretta	0	0	0	7,983	229,026	231,977
Caprice	1,490	2,640	1,477	8,686	112,997	121,538
Corvette	560	418	560	2,128	15,973	12,768
Total Chevrolet	8,666	7,175	8,378	41,540	715,686	738,358
Calais	0	0	911	4,524	56,481	65,250
Firenza	0	0	0	0	0	5,230
Cutlass Ciera	2,975	0	3,094	10,698	56,485	13,551
Cutlass Supreme	0	0	1,397	1,397	52,522	90,480
Toronado	0	0	0	0	4,845	10,209
88 (fwd)	0	0	0	1,453	85,904	90,024
88 (rwd)	0	132	188	674	5,065	7,146
Olds 98	1,117	0	188	1,305	43,298	45,125
Total Oldsmobile	4,092	132	5,778	20,051	304,600	327,015
Sunbird	3,512	1,578	2,948	6,460	87,636	63,018
Grand Am	0	0	3,996	12,727	143,815	138,332
Firebird	0	0	0	0	35,352	37,613
Grand Prix	0	0	2,221	2,221	71,786	71,916
Pontiac 6000	1,980	236	1,984	6,607	49,259	42,861
Bonneville	0	0	0	0	51,680	64,003
Safari/Parisienne	0	0	0	0	2,691	4,879
Fiero	0	492	0	0	0	12,097
Total Pontiac	5,492	2,306	11,149	28,105	442,219	434,719
GENERAL MOTORS	24,256	12,706	29,498	115,125	1,905,754	1,902,538
DIAMOND-STAR	2,021	0	1,648	5,218	31,690	0
HONDA	7,570	7,290	7,302	21,905	219,502	211,518
Civic	2,798	2,424	2,510	7,842	75,060	58,767
Accord	4,772	4,866	4,792	14,063	144,442	152,751
MAZDA†	4,260	2,480	4,186	12,245	118,753	60,592
NISSAN	3,228	2,858	2,436	5,664	67,399	59,005
NUMMI	4,000	3,185	4,118	14,868	118,721	91,728
Corolla	1,600	1,143	1,688	6,082	47,892	33,633
Geo Prizm/Nova	2,400	2,042	2,430	8,786	70,829	58,095
TOYOTA	3,600	0	3,525	12,688	71,211	0
VOLKSWAGEN	0	0	0	0	0	35,595
Golf/GTI	0	0	0	0	0	30,042
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	86,851	72,541	83,044	266,757	4,094,287	4,074,110
Total Cars, Canada	17,673	9,577	12,101	50,997	572,164	652,412
U.S., Canada Cars	104,524	82,118	95,145	317,754	4,666,451	4,726,522
U.S., Canada Cars and Trucks	178,619	162,925	174,089	558,986	7,728,541	7,662,125

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe

CANADIAN CAR	Week Ended July 29, 1989	Week Ended July 30, 1988	Week Ended July 22, 1989	July to Date	Jan. 1 to July 29, 1989	Jan. 1 to July 30, 1988
Premier	0	0	0	0	22,370	38,984
CHRYSLER MOTORS	0	0	0	0	22,370	38,984
Tempo	0	3,607	0	0	72,675	105,687
Topaz	0	1,272	0	0	30,827	37,676
Crown Victoria	2,400	1,666	0	2,400	71,179	75,205
Grand Marquis	2,400	1,703	0	2,400	76,846	75,670
FORD MOTOR CO.	4,800	8,248	0	4,800	251,527	294,238
Celebrity	486	0	1,098	3,504	15,216	12,971
Cutlass Ciera	2,547	0	2,491	9,301	95,914	155,154
Lumina	7,460	0	5,955	22,673	83,034	0
Pontiac 6000	0	0	0	0	0	29,675
Regal	0	1	230	3,206	43,462	94,638
GENERAL MOTORS	10,493	1	9,774	38,684	237,626	292,438
HONDA	1,750	1,129	1,634	4,965	47,410	22,364
TOYOTA	450	0	513	1,864	8,044	0
VOLVO	180	199	180	684	5,187	4,388
Total Cars, Canada	17,673	9,577	12,101	50,997	572,164	652,412

U.S. TRUCK☆	Week Ended July 29, 1989	Week Ended July 30, 1988	Week Ended July 22, 1989	July to Date	Jan. 1 to July 29, 1989	Jan. 1 to July 30, 1988
Caravan	0	1,594	0	3,300	62,157	53,179
Dakota	1,000	581	182	1,182	56,101	61,653
Caravan C/V	0	150	0	6	4,518	8,589
Ram pickups	1,000	597	185	1,185	56,208	40,119
Total Dodge	2,000	2,922	367	5,673	178,984	163,540
Cherokee	3,750	0	3,503	7,253	129,434	105,621
Comanche	400	0	353	753	17,506	27,001
Grand Wagoneer	200	0	0	200	6,479	8,215
Wagoneer	100	0	70	170	5,157	6,232
Total Jeep	4,450	0	3,926	8,376	158,576	147,069
Voyager	0	1,625	0	3,027	58,725	49,119
Town & Country	0	0	0	284	1,872	0
Total C-P Div.	0	1,625	0	3,311	60,597	49,872
CHRYSLER MOTORS	6,450	4,547	4,293	17,360	398,157	367,745
Aerostar	3,915	3,216	3,917	7,832	135,544	113,889
Bronco	1,153	1,013	1,625	2,778	45,863	34,644
Bronco II	0	2,523	1,684	1,684	71,369	73,473
Econoline	4,144	2,780	3,857	8,001	137,120	136,729
Heavy trucks	1,302	1,694	1,288	2,590	37,582	38,270
Light trucks	8,976	10,379	11,135	20,111	312,971	287,198
Ranger	0	7,735	4,769	4,769	188,470	204,230
Total Ford Div.	19,490	29,340	28,275	47,765	926,919	888,433
FORD MOTOR CO.	19,490	29,340	28,275	47,765	926,919	888,433
Astro	2,985	3,373	3,067	11,385	98,266	103,512
Blazer	543	415	597	2,058	16,894	16,696
Mediums/Heavies	381	287	274	1,151	6,182	10,725
P-Model	0	905	865	1,995	20,749	24,294
Pickups	8,060	6,839	9,130	30,080	237,993	201,028
S-10	4,875	5,461	4,832	18,949	158,975	175,848
S-10 Blazer	3,902	3,219	4,168	15,138	115,918	99,886
Sportsvan/Van	1,951	2,444	2,861	7,571	58,582	54,347
Suburban	1,568	1,302	1,708	5,916	47,232	44,756
Total Chevrolet	24,265	24,245	27,102	94,243	757,072	731,092
Jimmy	156	227	171	588	4,996	4,743
Mediums/Heavies	575	889	676	2,268	9,705	23,387
P-Model	0	130	178	483	2,916	3,245
Pickups	2,540	2,388	1,532	9,964	71,686	62,411
S-15	885	1,530	1,333	4,047	36,776	39,689
S-15 Jimmy	1,092	992	1,121	3,970	32,165	25,913
Safari	775	828	772	2,920	25,494	26,345
Suburban	539	601	582	2,028	18,368	19,595
Vandura/Rally Vans	520	589	139	2,142	15,914	21,250
Total GMC	7,082	8,174	6,504	28,410	212,079	226,578
GENERAL MOTORS	31,347	32,419	33,606	122,653	969,151	957,670
NAVISTAR	1,750	1,835	1,750	3,500	48,626	49,136
NISSAN	2,848	1,343	2,105	4,953	70,251	58,519
AM GENERAL	450	450	450	1,710	13,140	13,410
MISCELLANEOUS	3,000	2,300	3,000	10,700	81,600	68,540
Total Trucks, U.S.	65,335	72,234	73,479	208,641	2,507,844	2,403,453

CANADIAN TRUCK	Week Ended July 29, 1989	Week Ended July 30, 1988	Week Ended July 22, 1989	July to Date	Jan. 1 to July 29, 1989	Jan. 1 to July 30, 1988
Caravan	0	1,344	0	2,020	80,624	79,743
Caravan C/V	0	69	0	145	7,048	7,872
Ram Wagon	0	342	0	428	15,578	13,847
Ram Van	0	1,465	0	857	39,800	36,496
Total Dodge	0	3,220	0	3,450	143,050	137,958
Voyager	0	1,050	0	1,773	71,727	72,595
Total Plymouth	0	1,050	0	1,773	71,727	72,595
Wrangler	0	789	0	1,500	44,644	27,660
Total Jeep	0	789	0	1,500	44,644	27,660
CHRYSLER MOTORS	0	5,059	0	6,723	259,421	238,213
FORD MTR. (lt. trks.)	3,610	3,292	0	3,610	92,904	95,005
Light trucks	3,596	0	4,907	14,678	97,999	91,999
Vans	0	0	0	2,160	36,743	35,105
Total Chevrolet	3,596	0	4,907	16,838	134,742	127,104
Light trucks	1,284	0	288	3,828	41,983	46,856
Vans	0	0	0	1,052	18,057	18,604
Total GMC	1,284	0	288	4,880	60,040	65,460
GENERAL MOTORS	4,880	0	5,195	21,718	194,782	192,564
NAVISTAR	270	222	270	540	7,139	6,368
Total Trks., Canada	8,760	8,573	5,465	32,591	554,246	532,150
U.S., Canada Trks.	74,095	80,807	78,944	241,232	3,062,090	2,935,603

☆—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Credit unions fight for lost loan share

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

With Ralph Nader's blessing and the help of syndicated consumer auto writer Remar Sutton, credit unions have mounted an aggressive campaign to regain auto financing market share.

The targets of the campaign are those sources making retail new-car loans through dealers — banks and captive finance arms.

A credit union brochure advertising the Chicago conference that kicked off the campaign last week accuses captive finance arms of using "pressure, deception and confusion" on car buyers.

The campaign, sponsored by the Credit Union National Association, will help credit unions install "an auto adviser service and auto library" to give members information on car buying, auto safety and other matters.

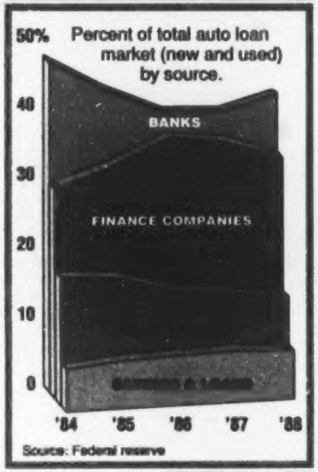
It is the credit unions' first large-scale assault on dealers' finance and insurance operations, their major profit center. The credit unions blame special-rate financing — such as the annual percentage rate incentives — for the decline of their market share.

Executives of captive finance arms say they respect credit unions as competitors.

But J.E. Farrell, president of Chrysler Credit Corp., said credit unions will have to match banks' and finance companies' massive

see LOANS, page 77

Share of auto loan market



Source: Federal reserve

AUTOMOTIVE NEWS / C. BEEVER

Chevy overhauls Geo strategy

Perkins era fast off line

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chevrolet has overhauled its Geo advertising campaign and its product strategy for the 1990 model year to give dealers the opportunity for higher volume and bigger profit margins.

The Geo change is but one major move J.C. "Jim" Perkins has made as Chevrolet general manager for the past three months.

Since taking over May 1, Perkins also has:

- Re-established a field organization so Chevrolet representatives call on dealers face to face.
- Set in motion a restructuring of product management to give program managers more clout.
- Elevated the role of motorsports within Chevrolet.

In an unusual move for General Motors, Perkins was lured back to Chevrolet after a four-year stint with Toyota.

Perkins said he and his staff have spent substantial time on Geo marketing and product plans and where Geo is headed. Geo is Chevrolet's line of vehicles imported from GM's Japanese partners and built through joint ventures.

Chevrolet wouldn't provide details about the new ad campaign. It will be unveiled to dealers next week.

For the 1990 model year, Perkins said Geo's model lineup will "have

see PERKINS, page 73

AUTOMOTIVE NEWS/JOE WILSSENS

Chevrolet boss Jim Perkins is giving a push to Geo volume and profits.

Sales climate chills mall fever

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

Declining new car sales and tough local zoning issues are quashing plans for auto malls and parks in parts of the country.

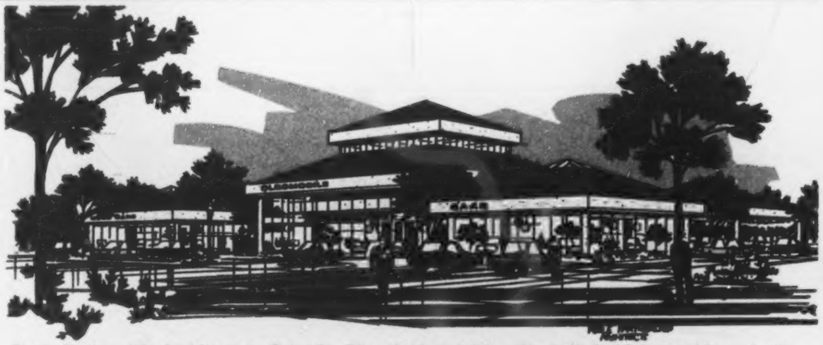
Once touted as one of the hottest retailing concepts of the '80s, multi-dealer retail centers have been shelved in several markets — at least until the sales outlook improves. First half U.S. car sales were down nearly 400,000 units to 5.1 million from a year ago.

A number of large dealers have had to abandon mall development plans or put them on back burners. Projects have hit snags in Maine, New York, Florida, Tennessee, Massachusetts and other states.

Auto retailing centers sprang up in part because of their ability to provide shoppers with a wide range of choices in one centralized complex. Also fueling the trend toward many makes under one roof is the evolution of megadealers with multiple franchises.

Enclosed auto malls frequently are controlled by one dealer with different lines, while open-air auto parks typically bring

see MALLS, page 73



Poole Partnership Architects in Orlando, Fla., designed this auto mall, but it has not been built.

HANS STAARTJES

Early bird strategy

Tommy Friedkin's Westside Lexus in Houston got the first of 1,000 cars shipped to 29 dealers last week, and Tiffany Kendall looks them over. Infiniti is also trying to round up early sales. Stories, Page 6.

Transplants sort out labor's role

Japanese are used to unions, but not U.S.-style unionism

As U.S. transplant operations of the Japanese manufacturers come on stream, labor itself is seeking to redefine its role in a manufacturing process that is different than traditional Big 3 practices.

Based on the concept of teamwork, some have taken it to mean that unions are not needed in the Japanese system, as is the case with the recent union vote taken at Nissan Motor Manufacturing.

But both Japanese managers and labor experts say that while Japan thrives on consensus management, that doesn't mean there is no tension between workers and those who lead them.

"American people always say that we have no unions in Japan so we have no experience managing or negotiating with union people," says Yoichi Nakane, president and chief executive officer at Diamond-Star Motors, the Illinois joint venture between Chrysler Motors and Mitsubsihi Motors Corp.

"But that's not true," he said. "We have unions in Japan and their demands are the same, like environmental issues or wage increases. But in Japan, our attitude is that management should consider associates as human beings and an asset to the company. That attitude should help us resolve any problems we have in the future."

Professor Shozo Inoue of Hiroshima University said semantics sometimes disguise that tension. He said Japanese managers often emphasize "harmony" and "cooperation." And collaboration between workers and management may be seen by U.S. union forces as capitulation.

As a result, some American workers may look at the Japanese message of "harmony" at the transplants with deep suspicion.

Likewise, American managers looking across town at the Japanese setup may want to imitate the Japanese, but for the wrong reason. Inoue said he has visited U.S. firms where managers expressed

see PLANTS, page 52

Transplant Section, Pages 52-59

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July car sales lowest since '82:
Ford and three Japanese transplants lead a small gain by domestics, but imports lost more. Page 78.

Ford ups rebates, watches GM on carryover payout

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. plans to clean up its 1989-model inventory with more generous cash rebates to consumers instead of its traditional 5 percent carryover allowance to dealers.

Ford officials say they are not planning any carryover allowance unless General Motors changes its policy. GM announced several weeks ago that it will not pay a 5 percent carryover allowance to dealers this year. Instead, GM instituted a program that pays dealers up to $1,000 per sale for performance against quota.

"Our philosophy has been to keep our dealers competitive; we've not chosen to announce a 5 percent carryover or any carryover rebate because we do not know what these incentive programs are going to do," said Ross Roberts, general manager of Lincoln-Mercury Division.

Ford's new incentive program offers a choice between cash rebates ranging from $300 to $4,000 and low financing, ranging from 2.9 percent for 24 months to 10.9 percent for 60 months. Roberts said Ford is planning to spend more money on incentives than it did in the last program, which ended July 31, but he would not specify what the company has allocated per car.

The new Ford program focuses on rebates. While many rebates have been sweetened, Ford has raised the annual percentage rates on its 36- and 48-month loans.

Low financing has become less attractive as interest rates drop, Ford said. Seventy percent of its buyers choose a rebate and many of those buyers are shopping for financing at their local banks, Ford said.

Roberts and Tom Wagner, Ford Division general manager, said Ford is not planning to offer any dealer contests, including salesperson and sales manager incentives, during the last quarter of the 1989 model year. Money normally used for those programs has been channeled into customer incentives.

Presently, Ford and L-M have a 66-day supply of cars and Ford has a 70-day supply of trucks, Wagner said. Ford would like to clear that inventory before 1990 models arrive this fall.

Despite what looks like a soft sales environment, Ford announced an average pre-sell price increase of 4.8 percent on its Ford, Lincoln, Mercury and Merkur models. The prices, which are subject to change, reflect the addition of new passive-restraint equipment and the higher cost for materials. On comparably equipped models, pre-sell prices have increased 2.5 percent.

"It (the effect on sales) really comes down to what kind of value the consumer assigns to passive restraints," said Wagner.

"The numbers (percentage increases on prices) are larger than they (consumers) have seen in the past, but we do have to cover our costs in terms of raw materials and the labor costs as well as the (passive-restraint) device costs. A short prescription for trouble is not to price for them," he said.

Ford's new incentive program, which began Aug. 1 and runs indefinitely, offers consumers a choice between cash rebates and low-interest financing.

The financing rates are 2.9 percent for 24-month loans, 6.9 percent for 36-month loans, 7.9 percent for 48-month loans and 10.9 percent for 60-month loans. The previous program offered 36-month loans for 5.9 percent and 48-month loans for 6.9 percent.

The following vehicles are being offered with a choice of rebate or cut-rate financing: $500 on all Probes and Mustangs equipped with 2.3-liter engines and manual transmissions; $600 on Festiva L, L Plus and LX models; $750 on Ranger S, Rangers equipped with automatic transmissions and Bronco II; $1,000 on Rangers

See INCENTIVES, page 75

Sporty Corrado viewed as VW comeback car

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

CORONADO ISLAND, Calif. — Volkswagen's new Corrado G60 sports car means more to VW than classically conservative Wolfsburg-crafted lines and limited-edition status.

VW hopes to use Corrado to wrest the small-car market it once owned from Pacific Rim competition with a sports car priced near fire-sale levels.

The move, if successful, could nip away at market share and bolster VW's sagging image as a value leader.

"We will be moving to a more consumer-focused, value-focused product line," said William J. Young, vice president of Volkswagen United States. "Basically we are back in the marketplace rebuilding the company."

Young pegged the suggested base retail price of the 1.8-liter supercharged 2+2 coupe at $17,900. Options for the car — including anti-lock brakes, heated leather seats, sunroof and metallic paint — will likely push that price over the $20,000 mark.

The Corrado is the first VW vehicle introduced since Young took the sales helm in February. Young succeeded James Fuller who died in the crash of Pan-Am flight 103 in Scotland last December.

To kick off his tenure at VW, Young went on a 30-day tour across the country talking to dealers. Their message to him: Be aggressive.

Young said following the trip he instituted broad-based sales incentives and a long-term test drive program.

Of the 30,000 Corrados built for world consumption, VW officials predict they will sell 1,800 to 2,000 cars in calendar-year 1989 following its September introduction. They plan to sell 10,000 Corrados in its first full calendar year in 1990.

A value-leader sales approach is not typical — it is almost contradictory — for a production-constrained, limited-edition car aimed at the enthusiast market. Still, Young sees value marketing as VW's charge.

He did say, however, that the company will not abandon its German engineering campaign that has been the cornerstone of VW's advertising.

"As far as VW is concerned, we are not moving upscale in the product line. We are not going to try and convince the consumers they will have to give us a premium price because of the high level of technology in the car," Young said.

VW's demographic research suggests potential Corrado buyers are male, 18 to 34 years old, who want cars with sporting performance. They currently own, or have a history of buying, a European car, and their current vehicle dates from 1983 through 1987 and was bought new.

Many of the Corrado sales prospects own or have owned a VW Scirocco.

VW will advertise the Corrado with long-copy print ads.

Without disclosing specifics about the texture of its upcoming campaign, Young said part of the ad plan calls for the Corrado's price to be included: "We are talk-

see CORRADO, page 76

The sticker price for VW's supercharged Corrado G60 starts at $17,900.

Corrado growls with supercharger

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

CORONADO ISLAND, Calif. — Volkswagen's Corrado G60 coupe gives VW dealers their first new sport coupe since the Scirocco was dropped. The package carries VW's conservative family lines.

"The Corrado wears a VW style," a company official said. "You get the VW identity just from the way it looks."

But it is primarily what's under the Karmann-mounted skin that makes the Corrado unique in the production sports-car realm. Powered by a derivative of VW's ubiquitous 1.8-liter, fuel-injected four-cylinder powerplant, its technological advancement is a mechanically driven G60 supercharger, called the G-Charger.

Though performance results of supercharged and turbocharged engines

see G60, page 76

Chrysler trims perks in battle to slash costs

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chrysler Corp. confirmed last week that it would indefinitely eliminate some traditional executive perks and a company-funded employee savings plan as part of its $1 billion cost-cutting plan.

A Chrysler Corp. spokesman said memberships to private clubs may be one of the items cut from the executive perk list. Chrysler may also delay the eligibility for such executive level perks for some high-level employees, the spokesman said.

Beginning Oct. 1, Chrysler will no longer contribute to a company-funded savings plan for employees. Currently, Chrysler's salaried employees can put a portion of their salaries into savings and the company contributes 50 cents in Chrysler common stock for every one dollar an employee saves. Only the first 6 percent of salary is eligible for the company's matching program, the spokesman said.

The spokesman declined to say how much the company hopes to save with the elimination of selected executive perks and the company savings program.

Two weeks ago, Chrysler announced a 15-month, $1 billion cost-reduction program, beginning in October. The plan includes the elimination of 2,300 white-collar jobs by early retirements, buyouts and layoffs.

In addition, 2,000 top executives are being asked to put into escrow during the 15-month cost-cutting period up to 10 percent of their salaries. Participants in the escrow program will receive half, double or none of the amount escrowed, depending on how well Chrysler does in meeting its $1 billion goal.

Chrysler said cost cutting is necessary to trim "fat" from the company's budget in the face of increasing costs and lower sales volumes.

Fitch Investors Service, New York, downgraded Chrysler's bond ratings as a result of the downward trend in U.S. sales and Chrysler's "reduced financial flexibility." Fitch lowered its ratings on Chrysler Corp.'s senior debt to BBB from A- and Chrysler Motors' senior debt to BBB+ from A. It continued to give Chrysler Financial an A rating on senior debt, A- on senior subordinated debt, BBB+ on junior subordinated debt and F-1 on commercial paper.

Automotive News wins lawsuit

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

ANN ARBOR, Mich. — A federal court has ordered Automotive Electronic News to eliminate either "Automotive" or "News" from its title by Oct. 1, 1989.

U.S. District Judge George LaPlata last Friday permanently enjoined Fairchild Publications, a division of Capital Cities/ABC Inc., from using both "Automotive" and "News" in the name of its publication following a 16-day trial.

Judge LaPlata ruled in favor of Crain Communications Inc., which publishes Automotive News, saying that subscribers and advertisers could confuse the names Automotive Electronic News and Automotive News.

However, Judge LaPlata ruled the infringement was not willful or malicious. No damages or attorney fees were awarded.

Judge LaPlata ruled that Automotive Electronic News can continue to use its editorial format, or appearance.

"This is an important victory for Crain Communications because it protects the Automotive News trademark," said Ray Scott, an attorney for Crain Communications.

There was no comment from Fairchild's attorneys.

Crain Communications filed the federal trademark infringement suit March 23, shortly after Automotive Electronic News began publishing.

Clarification

A July 31 legal brief failed to report that Bob Willow Motors of Menomonie, Wis., won treble damages from General Motors in an unfair termination case.

His lower court award of compensatory damages trebled to $1,203,000 plus interest of $253,631.72 and attorney fees of $107,597 were upheld by an appellate court, which also awarded him appeal attorney fees of $45,891.61. Willow did not win separate punitive damages nor reimbursement for expert witnesses.

Bob Willow Motors is still in business with Chrysler, Plymouth, Dodge truck, Jeep and Eagle franchises.

Dodge Stealth offers all-wheel drive and a twin-turbocharged engine.

Dodge plans '91 intro of Stealth sports car

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Chrysler Motors confirmed last week that Dodge will market the Stealth, a sleek four-place sports car based on the Plymouth Laser/Eagle Talon platform, in the 1991 model year.

Mitsubishi Motors, which will build the car in Japan, also will offer a version of the sports car. Mitsubishi's Starion name will not be used on the new model.

Automotive News reported in late 1988 that Dodge and Mitsubishi would introduce a high-powered four-place "baby Ferrari" sports car in 1991 (Automotive News, Dec. 12, 1988).

The price of the Dodge Stealth is believed to be in the $25,000 range.

Last week a Dodge spokesman said the car will be a front-wheel-drive model with optional all-wheel drive.

Mitsubishi's 3-liter, 24-valve, naturally aspirated V-6 will be the base engine. An optional twin-turbocharged version will provide acceleration from 0 to 60 mph in "the low 5-second range," a Dodge spokesman said.

The Dodge Stealth, inspired by the Intrepid concept car that appeared on the auto show circuit, was designed by Chrysler Motors and engineered by Mitsubishi. The two automakers have worked on the project since 1987.

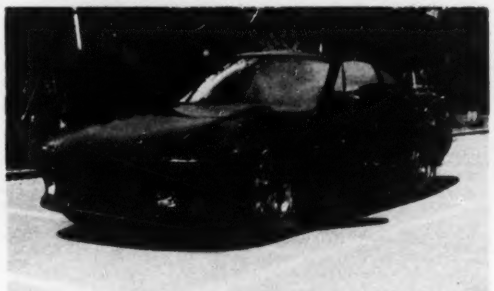
John Damoose, Dodge vice president, said Stealth will be the new lead image car for the division and an example of Dodge styling in years to come.

"Stealth will be the first in a series of new products over the next few years that will revolutionize the Dodge product line," he said.

No price or sales volume have been announced for Stealth, although one analyst estimated the price at $25,000.

Dodge said Stealth will be more upscale than the current Dodge Daytona but not as expensive as the Dodge Viper, an exclusive sports car Chrysler Motors tentatively plans to introduce in the 1990s.

According to Chrysler, the Stealth name was used on a navigational system on one of its concept vehicles in the mid-1980s. It was not adopted from the Stealth B-2 bomber currently being considered by the U.S. Congress, Chrysler said.



Mitsubishi's as yet unamed version of the Stealth may look similar to this drawing.

HIDDEN IMAGE/HANS G. LEHMANN

Subaru-Isuzu tells it like it is

Films show applicants that job is tough; many walk away

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

Workers at Subaru-Isuzu Automotive's assembly plant in Lafayette, Ind. — the newest transplant — can't say they weren't forewarned about the fast pace car production requires.

The discrepancy between the picture workers get of a Japanese transplant during orientation and the actual work in the factory has produced the first labor-management tension at several transplants.

Applicants for jobs at Subaru-Isuzu's new plant, scheduled to begin production in September, watch videos that show actual work tempo and reiterate the importance of "quick work pace" as well as quality. Applicants also participate in fast-paced work simulations.

A large number of Subaru-Isuzu applicants are screened out in the course of the selection process and about 10 to 15 percent screen themselves out after watching the videos, said Richard Wellins, senior vice president for programs and marketing at Development Dimensions International.

Development Dimensions International helped Subaru-Isuzu design its worker-selection process. The firm scripted the videos and designed the simulations.

Some workers at U.S. transplant facilities — particularly at Mazda Motor Manufacturing (U.S.A.) Corp. and Nissan Motor Manufacturing Corp. U.S.A. — have complained their orientation did not prepare them for the difficult work pace on the line.

A stern voice in the first video shown to applicants for jobs at Subaru-Isuzu says, "There is no slack time. Work tempo always remains fast and consistent." The voice also tells applicants they will be expected to pay attention "every minute," to "adapt to rapidly changing conditions," to hold quality meetings and clean up their areas on their own time and to work overtime and on weekends.

Applicants watch another video before they participate in an assembly simulation requiring 15 steps. The video repeats that they must "work at a quick work pace without wasting time or materials. . . . The pace is important. So is quality. . . . You may notice the assessor checking your pace."

Applicants must view a videotape showing the quick work pace.

Rapid-tempo background music drives home that theme. Applicants are told that, following the simulation, they will be expected to suggest ways to cut the time required to do the job, as is the case for workers in the plant.

Jeanne Wilson, a Development Dimensions International industrial psychologist and project manager for the Subaru-Isuzu selection process, said the process was not so much the result of publicized

see JOBS, page 77

BRIGHTER: *Decline in cost of borrowing may hike profits for automakers' finance firms*

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

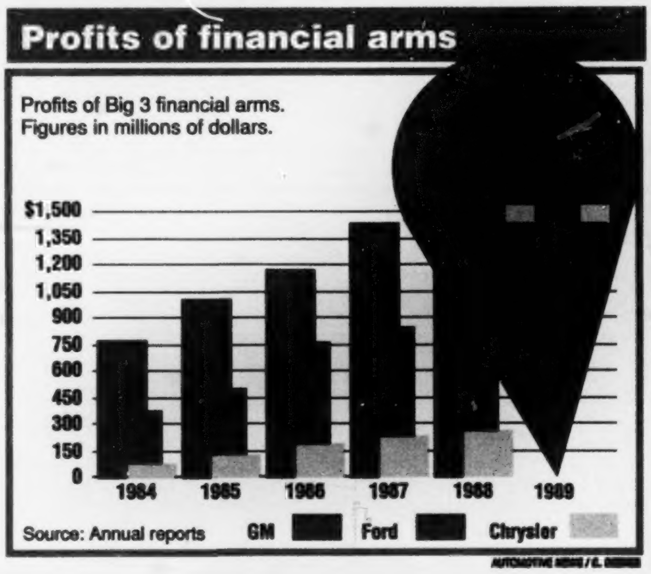
As the automakers' finance companies head into the second half of 1989, falling interest rates give them a shot at a better — though not likely a record — year.

Rising interest rates — the rates at which the finance firms borrow the money to conduct their operations — narrowed their margins in 1988 and the first quarter of 1989. General Motors Acceptance Corp. and Ford Motor Co.'s financial services group each reported profit slumps of 20 percent for the second quarter, while profits at the more diversified Chrysler Financial Corp. fell just under 7 percent.

In the fierce scrambling for dealer and car-buyer financing, the captives' profits shrank though they captured bigger shares of auto financing volume.

Interest rates have dropped since the highs of last winter, which in-

see FINANCE, page 25



AUTOMOTIVE NEWS / E. [illegible]

Cadillac latest to charge dealers a mandatory ad fee

By Laura Clark and Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — Cadillac will assess a mandatory 1 percent charge on each car's invoice for local dealer advertising beginning this fall.

Cadillac joins Oldsmobile, which also will collect the fee beginning this fall. They follow the lead of Chevrolet and GMC, which began assessing the fee a year ago.

The Cadillac program is patterned after those at other GM divisions. Cadillac's assessment is 1 percent of the manufacturers suggested retail price including options. It doesn't include destination charges, and it doesn't apply to GM employee discount vehicles.

Twenty-five percent of the assessment will be returned to dealers.

The fee applies to all Cadillacs except Allante, the division's flagship two-seater.

Peter Levin, director of advertising, said the division didn't include Allante because it didn't want to add marketing costs to the $56,000 car.

Levin said dealer ad groups can select their own advertising campaigns. Cadillac supplies ad groups with music and film footage, but they are not required to use it.

Oldsmobile requires dealer ad groups to use either the Oldsmobile themeline, music or footage to receive factory co-op funds.

While dealers can do what they want with the 25 percent refund, Cadillac strongly suggests dealers use it specifically to advertise their dealerships, Levin said.

Dealers who don't participate in dealer ad groups still will be assessed the 1 percent fee and refunded 25 percent of it. Cadillac will boost national advertising in local markets where dealers don't participate in ad groups.

While Oldsmobile expects its collections to rise from $58 million to more than $100 million annually under the 1 percent program, Cadillac would not reveal figures.

But Levin said its collections will increase at least 25 percent. He said many dealer groups already have increased per-car ad spending because Cadillac competitors have.

"Our dealers in general — and dealer marketing groups — were sensing this competitive challenge already in the last two years," Levin said.

"On their own, they already have increased their per-car contribution."

In addition, Cadillac will boost overall divisional advertising for the 1990 model year and will allocate more to dealer marketing than in 1989. Levin wouldn't reveal how much spending will increase.

Cadillac doesn't have a formula for its allocations to dealer ad groups as some divisions do. Levin said the division analyzes the market and appropriates the money on a case-by-case basis.

He said Cadillac decided to adopt the 1 percent program to keep pace with increased ad spending by competitors and to be consistent with its sister GM divisions, with which many Cadillac dealers are dualed.

So far, Buick and Pontiac maintain they won't mandate the 1 percent assessment, although corporate pressure to follow suit could eventually cause them to do so.

The divisions now encourage dealer ad groups to use the program, and several have signed up. A Buick dealer said 97 percent of Buick dealers will use the 1 percent system to collect local ad funds.

Pontiac has made only one change in its policy this year.

Pontiac told dealers recently they no longer can withdraw from a dealer advertising group at any time during the year. Instead, dealers have 15 days in January in which to withdraw.

The change is to prevent dealers from dropping out of ad groups on a whim.

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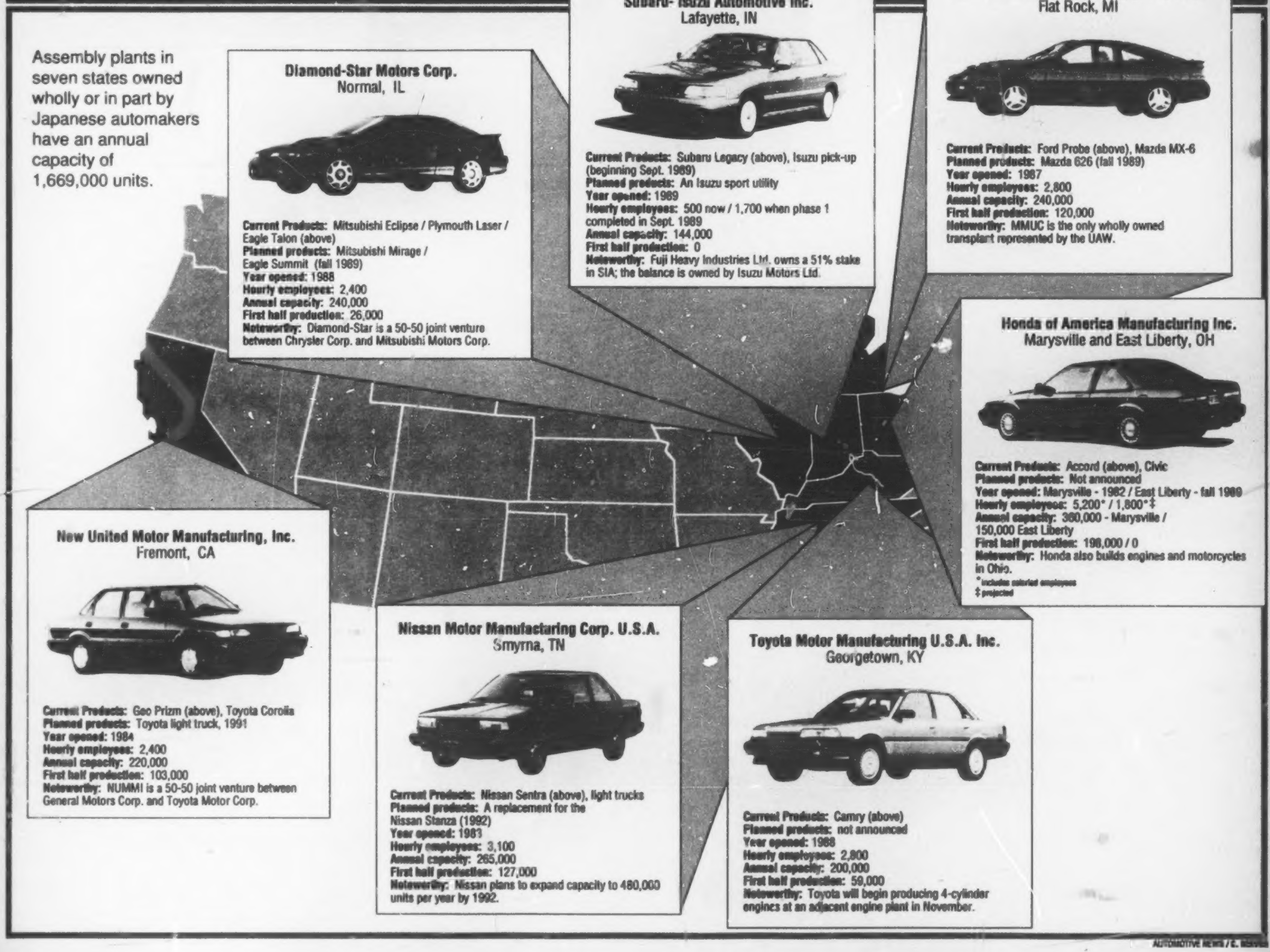
TRANSPLANTS ON STREAM

The transplant picture



Assembly plants in seven states owned wholly or in part by Japanese automakers have an annual capacity of 1,669,000 units.

Diamond-Star Motors Corp.
Normal, IL

Current Products: Mitsubishi Eclipse / Plymouth Laser / Eagle Talon (above)
Planned products: Mitsubishi Mirage / Eagle Summit (fall 1989)
Year opened: 1988
Hourly employees: 2,400
Annual capacity: 240,000
First half production: 26,000
Noteworthy: Diamond-Star is a 50-50 joint venture between Chrysler Corp. and Mitsubishi Motors Corp.

Subaru- Isuzu Automotive Inc.
Lafayette, IN

Current Products: Subaru Legacy (above), Isuzu pick-up (beginning Sept. 1989)
Planned products: An Isuzu sport utility
Year opened: 1989
Hourly employees: 500 now / 1,700 when phase 1 completed in Sept. 1989
Annual capacity: 144,000
First half production: 0
Noteworthy: Fuji Heavy Industries Ltd. owns a 51% stake in SIA; the balance is owned by Isuzu Motors Ltd.

Mazda Motor Manufacturing (USA) Corp.
Flat Rock, MI

Current Products: Ford Probe (above), Mazda MX-6
Planned products: Mazda 626 (fall 1989)
Year opened: 1987
Hourly employees: 2,800
Annual capacity: 240,000
First half production: 120,000
Noteworthy: MMUC is the only wholly owned transplant represented by the UAW.

Honda of America Manufacturing Inc.
Marysville and East Liberty, OH

Current Products: Accord (above), Civic
Planned products: Not announced
Year opened: Marysville - 1982 / East Liberty - fall 1989
Hourly employees: 5,200* / 1,800*‡
Annual capacity: 360,000 - Marysville / 150,000 East Liberty
First half production: 198,000 / 0
Noteworthy: Honda also builds engines and motorcycles in Ohio.
*includes salaried employees
‡ projected

New United Motor Manufacturing, Inc.
Fremont, CA

Current Products: Geo Prizm (above), Toyota Corolla
Planned products: Toyota light truck, 1991
Year opened: 1984
Hourly employees: 2,400
Annual capacity: 220,000
First half production: 103,000
Noteworthy: NUMMI is a 50-50 joint venture between General Motors Corp. and Toyota Motor Corp.

Nissan Motor Manufacturing Corp. U.S.A.
Smyrna, TN

Current Products: Nissan Sentra (above), light trucks
Planned products: A replacement for the Nissan Stanza (1992)
Year opened: 1983
Hourly employees: 3,100
Annual capacity: 265,000
First half production: 127,000
Noteworthy: Nissan plans to expand capacity to 480,000 units per year by 1992.

Toyota Motor Manufacturing U.S.A. Inc.
Georgetown, KY

Current Products: Camry (above)
Planned products: not announced
Year opened: 1988
Hourly employees: 2,800
Annual capacity: 200,000
First half production: 59,000
Noteworthy: Toyota will begin producing 4-cylinder engines at an adjacent engine plant in November.

AUTOMOTIVE NEWS / E.

PLANTS

FROM PAGE 1

an interest in the Japanese system, but what they really "wanted was a union-free environment."

The Japanese concept of a union-management relationship is a partnership, Inoue said; not a "buddy-buddy" system, but a partnership between two sides, with some tension between the two.

Americans tend to think the "Japanese worker is docile, like an obedient dog," Keio University Professor Haruo Shimada said. "That is wrong."

University of Michigan Professor Robert Cole said there are differences in the demands of Japanese and American unions.

Cole, who has spent the last year at Keio University in Tokyo, wrote a book called "Japanese Blue Collar" in the 1960s. He worked on a Japanese assembly line for research.

Cole said the Japanese have worked to maintain the seniority system while the Americans based their negotiations on a separation of skills. As a result, U.S. domestic operations have many times the job classifications of Japanese plants.

While there is a worldwide movement to adopt what has been called Japanese-style labor relations, Cole said to call it Japanese is not appropriate. Management now recognizes it must have the cooperation of labor, Cole said. That does not mean the union has to be in bed with management to accomplish the goal; it means the all-out confrontational system, where American managers will not listen to the labor force, will not work.

But there may be a backlash by some elements on the shop floor to labor-management cooperation.

Inoue said he is not surprised at the dissident movement within the UAW at Mazda's Flat Rock, Mich., plant or in other U.S. plants using Japanese-style team work practices. Those dissidents may be showing that they are fighting for the workers in the face of union-management collaboration. They think that cooperation is un-unionlike, Inoue said.

When dissidents won a union election at Mazda's Flat Rock plant recently, many were surprised. Shimada suggests Mazda may have moved too quickly to full production at Flat Rock in order to profit from an economy of scale.

Additional workers may not have been trained well enough, Shimada said, adding that communication of labor policies may not have been clear enough. Honda of American Manufacturing took seven to eight years to build up to capacity, while Mazda did it in two years. "It takes time," Shimada said.

Osamu Nobuto, president of the Mazda unit, doesn't agree with Shimada's assessment.

Mazda said the move to full production was not that rapid, and that Mazda has made an effort to keep the union informed of events and to talk to the union representatives on all issues.

"We really don't see very much change at all after the election," Nobuto said. "Rather, it appears that individuals who are popular with the work force were chosen. Although we didn't know at first if there would be any major change, so far it appears we will have very little change in the relationship.

"In fact, both Mr. (Phil) Keeling (president of Local 3000) and Mr. (Greg) Drudi (shop chairman) seem to be very good people. They are quite knowledgeable and understand very well the teamwork concept and 'kaizen' (the concept of continuous improvement)."

Nobuto said, in fact, that Drudi is the eighth highest contributor of suggestions, while Keeling is 18th on the list.

"In my conversations with them, they have pointed out that they are very enthusiastic about kaizen and teamwork. Although many things were said during the campaign, they are quite supportive of what we're trying to do here," he said.

In general, Japanese makers have tended to avoid direct contact with the UAW.

Toyota is officially neutral about the UAW's hopes to organize its plant in Kentucky. But Toyota may be expecting that UAW organization will fail.

"At this time, we believe our human relations and personnel policies are being well received by the employees," said Fujio Cho, president of Toyota Motor Manufacturing. "They can talk to us directly. We haven't heard of anything that would require a third party like the UAW to come in."

Toyota officials appear rather sanguine about the outcome of a union drive, perhaps because of good experiences with the UAW at the New United Motor Manufacturing Inc. plant in Fremont, Calif. But some say the UAW may have worked a little harder to cooperate there in order to emphasize past grievances with General Motos.

"This was an important experiment," said Kan Higashi, NUMMI president. "We can show, yes, it is workable using the most militant, lazy work force here at Fremont. Now, that work force is the most efficient, most cooperative, most innovative, sophisticated work force in the industry. Since we can do it, they can do it."

The UAW recently lost an election at Nissan's Smyrna plant by a two-to-one margin. Nissan had taken a more negative stance toward the UAW from the time it established the plant. Shimada said that was a result of the Nissan's long and difficult relationship with the Japanese union over the years, when the union leader, Ichiro Shioji, had virtual veto power over many corporate decisions at Nissan.

Nissan Motor Manufacturing President Jerry Benefield said, "If this election has a message, it says that you can achieve very high quality and good productivity and still have a very satisfied work force. If you allow people to participate in decisions and develop a relationship of trust, it can be done."

But among the transplants, not all are adverse to dealing with the UAW.

Diamond-Star's Nakane said, "I've heard many stories about the UAW, about how the UAW requested many things from the Big 3 and how the requests sometimes caused problems for managers. For me, those are just stories. We began negotiations with the UAW in April and we're trying to reach a consensus. I hope we get good results."

Automotive News Staff Reporters Mary Ann Maskery, Lindsay Chappell, Dutch Mandel and Jesse Snyder contributed to this report.

INCENTIVES

FROM PAGE 2

equipped with manual transmissions (excluding Ranger S), Taurus, Sable, Tempo, Tempo AWD, Topaz, Topaz AWD, Escort and four-door Tracer; and $1,500 on Thunderbird (excluding SC), Cougar (excluding XR-7) and Tracer two-door models.

The following vehicles are offered with rebates but no low-financing alternative: $300 on Aerostar; $500, F150 4x2 equipped with manual transmission and E150 van (non-converted); $750, F250 4x2, F350 (both 4x2 and 4x4 models), F Super Duty truck and full-sized Bronco; $1,000, Crown Victoria, Grand Marquis, E150 conversion vans and Continental; $1,500, Mark VII and Town Car; $2,000, 1989 Scorpio; $3,000, 1988 Scorpio; and $4,000, XR4Ti.

Ford is offering special lease incentives through its Ford Credit Red Carpet lease program. Lessors get a monthly rate of 2.75 percent of the cost of a vehicle for up to 24 months, 8 percent on leases between 25 and 36 months and 9 percent on leases between 37 and 48 months.

Lease rebates are offered on selected cars leased for 25 to 48 months: $750 on Escort, Tempo, Topaz, Taurus, Sable, Crown Victoria, Grand Marquis, Ranger, Bronco II, Aerostar, full-sized Bronco, Econoline van and Club Wagon; and $1,000 on Thunderbird and Cougar.

- In other incentive news, Cadillac sweetened its rebates on selected models delivered from dealer stock. Buyers of 1989 DeVille and Fleetwood models will receive $1,500 rebates until Sept. 27. The previous rebate on those cars was $1,000. Cadillac continues to offer $1,000 on all 1989 Seville, Eldorado and Brougham models.
- Also, Audi extended its lease program on 1989 models through Sept. 30. The program originally was scheduled to end July 31. Audi is offering 36-month leases with payments comparable to those traditionally available only with long-term leases or finance contracts.
- Mitsubishi also announced dealer incentives on 1989 models. During August, Mitsubishi will give cash awards for the number of 1988 and 1989 Mitsubishi pickups, vans, wagons and Monteros sold.

If the dealer sells six or fewer of those models, he receives $500 per vehicle; if he sells seven to 13 vehicles, he receives $1,000 per vehicle unit; and if he sells 14 or more, he receives $1,500 per unit (retroactive to the seventh unit sold). Vehicles sold at retail or leased are eligible for the dealer rebate.

The program will continue on those vehicles in September. Montero models, including lease vehicles, will receive an extra $1,000 bonus during September. There are no sales target requirements for the Montero September bonus.

Mitsubishi is offering a first-time buyer program in California from Aug. 1 to Sept. 30. It offers those buyers more favorable finance rates through Mitsubishi Acceptance Corp. No dealer incentive money will be paid on units sold through the California first-time buyer program.

During August and September, Mitsubishi will give dealers incentives on Mirage, Galant, Sigma, Montero, Wagon, Van, Starion, pickups and Precis. The payments are: zero to five sold, no payout per unit; six to 10, $800 per unit; 11 to 15, $1,000 per unit; 16 or more, $1,500 per unit retroactive to the 11th unit sold.

There is also a bonus program in August and September. For every three- and four-door Mirage sold, the dealer receives a $1,000 bonus; for every two-door Montero, $1,000; for every four-door Montero, $500; and for every three-door Precis, (except the PR24DL model), $300. There are no sales targets for the August bonus program.

INCENTIVE WATCH

	Customer Incentives						Dealer Incentives	
		Finance Rates (Pct.) — Months —						
	Rebates	24	36	48	60	Expiration Date	Type	Expiration Date
Chrysler Motors								
Chrysler	$500 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15		
Dodge Cars	$300 - $1,500	0.0*	5.9	6.9	10.9	Sept. 15		
Dodge Trucks	$500 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15		
Eagle	$1,000 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15		
Jeep	$500 - $1,000	0.0*	5.9	6.9	10.9	Sept. 15		
Plymouth	$300 - $1,500	2.9	5.9	6.9	10.9	Sept. 15		
*2.9 percent on some models								
Ford Motor Co.								
Ford Cars	$500 - $1,500	2.9	6.9	7.9	10.9	None		
Ford Trucks	$300 - $1,000	2.9	6.9	7.9	10.9	None		
Lincoln	$1,000 - $1,500	2.9	6.9	7.9	10.9	None		
Mercury	$1,000 - $1,500	2.9	6.9	7.9	10.9	None		
Merkur	$2,000 - $4,000	2.9	6.9	7.9	10.9	None		
General Motors								
Buick	$500 - $1,500	2.9	5.9	6.9	10.9	None	All GM divisions: Zero to $1,000 per sale based on performance against quota. $150 per sale if dealer elects not to participate in quota program.	Sept. 27
Cadillac	$1,000 - $21,500							
Chevrolet Cars	$400 - $1,000	2.5	5.9	6.9	10.9	Sept. 27*		
Chevrolet Trucks	$400 - $750	2.9	5.9	6.9	10.9	Sept. 27*		
GMC	$500 - $750	2.9	5.9	6.9	10.9	None		
Oldsmobile	$1,000 - $1,500	2.9	5.9	6.9	10.9	None		
Pontiac	$700 - $1,250	2.9	5.9	6.9	10.9	None		
Cadillac does not have a finance-rate incentive *Chevrolet's rebate program has no expiration date								
Alfa Romeo							$1,000 - $6,000	Aug. 31
BMW 735i			8.5	9.0	9.5	Aug. 31		
735iL, 750iL			8.5	9.0	9.5	Aug. 31		
Daihatsu							$300 if meet sales quota	Sept. 5
Honda							Up to $500	Aug. 31
Hyundai	$300 - $1,000					Sept. 5	$300 - $800, some based on quota	Sept. 5
Isuzu Impulse							$2,000	
Other Cars, Trucks							$300 - $1,000, based on quota	
Jaguar	$5,000					Sept. 18		
*To owners of 1986 Jaguar Sedans								
Mitsubishi Cars							$800 - $2,500, based on number sold	Sept. 30
Trucks							$300 - $2,500, based on number sold	Sept. 30
Nissan Cars							$100 - $1,500, based on quota	Sept. 5
Trucks							$100 - $2,000, based on quota	Sept. 5
Peugeot							$1,000 - $2,000	Sept. [illegible]
Porsche							$3,000 - $6,000 on 40 percent of cars sold	Sept. 30
Sterling		4.9	5.9	5.9	6.9	Aug. 31	$1,500 - $2,750	Aug. 31
Subaru	$1,000 - $9,000*					Aug. 31	$1,000 - $3,000*	Sept. 5
*Rebates go to the customer in some regions and to the dealer in other regions								
Toyota Cars							$100 - $2,000, some based on quota	Sept. 5
Trucks							$200 - $2,500, some based on quota	Sept. 5
Volkswagen	$300 - $2,000	4.9	5.9	7.9	8.9	Sept. 4		

CORRADO

FROM PAGE 2

ing price in the ads — it will be a component — because it is a factor."

To target younger buyers, VW will begin its advertising campaign with national and cable television spots, along with "screen vision" — movie-theater advertising. It will be VW's first attempt at using this medium in its marketing plans.

VW will also use direct-mail marketing. More than a half-million questionnaires will go to Corrado prospects, followed by a direct mail package that includes printed product literature and a Corrado video.

Each direct-mail recipient will also get an invitation to test drive the car. Both Young and William A. Gelgota, VW marketing director, declined to divulge Corrado's advertising budget.

Young well understands the need for the new Corrado — and, later, Passat and Golf Rallye — to be accepted by U.S. car buyers.

"We have to price our products to be competitive in this market," he said.

Young said if all goes as planned, the new Passat will be in dealers' showrooms at the end of February 1990, fitted with an optional automatic transmission. There is no introduction date yet for the high-performance Golf Rallye.

Young said that VW will do what it must to be successful in this country, a marketplace where the small-car segment is shrinking overall.

While the Corrado is an enthusiast's car, it is not a vehicle with enough mainstream appeal to immediately right the VW sales ship, Young said.

"What will rebuild the franchise is focusing the franchise back on value," he said.

G60

FROM PAGE 2

are similar, a supercharged engine is belt-driven. Both devices compress air into the engine's cylinders to increase performance, but the supercharger does so continuously, while the turbo relies on engine exhaust gasses.

One of the simple advantages of supercharging: the belt-driven boosted air pressure can be kept constant, making it easier to control.

VW strengthened the cylinder head and head gasket, pistons and wrist pins of the 1.8-liter engine to cope with increased engine output.

With the G-Charger, VW is able to generate substantial performance from the relatively small engine; it delivers 158 horsepower and 166 pounds-feet of torque and moves the car from zero to 60 mph in 7.5 seconds. VW pegs the top speed of the Corrado at 140 mph.

VW officials said there are no plans to introduce a four-wheel-drive version of the Corrado and no near-term plans to import an automatic-transmission model.

The Corrado G60's suspension is independent at all corners, with MacPherson struts up front coupled to coil springs and stabilizer bar. The rear suspension, a torsion beam axle with track-correcting bushings to enhance turn-in, is fitted with shocks, coil springs and stabilizer bar.

Corrado has the largest disc brakes VW has ever used, with the front discs vented for increased cooling. An anti-lock braking system is optional.

The Corrado is fitted with low-profile 195VR50/15 radial tires.

The Corrado's exterior is evocative of past VWs — no swoopy lines, no jelly-bean shapes. Penned by Volkswagen Design, the muscular-looking Corrado is built by Wilhelm Karmann GmbH, one of Europe's master coachbuilders.

Aerodynamic devices — including an integrated bumper and low front spoiler fitted with flush fog lights and headlamps; door-mounted mirrors; and a rear-bumper-mounted valance panel — help the Corrado achieve a low drag coefficient of 0.32.

One device the Corrado shares with the newly introduced Porsche Carrera 4 is a speed-actuated rear spoiler. It extends at speeds greater than 45 mph, and it retracts when the car cruises at speeds below 12 mph. The effect reduces aerodynamic lift on the car by as much as 65 percent.

Standard equipment on the Corrado includes air conditioning, height-adjustable seats, electrically adjustable and heated outside mirrors, rear window wiper and an anti-theft Heidelberg IV AM/FM cassette stereo with six speakers.

A new power window system allows both side windows to be opened or closed — even when the engine is turned off — before the driver opens the door to leave the car. Both driver and passenger windows have one-touch down actuation, and both can be closed from the outside by putting the key in the door lock and turning it beyond the lock position.

Corrado dimensions: wheelbase, 97.3; length, 159.4 inches; width, 65.9 inches; height, 51.9 inches; curb weight, 2,680 pounds.

July sales trail 1988 as imports falter

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Sales of domestic cars rose slightly in July but could not offset import-car losses. Combined car deliveries were the leanest for any July since depressed 1982.

New-car deliveries lagged 1.63 percent behind last July's weak total when there were fewer factory incentives.

This year's total was 846,171 compared to 860,155 last year.

Sales of U.S.-built cars rose 0.14 percent, or 863 units above last July. This year's count was 603,409.

Even though more than a third of the import lines had year-to-year increases in July, import car sales fell 5.76 percent to 242,762 from 257,609, a year ago.

Audi posted a gain of 61.29 percent. In mid-July NHTSA vindicated the German car firm of unintended-acceleration charges.

On the domestic side, Ford Motor Co. and three Japanese transplants sold more cars in July than they did last year.

This year, the Big 3 U.S. automakers lost nearly a point of the U.S. car market.

With their captives, they took 67.15 percent of total car sales, down from 67.97 percent last July.

Ford boosted its combined car share by a point while General Motors' share dipped 0.42 percent and Chrysler Motors' share dropped 1.41 percent.

The Japanese manufacturers' share rose 1.73 percent, while European and Korean companies' combined shares dropped 0.91 percent from a year ago.

Although domestic-car sales improved in early July and mid-July this year, the final period fell 6.44 percent below last year's.

For the full month, Ford had an increase of 2.89 percent. Each of its divisions sold more cars in July than they did last year.

GM's U.S.-built car sales fell 3.61 percent although Buick and Pontiac reported gains. Chrysler's domestic-car sales slumped 14.07 percent from the total for July 1988.

Nissan was the only transplant to report a loss; it was down 1.42 percent in July.

Honda strengthened its deliveries by 15.93 percent and Mazda sold 24.78 percent more U.S.-built MX-6s in July. Toyota's domestic sales doubled last year's. Mitsubishi, which was not selling U.S.-built Eclipse models here in 1988, delivered 2,883 cars in July.

DOMESTIC CAR SALES

	July 21, to July 31, 1989	Same Period, 1988	July 1989	Same Month, 1988	Jan. 1, to July 31, 1989	Same Period, 1988
Alliance	0	40	0	111	0	3,807
Eagle	0	0	0	0	0	1,392
Premier	1,238	1,524	3,565	3,805	26,854	22,293
Total Eagle	1,238	1,564	3,565	3,916	26,854	27,492
Horizon	2,336	3,406	4,036	7,137	19,968	34,943
Laser	804	0	2,097	0	10,915	0
Sundance	3,300	3,419	6,752	9,047	46,810	52,226
Turismo	0	0	0	0	0	1,115
Reliant	1,151	2,453	2,991	6,429	22,468	72,126
Acclaim	2,538	0	8,009	0	51,086	0
Caravelle	0	191	0	542	733	10,829
Gran Fury	0	872	0	1,454	1,443	9,038
Total Plymouth	10,129	10,141	23,885	24,609	153,423	180,277
LeBaron K	0	649	0	1,626	787	15,964
LeBaron J	2,150	3,216	6,174	8,470	54,154	65,401
LeBaron GTS	167	515	392	1,344	3,113	10,140
Fifth Avenue	363	485	938	1,359	8,703	27,757
New Yorker C	1,692	2,204	5,736	6,806	56,359	41,330
New Yorker E	0	20	0	95	237	14,285
Total Chrysler	4,372	7,089	13,240	19,700	123,353	174,857
Omni	2,125	3,261	3,812	6,999	20,093	33,898
Shadow	3,166	2,955	6,829	8,090	46,664	55,913
Charger	0	0	0	0	0	1,022
Daytona	1,886	2,588	5,447	6,877	44,842	47,765
Aries	892	1,979	2,806	5,918	22,534	64,211
Lancer	122	352	305	888	2,060	6,843
Spirit	1,449	0	5,596	0	43,047	0
Diplomat	0	490	0	1,369	2,551	13,596
Dynasty	2,068	1,868	6,828	5,255	71,823	43,152
Dodge 600	0	211	0	533	808	9,937
Total Dodge	11,706	13,704	31,623	35,929	254,422	276,137
CHRYSLER MOTORS	27,445	32,498	72,313	84,154	558,052	658,763
Escort	12,496	13,107	31,936	33,817	206,318	225,888
Mustang	4,871	4,440	13,815	11,941	111,595	111,371
Tempo	6,043	9,963	17,402	23,780	136,836	170,868
Taurus	9,192	10,323	29,369	30,016	214,809	240,989
Thunderbird	3,489	4,316	9,506	10,575	72,388	79,007
Probe	4,699	3,266	13,100	7,447	83,746	26,284
Crown Victoria	4,441	3,281	10,782	8,596	65,104	72,700
Total Ford Div.	45,231	48,696	125,910	126,172	890,796	927,107
Lynx/Tracer	2,623	2,089	6,684	4,859	39,104	35,915
Topaz	2,500	3,217	6,900	8,314	54,398	52,971
Sable	4,134	4,279	9,294	10,097	70,470	76,990
Cougar	3,289	4,253	8,231	10,076	60,949	69,864
Grand Marquis	5,574	3,759	11,747	9,383	65,939	70,403
Total Mercury	18,120	17,597	42,856	42,729	290,860	306,143
Continental	2,023	644	4,842	1,988	34,295	23,550
Lincoln	4,212	3,322	10,518	8,923	69,578	73,311
Mark VII	1,150	598	2,442	1,520	17,911	12,795
Total Lincoln	7,385	4,564	17,802	12,431	121,784	109,656
Total L-M Division	25,505	22,161	60,658	55,160	412,644	415,799
FORD MOTOR CO.	70,736	70,857	186,568	181,322	1,303,440	1,342,906
Skyhawk	510	552	1,513	1,344	12,480	16,918
Somerset/Skylark	1,596	2,573	5,255	5,858	41,853	37,888
Century	3,777	4,258	9,278	9,550	77,201	68,723
Regal	2,087	3,807	6,101	8,686	48,738	71,813
LeSabre	5,771	3,980	15,468	8,521	82,431	87,752
Reatta	218	140	696	323	4,911	1,957
Electra	2,081	3,033	6,703	6,670	46,386	48,506
Riviera	491	167	1,473	488	11,773	5,675
Total Buick	16,531	18,510	46,487	41,440	325,773	339,232
Cimarron	0	159	0	569	232	4,266
Allante	160	125	367	371	2,034	2,163
Seville	370	838	903	2,178	14,796	12,789
DeVille	4,736	5,373	12,327	12,696	95,182	90,048
Brougham	853	1,743	2,371	3,723	21,105	24,108
Eldorado	847	1,505	2,026	3,210	19,238	17,558
Total Cadillac	6,966	9,743	17,994	22,747	152,589	150,932
Chevette	0	6	0	14	0	205
Geo Prizm/Nova	3,187	2,641	8,888	6,398	43,303	68,404
Cavalier	8,377	10,287	23,884	27,621	178,540	184,476
Camaro	2,880	3,091	9,064	8,041	69,121	61,096
Celebrity	2,860	7,024	9,161	18,126	121,309	156,630
Corsica/Beretta	9,386	12,936	31,990	37,787	231,218	260,301
Lumina/Monte Carlo	4,781	819	12,313	2,152	35,906	23,715
Caprice	6,028	5,368	15,870	15,163	97,187	105,061
Corvette	773	692	2,448	1,784	12,623	19,328
Total Chevrolet	38,272	42,864	113,618	117,066	789,207	875,216
Firenza	0	185	0	434	12	7,088
Calais	3,442	3,908	8,869	9,880	56,899	64,712
Cutlass Ciera	5,607	9,117	15,748	21,741	119,145	141,600
Cutlass Supreme	3,047	3,249	7,328	8,811	58,264	63,131
Olds 88	4,749	3,408	12,364	9,545	87,273	104,364
Olds 98	2,057	2,716	5,319	6,524	42,385	44,575
Toronado	310	435	583	1,251	4,604	10,140
Total Oldsmobile	19,212	23,018	50,211	58,186	368,582	435,611
Fiero	0	777	0	1,906	1,961	17,585
Pontiac 1000	0	0	0	0	0	154
Sunbird	2,674	2,583	8,009	5,804	58,597	50,904
Firebird	1,732	4,950	5,637	4,388	40,532	38,020
Grand Am	5,982	3,537	16,568	15,461	121,534	143,221
Pontiac 6000	1,815	2,507	5,161	6,227	43,579	61,616
Grand Prix	2,792	3,863	7,445	9,096	71,348	53,627
Bonneville H	2,194	2,254	6,363	5,524	53,901	70,335
Paris./Safari	140	183	428	452	2,890	4,256
Total Pontiac	17,329	20,654	49,611	48,858	394,342	439,728
GENERAL MOTORS	98,310	114,789	277,921	288,317	2,030,493	2,240,719
HONDA	13,966	13,066	33,764	29,125	226,908	214,001
Civic	5,845	5,409	14,643	11,668	101,944	60,013
Accord	8,121	7,657	19,121	17,457	124,964	153,988
MAZDA	2,024	2,052	3,772	3,023	25,957	17,028
MITSUBISHI	1,175	0	2,883	0	14,113	0
NISSAN	4,477	5,373	10,017	10,161	60,623	60,118
TOYOTA	8,748	3,860	16,171	6,434	104,658	34,005
VOLKSWAGEN	0	0	0	0	0	24,939
DOMESTIC TOTAL	226,881	242,495	603,409	602,546	4,324,244	4,582,479
IMPORT TOTAL			242,762	257,609	1,650,769	1,791,840
INDUSTRY TOTAL			846,171	860,155	5,975,013	6,384,319

U.S.-built Volkswagen models sold after June 30, 1988, are included in import totals.

IMPORTED CAR SALES

	July 1989	July 1988	7 Mos., 1989	7 Mos., 1988
Acura	12,765	11,064	83,825	72,367
Alfa Romeo	225	339	1,928	3,047
Audi	2,658	1,648	11,968	13,381
BMW	5,018	5,913	39,867	40,699
Chevrolet	10,287	10,493	67,705	74,840
Chrysler	659	1,001	4,739	6,680
Daihatsu	1,215	1,120	8,042	6,393
Dodge	2,740	3,889	22,770	32,821
Ford	7,001	5,854	43,427	41,123
Eagle	1,451	459	15,616	9,027
Honda	26,442	23,978	142,222	145,240
Hyundai	13,598	18,160	111,888	166,653
Isuzu	1,861	2,590	11,454	14,185
Jaguar	1,472	1,539	10,837	11,436
Maserati*	17	50	180	560
Mazda	21,258	19,078	129,549	135,224
Mercedes-Benz	6,403	6,880	42,668	50,946
Mercury	1,076	1,978	5,570	8,382
Mitsubishi	5,182	5,940	42,819	40,980
Nissan	33,014	27,246	245,855	215,682
Peugeot	515	534	3,582	4,016
Plymouth	2,380	3,451	21,089	29,663
Pontiac	5,855	3,727	32,774	36,161
Porsche	1,168	1,336	5,722	10,142
Saab	3,636	3,516	19,828	22,857
Sterling	470	705	3,821	5,653
Subaru	13,364	11,471	87,088	87,195
Suzuki	430	0	3,239	0
Toyota	39,899	59,602	278,555	343,080
Volkswagen	10,424	11,831	83,515	85,025
Volvo	9,173	8,769	62,216	58,390
Yugo	1,106	3,448	6,411	19,992
TOTAL	242,762	257,609	1,650,769	1,791,840

*—estimate

MARKET SHARES, July 1989

	Total Sales	Pct. of Total
SUBCOMPACT	101,167	11.96
COMPACT	149,218	17.63
INTERMEDIATE	238,315	28.17
STANDARD	111,196	13.14
SPECIALITY	3,511	0.41
IMPORT	242,762	28.69
TOTAL	846,171	100.00

U.S. CAR SALES BY MARKETING UNITS

	July 1989	Percent Share	July 1988	Percent Share	7 Mos., 1989	Percent Share	7 Mos., 1988	Percent Share
Alfa Romeo	225	0.03	339	0.04	1,928	0.03	3,047	0.05
American Honda	72,971	8.62	64,167	7.46	452,955	7.58	431,608	6.76
BMW	5,018	0.59	5,913	0.69	39,867	0.67	40,699	0.64
Buick	46,487	5.49	41,440	4.82	325,773	5.45	339,232	5.31
Cadillac	17,994	2.13	22,747	2.64	152,589	2.55	150,932	2.36
Chevrolet	123,905	14.64	127,579	14.83	856,912	14.34	950,056	14.88
Chrysler	13,899	1.64	20,701	2.41	128,092	2.14	181,537	2.84
Daihatsu	1,215	0.14	1,120	0.13	8,042	0.13	6,393	0.10
Dodge	34,363	4.06	39,818	4.63	277,192	4.64	308,958	4.84
Eagle	5,016	0.59	4,375	0.51	42,470	0.71	36,519	0.57
Ford	132,911	15.71	132,026	15.35	934,223	15.64	968,230	15.17
Hyundai	13,598	1.61	18,160	2.11	111,888	1.87	166,653	2.61
Isuzu	1,861	0.22	2,590	0.30	11,454	0.19	14,185	0.22
Jaguar	1,472	0.17	1,539	0.18	10,837	0.18	11,436	0.18
Lincoln	17,802	2.10	12,431	1.45	121,784	2.04	109,656	1.72
Maserati*	17	0.00	50	0.01	180	0.00	560	0.01
Mazda	25,030	2.96	22,101	2.57	155,506	2.60	152,252	2.38
Mercedes	6,403	0.76	6,880	0.80	42,668	0.71	50,946	0.80
Mercury	43,932	5.19	44,707	5.20	296,430	4.96	314,525	4.93
Mitsubishi	8,065	0.95	5,940	0.69	56,932	0.95	40,980	0.64
Nissan	43,031	5.09	37,407	4.35	306,478	5.13	275,800	4.32
Oldsmobile	50,211	5.93	58,186	6.76	368,582	6.17	435,611	6.82
Peugeot	515	0.06	534	0.06	3,582	0.06	4,016	0.06
Plymouth	26,265	3.10	28,060	3.26	174,512	2.92	209,940	3.29
Pontiac	55,466	6.55	52,585	6.11	427,116	7.15	475,889	7.45
Porsche	1,168	0.14	1,338	0.16	5,722	0.10	10,142	0.16
Saab	3,636	0.43	3,516	0.41	19,828	0.33	22,857	0.36
Sterling	470	0.06	705	0.08	3,821	0.06	5,653	0.09
Subaru	13,364	1.58	11,471	1.33	87,088	1.46	87,195	1.37
Suzuki	430	0.05	0	0.00	3,239	0.05	0	0.00
Toyota	56,070	6.63	66,036	7.68	383,213	6.41	377,085	5.91
Volvo	9,173	1.08	8,769	1.02	62,216	1.04	58,390	0.91
VWoA	13,082	1.55	13,479	1.57	95,483	1.60	123,345	1.93
Yugo	1,106	0.13	3,448	0.40	6,411	0.11	19,992	0.31
TOTAL	846,171	100.00	860,155	100.00	5,975,013	100.00	6,384,319	100.00
TOTAL GM	294,063	34.75	302,537	35.17	2,130,972	35.67	2,351,720	36.84
TOTAL FORD	194,645	23.00	189,164	21.99	1,352,437	22.63	1,392,411	21.81
TOTAL CHRYSLER	79,543	9.40	92,954	10.81	622,266	10.41	736,954	11.5
TOTAL JAPANESE	222,037	26.24	210,832	24.51	1,464,907	24.52	1,385,498	21.70
TOTAL EUROPEAN	42,285	5.00	46,508	5.41	292,543	4.90	351,083	5.50
TOTAL KOREAN	13,598	1.61	18,160	2.11	111,888	1.87	166,653	2.61

*—Estimate Big 3 totals include their captive imports. Percent share may contain error of one or two points due to rounding.
Sales charts compiled by Karen Dabkowski

U.S. output edging back to normal

By Kathy Beyer
AUTOMOTIVE NEWS STAFF REPORTER

Weekly auto output continues to climb back to normal levels as summer model changeovers and vacation closures wind down.

Automakers scheduled assembly of 86,988 cars last week, 3.17 percent more than the prior week's 84,312 and 4.99 percent above the year-ago week's 82,853.

The year-ago week's output also was affected by downtime for model changeovers and vacations.

Companies split last week's targeted production as follows: General Motors, 22.43 percent; Ford Motor Co., 36.97 percent; Chrysler Motors, 14.71 percent; Honda of America Manufacturing, 8.75 percent; New United Motor Manufacturing Inc., 4.60 percent; Toyota Motor Manufacturing U.S.A., 4.22 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.01 percent; Diamond-Star Motors, 2.99 percent; and Nissan Motor Manufacturing Corp. U.S.A., 2.32 percent.

Truck output also is edging back to normal. The makers scheduled 73,784 units last week, 11.69 percent more than the previous week's 66,060 and 14.67 more than the year-ago week's 64,346.

Year-to-date, 2,582,353 trucks have been produced, 4.34 percent more than the 2,475,007 assembled at this time last year.

GM's Doraville, Ga., and Fairfax, Kan., plants were expected to resume output today after being idled by a material shortage. GM's Lansing, Mich., plant is slated to reopen this week after being closed for model changeover.

GM's Detroit truck plant remains closed until Aug. 21 for changeover. The Wentzville, Mo., plant resumed production last week after changeover downtime.

Three Ford plants were expected to reopen today. They are: Edison, N.J.; Twin Cities, Minn.; and Louisville, Ky. All three were idled because of slow sales.

GM closings cut Canadian totals

Five General Motors plants and two others were shut down for vacations and model changeovers in Canada last week causing production to drop significantly from the previous week's build.

Scheduled output of 11,909 cars last week dipped 24.35 percent from the prior week's 15,743 but nearly doubled last year's 6,162.

Truck production was targeted at 8,595 units last week, 31.68 percent below the prior week's 12,580 but 8.76 percent above the year-ago week's 7,903.

GM shut down all five of its Canadian plants last week for model changeover and vacation. Output is expected to resume Aug. 14 at Scarborough, Ontario, and the three plants in Oshawa, Ontario, and Aug. 28 at Ste. Therese, Quebec.

Toyota Motor Manufacturing Canada closed its Cambridge, Ontario, plant for vacation last week.

Volvo's plant in Halifax, Nova Scotia, also was idle for vacation last week.

U.S. CAR	Week Ended Aug. 5, 1989	Week Ended Aug. 6, 1988	Week Ended July 29, 1989	July Est.	Jan. 1 to Aug. 5, 1989	Jan. 1 to Aug. 6, 1988
Horizon	1,100	0	1,158	4,505	17,426	53,889
Sundance	100	2,873	0	1,984	64,661	64,895
Reliant	0	0	0	0	0	56,260
Acclaim	2,500	0	328	2,688	73,580	0
Caravelle	0	0	0	0	0	9,087
Gran Fury	0	0	0	0	0	15,047
Total Plymouth	3,700	2,873	1,486	9,177	155,667	199,178
LeBaron K	0	0	0	0	0	7,912
LeBaron J	2,100	0	1,555	3,047	60,000	45,703
LeBaron GTS	0	289	0	0	2,946	5,916
N. Yorker C-Class	800	612	271	431	58,567	63,733
Fifth Avenue	800	0	0	160	800	15,794
Total Chrysler	3,700	901	1,826	3,638	122,313	139,058
Omni	1,200	0	1,192	4,785	18,934	52,602
Daytona	1,300	0	1,165	2,075	49,651	44,964
Shadow	100	2,496	0	1,739	61,512	63,656
Aries	0	0	0	0	0	54,570
Dodge 600	0	0	0	0	0	8,549
Dynasty	2,100	777	528	948	85,906	60,166
Lancer	0	180	0	0	1,528	5,728
Spirit	700	0	326	1,590	61,318	0
Diplomat	0	0	0	0	0	12,368
Total Dodge	5,400	3,453	3,211	11,137	278,849	302,603
CHRYSLER MOTORS	12,800	7,227	6,523	23,952	556,829	640,839
Escort	5,213	7,481	5,480	14,616	188,074	229,652
Mustang	4,432	3,409	3,880	8,819	129,081	121,944
Tempo	2,883	3,622	2,311	5,621	89,165	114,099
Taurus	7,900	6,528	7,854	9,434	221,020	235,950
Thunderbird	2,457	0	2,726	6,081	96,400	90,246
Total Ford Div.	22,885	21,040	22,251	44,571	723,740	791,891
Topaz	1,237	1,524	1,627	3,604	41,826	42,975
Cougar	2,460	0	2,676	6,052	82,091	69,686
Sable	2,440	2,184	2,375	2,863	71,330	80,804
Total Mercury	6,137	3,708	6,678	12,519	195,247	193,465
Continental	1,052	818	1,002	2,401	40,836	25,961
Mark VII	0	417	348	713	13,978	14,123
Lincoln	2,089	1,246	2,093	4,859	76,569	78,950
Total Lincoln	3,141	2,481	3,443	7,973	131,383	119,034
Total L-M Division	9,278	6,189	10,121	20,493	326,630	312,499
FORD MOTOR CO.	32,163	27,229	32,372	65,064	1,050,370	1,104,390
Skyhawk	0	4	0	0	6,913	9,955
Skylark/Somerset	0	0	0	3,625	34,873	28,172
Century	658	121	2,075	10,020	75,358	64,323
Riviera	0	0	0	0	11,348	3,642
Electra	1,516	749	0	303	44,824	52,044
LeSabre (fwd)	0	1,464	0	5,222	90,007	76,551
LeSabre (rwd)	0	172	25	148	4,102	6,289
Reatta	0	0	0	0	3,140	5,455
Total Buick	2,174	2,510	2,100	19,318	270,565	246,411
Cimarron	0	0	0	0	0	3,693
Eldorado	0	0	0	0	19,103	23,410
Seville	0	0	0	0	13,997	14,488
Brougham (rwd)	0	350	0	1,870	21,933	18,728
Deville (fwd)	3,733	0	2,272	3,576	120,078	97,287
Allante	75	0	77	305	1,998	1,135
Total Cadillac	3,808	350	2,349	5,751	177,109	158,741
Cavalier	6,207	3,934	6,294	21,935	228,635	213,628
Camaro	0	0	0	0	64,591	54,287
Celebrity	0	1,839	0	1,727	70,349	107,562
Corsica/Beretta	0	8,880	0	7,983	229,026	240,637
Caprice	0	4,130	1,254	8,450	112,761	125,488
Corvette	560	452	560	2,240	16,533	13,106
Total Chevrolet	6,767	19,235	8,108	42,335	721,895	754,708
Calais	0	0	0	4,524	56,481	65,250
Firenza	0	0	0	0	0	5,230
Cutlass Ciera	313	0	2,019	9,805	55,842	13,551
Cutlass Supreme	0	0	0	1,397	52,522	90,480
Toronado	0	0	0	0	4,845	10,209
88 (fwd)	0	2,311	0	1,453	85,904	92,274
88 (rwd)	0	225	0	674	5,065	7,425
Olds 98	1,315	652	796	1,247	44,292	45,781
Total Oldsmobile	1,628	3,188	2,815	19,100	304,951	330,200
Sunbird	2,852	1,269	3,499	7,017	90,475	62,824
Grand Am	0	838	0	12,727	143,815	139,172
Firebird	0	0	0	0	35,352	37,613
Grand Prix	0	0	0	2,221	71,786	71,916
Pontiac 6000	348	1,123	1,532	6,319	49,159	43,608
Bonneville	1,929	1,858	0	386	53,609	64,659
Safari/Parisienne	0	130	0	0	2,691	4,904
Fiero	0	494	0	0	0	12,589
Total Pontiac	5,129	5,712	5,031	28,670	446,887	437,285
GENERAL MOTORS	19,506	30,995	20,403	115,173	1,921,407	1,927,345
DIAMOND-STAR	2,597	0	1,889	5,605	34,155	0
HONDA	7,610	7,454	7,665	23,522	227,207	218,808
Civic	2,670	2,336	2,872	8,450	77,804	61,537
Accord	4,940	5,118	4,793	15,072	149,403	157,271
MAZDA†	2,617	3,814	4,277	12,785	121,387	64,047
NISSAN	2,020	2,882	3,192	6,032	69,383	61,863
NUMMI	4,000	3,252	4,286	15,954	123,007	94,913
Corolla	1,600	1,174	1,781	6,583	49,673	34,776
Geo Prizm/Nova	2,400	2,078	2,505	9,371	73,334	60,137
TOYOTA	3,675	0	3,705	13,528	74,991	0
VOLKSWAGEN	0	0	0	0	0	35,595
Golf/GTI	0	0	0	0	0	30,042
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	86,988	82,853	84,312	281,616	4,178,736	4,147,800
Total Cars, Canada	11,909	6,162	15,743	51,449	582,143	661,982
U.S., Canada Cars	98,897	89,015	100,055	333,064	4,760,879	4,809,782
U.S., Canada Cars and Trucks	181,276	161,264	178,695	595,317	[illegible]	[illegible]

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe

CANADIAN CAR	Week Ended Aug. 5, 1989	Week Ended Aug. 6, 1988	Week Ended July 29, 1989	July Est.	Jan. 1 to Aug. 5, 1989	Jan. 1 to Aug. 6, 1988
Premier	871	0	25	199	23,266	38,984
CHRYSLER MOTORS	871	0	25	199	23,266	38,984
Tempo	2,688	2,022	0	538	75,363	108,232
Topaz	1,440	911	0	288	32,267	39,026
Crown Victoria	2,580	1,093	2,097	2,613	73,456	77,500
Grand Marquis	2,580	1,146	2,065	2,581	79,091	77,744
FORD MOTOR CO.	9,288	5,172	4,162	6,020	260,177	302,502
Celebrity	0	70	501	3,519	15,231	13,031
Cutlass Ciera	0	266	2,609	9,363	95,976	155,390
Lumina	0	0	6,066	21,279	81,640	0
Pontiac 6000	0	0	0	0	0	29,675
Regal	0	0	0	3,206	43,462	94,639
GENERAL MOTORS	0	336	9,176	37,367	236,309	292,735
HONDA	1,750	654	1,750	5,315	49,160	23,373
TOYOTA	0	0	450	1,864	8,044	0
VOLVO	0	0	180	684	5,187	4,388
Total Cars, Canada	11,909	6,162	15,743	51,449	582,143	661,982

U.S. TRUCK☆	Week Ended Aug. 5, 1989	Week Ended Aug. 6, 1988	Week Ended July 29, 1989	July Est.	Jan. 1 to Aug. 5, 1989	Jan. 1 to Aug. 6, 1988
Caravan	500	1,001	31	3,431	62,688	56,273
Dakota	1,500	830	1,163	1,645	57,764	63,234
Caravan C/V	0	58	2	8	4,520	8,839
Ram pickups	1,500	827	1,157	1,642	57,865	41,716
Total Dodge	3,500	2,716	2,353	6,726	182,837	170,062
Cherokee	4,200	0	4,040	8,383	133,924	105,621
Comanche	400	0	517	950	18,023	27,001
Grand Wagoneer	300	0	270	330	6,849	8,215
Wagoneer	100	0	67	157	5,224	6,232
Total Jeep	5,000	0	4,894	9,820	164,020	147,069
Voyager	500	960	9	3,136	59,234	52,244
Town & Country	0	0	2	286	1,874	0
Total C-P Div.	500	960	11	3,422	61,108	52,997
CHRYSLER MOTORS	9,000	3,676	7,258	19,968	407,965	377,392
Aerostar	4,000	4,030	3,865	8,582	139,494	117,919
Bronco	1,439	175	1,158	3,071	47,307	34,829
Bronco II	2,102	2,827	0	2,104	73,471	76,421
Econoline	4,156	4,124	4,130	8,818	141,262	140,988
Heavy trucks	1,230	1,447	1,305	2,839	38,815	39,731
Light trucks	8,979	8,348	9,036	21,967	322,010	295,685
Ranger	3,869	7,361	0	5,543	192,339	211,415
Total Ford Div.	25,775	28,312	19,494	52,924	952,698	916,988
FORD MOTOR CO.	25,775	28,312	19,494	52,924	952,698	916,988
Astro	2,975	3,053	2,984	11,979	101,240	106,646
Blazer	540	0	535	2,158	17,426	16,593
Mediums/Heavies	375	1,000	310	1,155	6,486	10,967
P-Model	0	0	0	1,995	20,749	24,261
Pickups	8,322	6,550	8,597	32,281	246,852	208,130
S-10	4,954	5,025	5,611	20,676	164,665	180,888
S-10 Blazer	3,827	2,410	3,882	15,883	119,725	103,059
Sportsvan/Van	1,394	1,976	2,177	8,076	60,202	56,370
Suburban	1,457	0	1,566	6,205	48,687	44,569
Total Chevrolet	23,844	20,014	25,662	100,409	782,313	751,483
Jimmy	161	0	156	620	5,157	4,822
Mediums/Heavies	575	503	636	2,444	10,341	24,321
P-Model	0	0	0	483	2,916	3,309
Pickups	2,218	1,689	1,769	9,637	73,133	64,672
S-15	1,162	778	418	3,812	37,471	41,109
S-15 Jimmy	1,133	2,088	1,078	4,183	33,284	26,905
Safari	785	774	759	3,061	26,263	27,114
Suburban	647	0	546	2,164	19,022	19,689
Vandura/Rally Vans	1,066	397	280	2,115	16,740	21,677
Total GMC	7,747	6,229	5,642	28,519	218,386	233,618
GENERAL MOTORS	31,591	26,243	31,304	128,928	1,000,699	985,101
NAVISTAR	1,750	1,951	1,750	3,850	50,376	50,964
NISSAN	2,218	1,414	2,804	5,353	72,425	59,862
AM GENERAL	450	450	450	1,800	13,590	13,860
MISCELLANEOUS	3,000	2,300	3,000	11,300	84,600	70,840
Total Trucks, U.S.	73,784	64,346	66,060	224,123	2,582,353	2,475,007

CANADIAN TRUCK	Week Ended Aug. 5, 1989	Week Ended Aug. 6, 1988	Week Ended July 29, 1989	July Est.	Jan. 1 to Aug. 5, 1989	Jan. 1 to Aug. 6, 1988
Caravan	1,763	1,859	1,677	4,050	84,064	83,689
Caravan C/V	107	117	3	169	7,158	8,092
Ram Wagon	0	507	0	428	15,578	14,276
Ram Van	0	1,336	0	857	39,800	38,174
Total Dodge	1,870	3,819	1,680	5,504	146,600	144,211
Voyager	1,450	1,324	1,555	3,618	74,732	75,488
Total Plymouth	1,450	1,324	1,555	3,618	74,732	75,488
Wrangler	1,377	874	1,425	3,200	47,446	28,617
Total Jeep	1,377	874	1,425	3,200	47,446	28,617
CHRYSLER MOTORS	4,697	6,017	4,660	12,322	268,778	248,316
FORD MTR. (lt. trks.)	3,648	1,689	2,921	3,651	95,863	97,689
Light trucks	0	0	3,043	14,125	97,446	88,669
Vans	0	0	0	2,160	36,743	35,105
Total Chevrolet	0	0	3,043	16,285	[illegible]	123,774
Light trucks	0	0	1,082	4,226	42,361	45,386
Vans	0	0	0	[illegible]	18,057	18,604
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GENERAL MOTORS	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NAVISTAR	[illegible]	[illegible]	[illegible]	[illegible]	7,308	8,581
Total Trks., Canada	8,595	7,903	12,580	38,130	[illegible]	[illegible]
U.S., Canada Trks.	82,379	72,249	78,640	262,253	[illegible]	[illegible]

[illegible]

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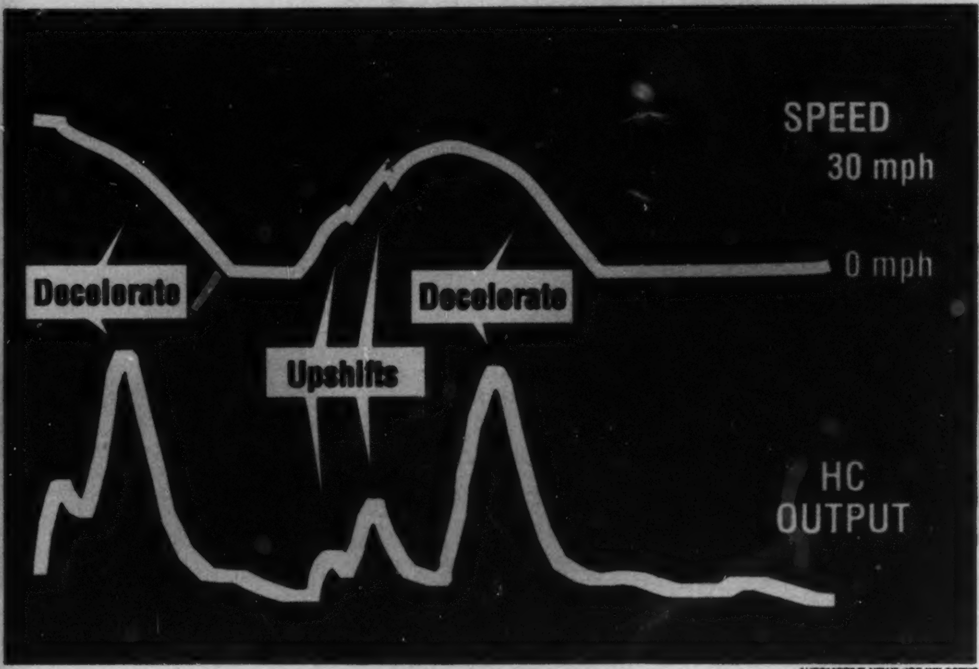


AUTOMOTIVE NEWS/JOE WILSSENS

Top line of chart shows a car decelerating from 30 mph to a stop, shifting up through third gear, then decelerating again. Bottom line shows hydrocarbon emissions spiking at shift points and decelerations.

Clean air could limit stick shifts

By Jack Keebler
AUTOMOTIVE NEWS STAFF REPORTER

Tougher emissions standards proposed in the Bush clean air bill would limit and possibly eliminate manual transmissions in some powerfu[illegible]orty cars and light-duty pickups.

Manual transmission versions of certain General Motors V-8-powered autos and light-duty trucks have less than a 50 percent chance of meeting the emissions standards proposed in the bill, said Samuel A. Leonard, director of GM's automotive emission control environmental activities staff.

A Ford Motor Co. emissions expert said it was getting significantly tougher to get certain powerful manual-transmission cars through the 7½-mile emissions test. But he said few of Ford's cars with multi-port injection systems are in serious danger. Manual-transmission Ford trucks are in more of an emissions pinch, he said.

Ford and GM experts refused to identify troublesome car and truck models. But one expert referred to them as the heavier, rear-wheel drives with V-8s and turbocharged V-6s.

"What we're talking about are the vehicles that enthusiasts tend to feel very passionately about," he said. "And this is a very real problem. There have been times in the past when we haven't offered manual transmission in certain powerful, sporting vehicles destined for the California market." California has tougher emissions standards than the rest of the country.

Although not identified as such, Ford's Mustang and Chevrolet's Camaro and Corvette fit the engineers' description of vehicles likely

see SHIFT, page 35

Big 3 price hike expected to average $430 on 1990 cars

DETROIT — Automotive News estimates that prices of Big 3 passenger cars will rise an average of $430 when the 1990 models are introduced.

The average increases are estimated at $525 for General Motors, $360 for Ford Motor Co. and $250 for Chrysler Motors.

The estimate is based on tentative prices of comparably equipped models disclosed by Chrysler and Ford and pre-introductory prices announced by GM.

2-part GM boost adds up to $525

DETROIT — General Motors last week said that pre-introductory prices of its 1990 cars will rise an average of 3.4 percent above the final prices of 1989 models. Automotive News estimates that the hike amounts to $525 per car.

GM divided its 3.4 percent boost into two parts. The first segment is what it called an "economic increase" of 2.5 percent on comparably equipped models. The corporation said that will "provide for the partial recovery" of higher costs of materials, labor and health care.

The second part is a hike of 0.9 percent to cover the cost of making passive restraints on all models.

Federal safety standards require passive restraints on all 1990 cars sold in the United States.

GM said air bags will be standard or optional on 15 of its car lines. Its other cars will have passive belts.

GM said destination charges will not be changed on its 1990 autos.

GM was the last of the Big 3 to disclose pricing plans for the 1990 model year, which is a departure from the industry practice of some years ago.

In earlier days, GM set the pattern on the pricing of new models. Ford Motor Co. and Chrysler Corp. sat on the sidelines until GM announced its prices.

"It was an indication of GM's total domination of the domestic industry," a veteran price analyst remarked last week.

AUTOMOTIVE NEWS/JOE WILSSENS

Ford Chairman Donald Petersen greets shareholder Roscoe Byrd in front of a 1990 Town Car at the annual meeting. The price, just announced: $27,315.

Ford increase is 3-12 percent

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — Ford Motor Co. has given its dealers tentative 1990 prices showing increases of 3 percent to 12.28 percent on base models in its various car and light-truck lines.

Automotive News estimates that the average increase for 1990 Ford vehicles is $360 on comparably equipped models and $680 without adjusting for equipment changes. Ford would not give dollar amounts.

Standard-equipment changes such as the addition of driver- and passenger-side air bags and anti-lock brakes on some models contributed to the price hikes. In addition, Ford said its material costs have risen.

In the Ford Division car lineup, tentative increases range from 3.18 percent on Ford Thunderbird ($15,076 for 1990) to 7.91 percent on Crown Victoria ($17,706).

On light trucks, not including F-250 and F-350 models, price increases range from 5.29 percent on Ranger ($8,100 for 1990) to 12.28 percent on Econoline vans ($12,848). Anti-lock brakes will be standard equipment on Econoline vans in 1990.

In the Lincoln-Mercury lineup, tentative increases range from 3 percent on Mercury Cougar ($15,911 for 1990) to 6.86 percent on

see FORD, page 34

Chrysler prices up 5 percent

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — Chrysler Motors has tentatively increased prices of 1990 domestic cars an average of 5 percent over prices of 1989 models, with much of the boost due to making air bags standard equipment.

Omar Matt, Chrysler Motors manager of competitive pricing and analysis, said the overall increase amounts to an average of $700 per car, but he said about $450 of that is for air bags, which are standard on almost all of Chrysler's U.S.-built 1990 autos.

Matt said, "The increase is 2 percent on a comparably equipped basis, including air bags as standard, which is $450 a unit. Taking out that value would make the increase 5 percent."

Matt

He said Chrysler is not passing along to customers the full air-bag price tag, but he declined to specify the full cost.

General Motors and Ford Motor Co. offered passenger-side air bags on selected 1989 models as an option costing about $800.

The new Chrysler Imperial lux-

see CHRYSLER, page 34

GM may let Camaro, Firebird die

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

TRAVERSE CITY, Mich. — General Motors may decide to let the present Pontiac Firebird and Chevrolet Camaro die a natural death rather than replace them in the 1990s as once planned.

Lloyd Reuss, GM executive vice president in charge of North American automotive operations, said here that the next-generation F-car, as it is code-named, is again stalled in the early planning stages.

Reuss said the vehicle remains in Phase 0, the first phase of GM's product planning process, maintaining its original theme as a rear-wheel-drive car. But he said the future of the vehicle is affected by stricter fuel economy and anti-

see F-CAR, page 33

NEWSPAPER

BMW names Gerlinger to top U.S. job

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

WOODCLIFF LAKE, N.J. — BMW of North America named a new president and chief executive officer as part of a worldwide restructuring that began last spring.

Karl Gerlinger, 50, who had been operations director for BMW sales and operations in Central Europe, succeeds Gunter Kramer. Kramer continues as chairman.

Gerlinger will eventually succeed Kramer as chairman. Kramer, who will be 59 Oct 1, faces mandatory retirement at 60.

"I have another year to go. It's better to put the successor in place ahead of time so there can be a smooth transition. That's the goal for the rest of my tenure here," Kramer said following last week's announcement.

In a related move, Kramer also stepped down as BMW AG's board member in charge of export sales, creating an opening that will allow the West German company to complete its plan to restructure its world operations into four regions.

Each has a regional director who has full responsibility for the sales and profit performance of his region. Previously, the local companies were assigned to different management board members, and there was a separate department to coordinate independent importers.

Region 3, North America, was the last of the four regions to be assigned a regional director. Kramer had been sharing those duties with Robert Buchelhofer, who is worldwide manager of sales and marketing and a member of the parent company's management board.

Gerlinger

Buchelhofer becomes regional director for North America, the only region in the world directly represented on the board. BMW's Canadian subsidiary continues to be a separate company, reporting to him.

The other regions are Region 1, which includes West Germany, Austria, Switzerland, Holland and Belgium; Region 2, which covers Italy, France, Spain, Great Britain and Scandanavia, and Region 4, which encompasses South Africa, Japan, Australia, New Zealand and South America.

Kramer said he is relieved to give up his double duty on the

See BMW, page 36

Corrections

- Schott Fiber Optics, maker of Massachusetts Institute of Technology's solar-powered racer's fiber optic rear-view system, is in Southbridge, Mass., not Southfield, Mass., as reported Aug. 7.
- A chart on Page 52 of the Aug. 7 issue should have said that employment at Nissan Motor Manufacturing Corp. U.S.A., excluding salaried workers, is 2,400. The plant's annual capacity without overtime is 240,000 units and is expected to rise to 440,000 by 1992.

POPULAR MECHANICS/JIM DUNNE

The biggest factor in renaming Bronco II was a Ford decision to drop Roman numerals from vehicle names.

EXPLORER: *Ford's Bronco II will be renamed when new model debuts next spring*

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

After spending a considerable amount of time and money defending it, Ford Motor Co. will drop the Bronco II name when the sport-utility's successor debuts in the spring of 1990.

The redesigned Bronco II two-door and its new four-door sibling will be called Explorer, a name now used on Ford Ranger value-leader models.

The announcement comes three months after Consumer Reports magazine rated the Bronco II "poor" because of its "unsettling" behavior during the magazine's vehicle testing procedures. Ford vigorously defended the Bronco II and conducted its own tests based on those used by the magazine.

Henry Fradkin, Ford Division marketing plans manager, said the Consumer Reports story on the Bronco II played a small role in the name change. That does not affect Lincoln-Mercury Division, which markets the Lincoln Mark VII.

"Too many numbers came into play, it was very cumbersome to say," said Fradkin, who added that the division once sold Mustang II and LTD II models.

The new four-door and redesigned two-door gave Ford Division "a good opportunity" to use a new name and apply it to the whole vehicle family, according to Fradkin. The Bronco II designation will continue to be used on all 1990 carryover models.

The decision to use the Explorer name was made last month after research on the name was complete. Fradkin said the Explorer name, which has been used on both the Ranger and F-series trucks, conveys characteristics such as fun-to-drive, utilitarian, independent, good value and adventurous.

Ford has learned some valuable marketing lessons from other automakers about new names.

"There is a proliferation of new products; it's hard to name a product without finding someone else who owns the name as Lexus found out," said Fradkin, referring to the legal battle between Toyota's luxury division and Mead Data's Lexis computer service over the use of the name Lexus.

"We already own the name Explorer and it fits the kind of image we wanted for the vehicle," he said.

Ford will introduce the Explorer name with a heavy advertising and merchandising campaign that is being developed for next spring. Because of corporate average fuel economy considerations, it has not been decided whether the Explorer will be a 1990 or 1991 model, a Ford spokesman said.

Lexus dealers resist padding stickers

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — Initial sales are strong for Lexus models, but dealers appear to be resisting the temptation to add a "pack" above sticker price.

Unlike Mazda Miata, whose low price and limited availability translated into dealer add-ons, the higher-priced Lexus, also in limited supply, seems to be rolling out at sticker or below.

"A lot of my first buyers are long-time customers and personal friends," said Edward Eskridge, principal of a Lexus dealership in Oklahoma City. "Why would I upset them by selling over sticker for a few quick dollars?"

The fact that Lexus is a new brand may be a factor, said one analyst.

"This is a critical period for Lexus dealers and the taste they leave in customers' mouths will last a long time," said Christopher Cedergren, senior automotive analyst at J.D. Power and Associates, Agoura Hills, Calif.

Lexus dealers were also chosen in part for their financial strength and they can afford at this point to be patient, he added.

"We're selling them at manufacturer's suggested retail," said Dan Frogge, a sales manager at Carl Sewell Lexus in Dallas.

"We could sell them for more than sticker, but we aren't and we won't. None of our dealerships operate that way," Sewell said.

Lexuses are going out the door at sticker at Germain Lexus in Columbus, Ohio.

"A lot of customers are a little surprised that we aren't adding any charges above sticker, especially after the publicity about dealer packs on Mazda Miatas," said Sharon Whitaker, sales business manager at Nesen Lexus, Westlake Village, Calif.

See LEXUS, page 35

Toyota to sell Lexus in Europe

By Jean-Jacques Renaux
STAFF CORRESPONDENT

DUSSELDORF, West Germany — Toyota Motor Corp. will introduce the Lexus LS400 to Europe by the spring of 1990, but its bid in the European luxury car market is much more modest than the U.S. effort.

Toyota aims to sell some 2,000 LS400 models in a full year, against a goal of 40,000 in the United States in 1990, according to Shiro Sasaki, executive vice president of Toyota's research and development. Toyota has no plans to market the smaller ES250 in Europe.

Toyota does not intend to set up a special Lexus dealer network in Europe as it has doine in the United States. Selected Toyota dealers in Europe will sell the LS400 along with the rest of the Toyota line, although they will be asked to invest in better service facilities.

The main marketing tool will consist of direct mail, said Eugene Paesmans, marketing manager for Toyota in Belgium. Television and other mass media will be avoided.

Toyota quoted no prices but, according to the Belgian distributor, the LS400 will retain a substantial price advantage against its main European rivals.

Several European distributors are disappointed with the low allocation of cars, confident that the LS400 could fare better. But, Sasaki said, current production capacity of the LS400 is 50,000 with 40,000 earmarked for the United States in 1990.

PN38 is now plainer plan for Ford

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

TRAVERSE CITY, Mich. — Ford Motor Co's ambitious PN38 truck project is alive, but it has "substantially changed its complexion," said the president of Ford's Automotive Group last week.

Executive Vice President Philip E. Benton Jr. said the program has been stretched out over a longer period of time and may yield more products than previously planned.

But industry sources said a key element in the original plan, using a single "flexible" platform for virtually all its light trucks, including vans, has apparently been scrapped.

The first of the models to be developed under the umbrella code PN38 was to have appeared in about 1993, with others arriving in the following five years.

"Because of our workload, we had to stretch out our plans," Benton said. "The PN38 as originally conceived tended to peak a number of new products at one point in time. So we've had to stretch them out."

But industry sources say the project they knew as PN38 no longer exists. In its place, they say, Ford has pencilled in programs

see PN38, page 35

Automotive News promotes Kranz; Sawyers joins staff

Automotive News last week promoted Rick Kranz to chief editor, copy desk and announced that Arlena Sawyers has joined the paper as a staff reporter covering marketing and advertising.

Kranz, 41, had been a copy editor since joining the staff in 1986. Before joining Automotive News, he was with the Rockford (Ill.) Register Star, a Gannett newspaper, from 1981-1986, where he served as reporter, copy editor and automotive columnist. In 1985 and 1986, his weekly columns — including car reviews, buying tips and industry news — were carried by the Gannett News Service for distribution to the chain's 93 dailies. He was co-editor of the news service's 1985 and 1986 auto preview and its 1985 automotive centennial projects.

Kranz

He received a bachelor's degree from Southern Illinois University.

Sawyers, 33, joins Automotive News from The Detroit News where she was a feature writer in the Accent section. On the marketing and advertising beat, she replaces Laura Clark, who now covers Ford Motor Co.

Sawyers

Sawyers began her career at the News in 1977 as a general assignment reporter.

She received a bachelors degree from Tennessee State University.

Mazda seeks a new leader; second-channel OK near

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — A year after combining two regional companies into a national concern, Mazda Motors of America is searching for a new U.S. executive to unite sales, marketing and distribution operations under a single command.

That position could become even more critical. A top official said last week that company studies are pointing toward Mazda launching a second distribution channel as early as 1992.

The search is focusing on outside import executives experienced in running entire automotive operations, sources inside Mazda say.

But two senior Mazda Motors of America managers are also being considered. They are George McCabe, deputy general manager and group vice president for sales and marketing, and James Seidel, deputy general manager and group vice president for operations.

"This essentially fills in an open position," a source inside the company said.

"It's awkward having sales and marketing split apart from dealer operations and administration and no one directly in charge of both parts."

Company sources expect a general manager to be selected within a month. That would put the executive in place before Mazda makes the final decision by December on whether to launch a second, upscale division.

McCabe said that research and product development so far points to Mazda's "pulling the trigger" and launching an Acura-like luxury division by 1992.

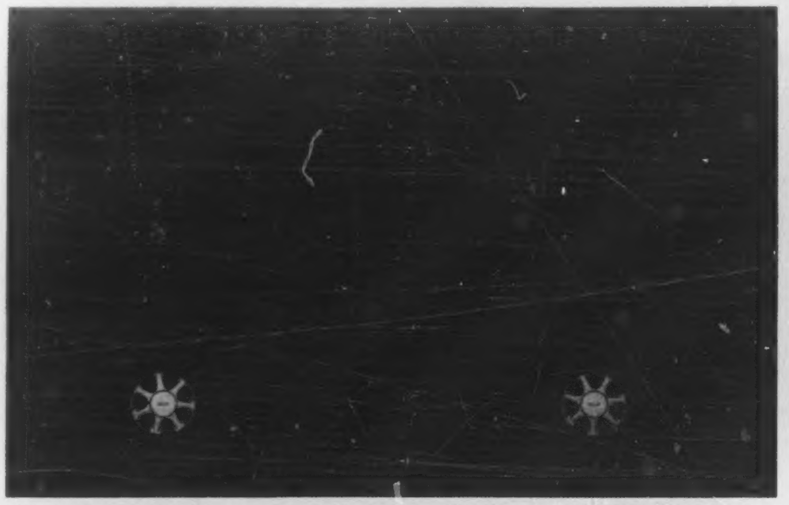
McCabe

Richard Colliver, senior vice president for the Western area, has been appointed head of the Mazda Motors of America task force for the second-channel feasibility study, McCabe said.

Colliver's role is similar to those held by the current heads of Lexus and Infiniti before those two operations were announced in 1987.

Last year, Mazda combined a U.S. sales operation that had consisted of Mazda Central, headquartered in Irvine, Calif., and Mazda East, headquartered in Jacksonville, Fla. The two distributors were formed when the Japanese parent company, Mazda Motor Corp. (then called Toyo Kogyo), was nearly forced out of business in the mid-1970s.

Combined car and truck sales in the United States in calendar 1988 were 343,620 vehicles, up 3.5 percent from 331,724 in calendar 1987.


"We decided not to build any more small cars," says Mazda's ad for the 1990 323 Protege.

Mazda ads shift from price to quality

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — Mazda Motors of America's new corporate image program, dubbed "It just feels right," began today, kicking off a three-week ad blitz.

The centerpiece spot, in 30- and 60-second versions, shows a test-car driver wired up and monitored by a "mission control" team as he puts a car through its paces. The twist is that what's being tested is not the car's performance, but how it makes the driver feel.

Mazda believes it can compete successfully with Toyota and Honda, but it does not have the public image necessary to go head-to-head with those two brands in advertising, said Janet Thompson, Mazda advertising vice president.

So Mazda "will change the ground rules" and put its advertising creative focus on the concept of "Kansei engineering, taking into

See MAZDA, page 35

Recessions or boom times, auctions keep on growing

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Though the auto industry is highly susceptible to the ups and downs of the economy, one small segment contends that is recession-proof. It is the auction business, a segment that operates almost in the shadows of the industry.

Vehicles flowing from dealers, manufacturers, fleets, banks, captive finance companies and daily rental car companies to dealer-only auto auctions abound in good times.

And in bad times, vehicle repossessions pick up the slack.

"GE wasn't in the auction business then, but auto auctions were immune to the recession that began in 1981." said Mike S. Zafirovski, president of GE Capital Auto Auctions.

"What auctions lose in trade-in volume from the used-car side in a recession, we make up for in significant increases in repossessions," he added.

The decade has been favorable to auto auctions, with annual growth rates hovering at about 10 percent until 1987 when they settled to 7 percent where they have stayed.

For the next five years, Zafirovski predicts unit sales for GE auto auctions will increase 6 to 7 percent annually with revenues growing at a slightly higher rate.

Driving the growth has been the huge number of "program vehicles" — cars sold to daily rental companies by the automakers with a guaranteed depreciation rate or repurchased and then remarketed at auctions.

"Beginning in 1985, a tremendous volume of vehicles hit the auctions from the manufacturers in the form of rental cars, but there was also a steady stream of increases from leasing companies," said Darryl Ceccoli, executive vice president of Manheim Auctions.

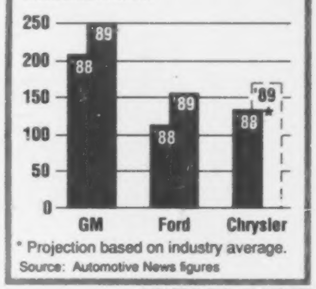
More than 760,000 factory vehicles will go to the auctions this year from both import and domestic automakers. Some are "brass hat" or employee lease vehicles, but most are program cars.

General Motors will remarket approximately 250,000 program vehicles through the auctions, up from 204,000 a year ago. Ford expects to remarket 155,000 vehicles

see AUCTIONS, page 36

Program sales

Projected sales by manufacturers of used fleet vehicles. Figures in thousands of units.



* Projection based on industry average.
Source: Automotive News figures

AUTOMOTIVE NEWS / K.E. GHOLSTON

CHINA: *Leaders still woo West despite violence in June*

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

TRAVERSE CITY, Mich. — The Chinese government is continuing talks to expand existing ventures with U.S. and European automakers despite June's crackdown to quell student unrest.

Li Yinhuan, vice chairman of the China National Automotive Industry Corp., said "nothing has changed" with government plans to develop the country's auto industry even though a number of foreign auto executives fled the country after student demonstrations were violently suppressed by the government.

But Li said industry operations are normal and the return on investment achieved in existing joint ventures has prompted those companies to consider expanding their cooperative arrangements.

He said China is negotiating with General Motors to open a foundry and with Peugeot SA and Audi to produce small cars.

China's Second Auto Works is negotiating with Peugeot for production of a Citroen model using an engine smaller than 1.6 liters, Li said, adding that the car would be produced in central China.

Peugeot already builds trucks and 505 wagons in Guangzhou province.

Li said negotiations are under way between Second Auto Works and Audi to build a car smaller than the Santana produced by Audi's sister company, Volkswagen AG at Shanghai-VW.

Audi also has a deal to build its 100 models with First Auto Works.

GM's talks to ship used foundry equipment to China complements its earlier agreement sending 2.2-liter engine tooling to China.

Production of that engine is slated to start within two years, Li said.

Li said China expects production to reach 1.7 million units, including 700,000 cars, by the year 2000.

China made 640,000 units in 1988.

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Dealer sues for $200 million, says bank scared buyers

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — A multi-franchise dealer in Connecticut has sued his bank for $200 million in damages. He accused the bank of taking over his business, including placing a 24-hour guard on his inventory.

The complaint filed by Joseph Caldrello said, "Numerous retail customers have been scared away" as a bank representative on the premises has "interrogated" customers and their lenders.

In turn, Connecticut Bank and Trust said it is merely protecting its investment.

The bank claimed Caldrello's dealership, T.N.M. Lathrop Porsche-Audi-Jaguar in Groton, Conn., owes it $2 million and sold cars out of trust last year.

A dealer is out of trust when he sells a car and does not immediately pay off floorplan financing on the vehicle.

Caldrello also owns Acura, Pontiac/Volvo, Mercedes-Benz and Honda stores in Connecticut, as well as a Hyundai dealership in Rhode Island; a Porsche-Audi dealership in New Jersey; and two Mitsubishi dealerships outside Los Angeles.

Caldrello's attorney, Philip R. Mancini III, denied his client sold vehicles out of trust.

Ross Fingold, a Hartford attorney representing the bank, said his client's relationship with Caldrello has been "long and stormy."

Fingold said the problems date back to 1986 when the Connecticut bank accused Caldrello of a "substantial default" for selling cars out of trust.

While that situation was "cured," according to Fingold, the bank gave the dealer three years to find floorplanning from other sources.

Cadrello found financial sources for all his stores except the Porsche-Audi-Jaguar point, which is still handled by the bank.

Caldrello's attorney said the bank alleged there was another default in October 1988, and the conflict came to a head when Connecticut Bank and Trust demanded that Caldrello sign an agreement never to sue the bank.

Mancini said Caldrello refused and the bank accused him of breaching his dealer security agreement.

Caldrello denies he was in default at the time of the October 1988 dispute, the attorney stated.

Caldrello's complaint said the bank stationed its employees at the dealership and took over the keys to all vehicles, as well as related paperwork and titles.

The Connecticut bank required its approval for all wholesale purchases and retail sales, the complaint states.

Further, the bank collected all proceeds from car sales, without setting money aside for sales tax, registration, credit insurance or service contract premiums, Caldrello charged.

Mancini has filed a request for an injunction that would prevent the bank from seizing the dealership's Porche-Audi-Jaguar inventory, though so far the bank has not indicated that it wants those vehicles.

RECREATION ON WHEELS

Starcraft's exports fuel sales boom

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Starcraft Corp. of Goshen, Ind., expects to sell about 15,000 van conversions in the 1989 model year, up 45 percent from a year earlier.

The company didn't have precise figures for early 1990 model orders, but initial chassis allocations will be as big or bigger than last year, said Joseph Schulte, executive vice president.

Starcraft has been in a slightly different position than its major competitors this year because nearly 20 percent of its volume is exported, said Ron Chevalier, vice president of sales and marketing.

Thus, it hasn't had to use incentives as heavily as some competitors that depend solely on the U.S. market for growth.

"We earned that" export business, Chevalier said. General Motors "didn't just give it to us because we were big in the U.S."

Starcraft jumped into the international market early and worked through prescribed channels with GM Overseas Distribution Corp.

It built its organization through GM's worldwide distribution operation and went directly to overseas dealers in setting up its network.

Some Starcraft people work full-time on the overseas operation. One sales representative lives abroad, servicing foreign accounts in Europe. Starcraft also ships units to Saudi Arabia, Kuwait and Japan.

Chevalier said overseas business is not as easy as it looks:

"The whole thing gets very complex. We build a special package, for example, for overseas. Then there are different taxes and tariffs as you cross the borders" along with various other marketing, sales and legal procedures.

LIGHT-DUTY TRUCK SALES

	July 1989	July 1988	7 Mos., 1989	7 Mos., 1988
Vans	15,731	14,695	103,775	113,589
Aerostar	18,175	17,978	119,540	113,294
Club Wagon	2,200	1,557	16,395	16,692
Ranger	25,668	28,707	163,348	183,989
Bronco	5,168	3,996	35,560	31,784
Bronco II	10,003	11,112	63,348	72,776
Pickups	48,670	43,244	354,294	356,091
Ford	**125,615**	**121,289**	**856,260**	**888,215**
Vans	13,055	11,436	70,729	80,584
Sportsvan	1,035	799	6,830	8,811
Geo Tracker	779	0	5,250	0
Astro	16,880	13,847	86,913	101,593
Lumina APV	68	0	68	0
S-10	18,249	22,245	132,914	145,139
S-10 Blazer	14,595	15,803	100,149	98,725
El Camino	0	8	0	420
Blazer	1,589	1,883	12,845	16,526
Suburban	5,519	5,770	37,525	39,961
Pickups	45,077	40,708	319,477	304,482
Chevrolet	**116,846**	**112,499**	**772,700**	**796,241**
Vans	6,164	4,840	46,431	36,776
Ram Wagon	2,248	1,840	16,327	16,077
Voyager	17,130	18,279	115,461	123,398
Caravan	18,161	20,036	124,780	133,142
Mini Ram Van	1,130	1,885	9,379	12,617
Town & Country	253	0	253	0
Ram 50	2,205	3,936	[illegible]7,907	36,101
Raider	963	460	[illegible],791	3,968
Ramcharger	1,530	1,418	12,655	11,597
Dakota	6,447	7,886	54,066	57,800
Pickups	5,450	6,292	51,517	52,634
Chrysler	**61,681**	**66,872**	**453,667**	**484,119**
Vans	3,928	4,011	25,135	29,029
Safari	3,333	3,213	19,488	21,213
S-15	4,067	5,156	29,733	31,045
S-15 Jimmy	3,476	3,762	24,271	23,871
Jimmy	535	530	3,752	4,551
Caballero	0	0	0	60
Suburban	1,898	1,983	13,190	13,931
Pickups	12,603	13,059	90,504	86,265
P Model	239	315	2,230	2,476
W-4	81	130	769	860
GMC	**30,160**	**32,159**	**209,072**	**213,301**
Wrangler/CJ	5,277	3,463	32,185	25,171
Wagoneer	468	578	3,809	5,067
Cherokee	14,803	12,016	91,481	82,307
Grand Wagoneer	980	1,232	6,337	7,778
Comanche	2,018	3,174	16,002	24,023
J-10/J-20	0	0	0	221
Jeep	**23,546**	**20,463**	**149,814**	**144,567**
Toyota	17,280	25,702	129,604	147,011
Nissan	12,577	13,312	91,792	97,954
Mazda	6,690	6,870	48,595	58,995
Isuzu	8,651	7,566	53,215	46,762
Mitsubishi	3,377	3,136	23,397	27,267
Suzuki	1,698	6,327	14,850	37,548
Subaru	0	0	0	9
Range Rover	356	276	2,750	1,852
Imports	**50,829**	**63,189**	**364,203**	**417,398**
Industry Total	**408,477**	**416,471**	**2,805,616**	**2,943,832**

Compiled by Karen Detkowski

Mark III, Glaval strong despite flat market

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

The van conversion market is clearly headed for a major shakeup in the 1990 model year.

But despite the financial difficulties being encountered by many smaller — and even some mid-sized converters — the industry's top guns are targeting big sales increases for the upcoming year.

In a market that is likely to be flat at best, the majors will be expanding directly at the expense of weaker competitors, exerting even greater pressure on them.

Mark III Industries of Ocala, Fla., and Glaval Inc. of Elkhart, Ind., for example, expect to continue to roll along.

Mark III, the industry's highest-volume firm, converted 27,500 vans in the 1989 model year, up 29 percent from 1988, according to Thad Boyd III, company chairman.

The firm's 1990-model chassis orders are 30 percent ahead of last year. It plans to convert nearly 36,000 vans next year.

Mark III will be out of 1989-model chassis by Aug. 25, Boyd said.

It has a backlog of unfilled orders for 1989 vans and will receive chassis until Aug. 15 to fill them. It normally takes about 10 days for the firm to build and ship finished chassis, Boyd said.

He sees 1990 as a good year for his company.

"We've done well during the past four to five months, even though the overall market has been tough," Boyd said.

He said he thinks 1990 will be a "fairly quiet year," without any industrywide growth. However, if Detroit goes for a "significant" price increase, it could send sales into a downturn, he added. He declined to be specific on the amount of a price increase that might hurt the industry, saying simply that "any significant increase will have some impact on sales."

"We're getting ours (sales gains) from other people," Boyd said, referring to his company's growth this year at competitors' expense.

Mark III's size — and growth — is the more remarkable since the company has consignment pool accounts only with Chevrolet and Dodge. It has applied for pools with GMC and Ford, but an additional pool account will not hasten the company's growth, which has been increasing at a planned, steady rate.

"The four pools would definitely give us the ability to grow faster, but 30 percent a year (growth) is about as much as we expect to do regardless of where the numbers come from. We want to maintain controls over our products and dealer satisfaction. We don't want to grow too fast," Boyd said.

Product improvements and competitive pricing continue to be the focal points of its marketing strategy.

The firm is not interested in setting up plants anywhere else in the country or in acquiring any other van conversion firms.

"We won't even consider the facilities of anyone else or setting up our own anywhere else," Boyd said. "We just feel we can do a better job under one roof right here."

Mark III ships vehicles to 48 states from Florida.

Glaval, which is running neck-and-neck with Starcraft Corp. of Goshen, Ind., for the No. 2 spot in industry sales, has almost doubled its sales in the 1989 model year and is targeting a sizable gain for 1990.

William Becker, Glaval's vice president of marketing, advertising and consumer relations, said the company sold out its allotment of 1989 model chassis. It will finish the model year with about 15,500 to 15,600 sales, up from 7,800 a year earlier. It is targeting 25,000 sales in 1990.

"It was a very good performance, and we managed to stay profitable in the process," Becker said.

General Motors and Ford incentives on conversion units were helpful, although a little late. Still, their timing, ironically, might have some additional benefit for the industry, Becker said.

"It worked out that the incentives came when the cost of money was going down, and there was renewed confidence for purchases like automotive products," he said.

Glaval's own marketing thrust "has been ongoing and constant," Becker added, referring to the company's use of sales incentives of its own to maintain its production momentum and sales to dealers during the recent downturn in demand.

"Had we not done that, we would not have gotten out of the model year with the same volume or speed," Becker said.

He said there was some risk in the company's chassis orders and sales plans for 1990; but, even if demand softens, "the marketplace for conversion vans is not going to drop off the face of the earth."

"Someone out there will hurt, but it's not going to be Glaval," he said. "If you want to play in the big league, you have to say 'where do I want to be?' and then 'how sincere are you about that?' "

Chevrolet continues to be the flagship of Glaval's sales, but its GMC volume has "increased tremendously," Becker said. Ford sales are up, too.

Bivouac on a roll for '90 season

Special sales clear inventory; 50% hike in chassis orders due

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Bivouac Industries of Vandalia, Mich., has increased sales in a soft market and is starting the 1990 model year like gangbusters.

With the help of special sales events, Bivouac cut an inventory of 1,200 to 1,400 chassis to 200 during the past couple of months. It just finished selling the last 200 of its 1989 units.

And it will "probably increase orders for 1990-model GMC, Chevy and Dodge chassis by 50 percent," according to Charles Jackson, Bivouac general manager.

"That may sound ridiculous in this type of market, but we have a lot of things going," Jackson said.

For one, the company is putting together a network of 300 exclusive dealers who handle only its conversion products.

It currently has 82, expects to have 182 a year from now and all 300 within two years.

"These are the kind of guys who stock 30 units, and they turn their inventory four times a year — some of them six and seven times," Jackson said.

Bivouac's sales have been running 10 percent ahead of last year, and, "We show black (profit) figures at the end of each month," Jackson said.

He expects the company's 1989 conversion sales, including vans and other types of trucks, to total 6,000 to 7,000 units.

The company didn't wait for Ford Motor Co. and General Motors to get the sales ball rolling.

In July, Bivouac began a progam under which it guarantees dealers a profit on the units it sold them.

Toward that end, it has been heavily involved in setting up special sales events for dealers at the retail level.

"Dealers love it," said Jackson. "About 30 percent of the market is not buying. We're after the 70 percent who are."

He said Bivouac has retained its ranking as Ford's top conversion pool account. It also picked up its numbers on GMC, Chevrolet and Dodge with whom it also has pool accounts. Its GMC sales have shown the biggest increase.

Part of its success stems from pickups. The company produces a the Stetson line of pickups, tied into hats, perfumes and aftershave lotions, with the company of the same name.

"We took a positive attitude in building a good dealer organization. I couldn't be more optimistic. I just finished building a big home in Elkhart, Ind., so I better be," Jackson said.

Bivouac Industries has been diversifying into different areas in the automotive market. Its Bivouac Automotive division handles van, pickup and other conversion operations. Bivouac Commercial Vehicles produces parcel delivery or cube vans, truck bodies and other specialty vehicles. Bivouac Warranty began within the past year. It provides extended service policies covering the conversion portion of the company's vans.

Mark III Industries' van conversions are geared to active lifestyles.

June vehicle sales slip 6.5% in Canada

By Bill Vance
SPECIAL CORRESPONDENT

TORONTO — Canada's domestic and imported car and truck sales lost steam in June as the market finished the first half of 1989 slightly weaker than a year go.

Overall vehicle sales for the month were down 6.48 percent, while for the first six months of the year they slid less than 2 percent.

Sales of new domestic cars, which decline in May, showed a sharper drop in June. Total domestic car sales slipped 13.26 percent for the month and 5.77 percent for the first half of the year. Import car sales were up 3.15 percent in June and 5.06 percent for the year.

Among domestic makers, General Motors of Canada's sales fell 21.76 percent. The automaker was followed by Chrysler, which dropped 15.08 percent.

Ford of Canada slipped only 2.24 percent.

Imported cars were up modestly compared with their year-ago levels. They were led by Chrysler Canada with its increasingly popular Mitsubishi imports, which more than tripled in sales.

Mazda's popular Miata sports car helped boost the Japanese maker's sales 90.13 percent over last June.

Overall domestic and imported car sales slid 7.98 percent in June. For the first six months of the year, industry car sales fell 2.53 percent.

Truck sales paralleled the car scene in June, with domestic sales down and imports up. Domestic truck sales fell 7.87 percent, but imported models gained 32.44 percent on the strength of large rises at Mazda, Nissan and GM.

GM's car numbers in June were not totally unexpected. Bill Atkinson, vice president of sales, service and marketing, GM of Canada, said "following the very strong months of April and May, there was some expectation that sales in June would come down somewhat in light of continued high interest rates. . . .

"The month of June was, to some extent, a 'payback' period as sales were drawn forward by the success of our 9.9 percent financing incentive program," Atkinson said.

Ford helped hold car sales in line during June by continuing incentives. They included cash rebates — ranging up to $4,000 on 1988 XR4Ti models — and interest rates as low as 8.9 percent on selected models.

"The direction we target our incentive dollars clearly is having an effect on showroom traffic and sales," said Jack Clissold, vice president of sales and marketing, Ford of Canada.

Tempo and Topaz sales rose 16 percent in June. Thunderbird and Cougar sales advanced 26 percent and 15.1 percent, respectively.

CANADIAN CAR AND TRUCK SALES

Domestic cars	June 1989	June 1988	6 mos., 1989	6 mos., 1988
General Motors	26,944	34,439	176,466	192,298
Ford	18,804	19,235	102,512	107,902
Chrysler	11,824	13,924	70,296	80,993
Honda	2,180	1,492	14,185	5,580
Volvo	380	232	2,010	1,096
Domestic car total	**60,132**	**69,322**	**365,469**	**387,869**
Import cars				
Toyota	6,605	7,874	41,078	35,725
Honda	6,495	5,943	27,983	32,293
Nissan	3,364	3,094	14,754	16,092
Mazda	3,314	1,743	15,006	15,505
Volkswagen	2,919	3,428	13,805	9,373
Hyundai	2,620	2,609	13,735	16,469
General Motors	2,558	3,595	15,557	14,570
Chrysler	2,234	707	12,685	5,818
Suzuki	922	815	3,897	3,947
Ford	680	603	4,893	3,163
Subaru	619	701	2,790	3,613
Mercedes-Benz	505	475	2,175	2,128
BMW	380	451	2,335	2,588
Volvo	285	399	1,508	1,950
Jaguar	150	173	898	1,185
Saab	86	130	681	736
Lada	94	94	379	563
Peugeot	41	0	137	78
Skoda	12	13	113	217
Import car total	**33,883**	**32,847**	**174,409**	**166,013**
TOTAL — ALL CARS	**94,015**	**102,169**	**539,878**	**553,882**
Domestic trucks (including vans)				
Ford	14,088	15,377	77,301	79,348
GM	13,261	15,458	87,034	91,391
Chrysler	10,541	10,290	57,121	60,225
Domestic truck total	**37,890**	**41,125**	**221,456**	**230,964**
Import trucks (including vans)				
Toyota	1,616	1,513	8,214	8,132
Mazda	1,610	1,024	9,341	5,746
Nissan	1,556	1,144	6,923	7,228
GM	1,066	189	4,882	619
Suzuki	954	506	3,954	3,119
Chrysler	245	901	1,460	2,361
Volkswagen	86	114	354	511
Lada	19	9	111	70
Import truck total	**7,152**	**5,400**	**35,230**	**27,786**
TOTAL — ALL TRUCKS	**45,042**	**46,525**	**256,695**	**258,750**
TOTAL — CARS, TRUCKS	**139,057**	**148,694**	**796,573**	**812,632**

Sale of air-bag group raises Talley earnings

PHOENIX, Ariz. — The $60 million sale of its car air-bag operation to TRW Inc. boosted Talley Industries' second-quarter earnings.

William H. Mallender, Talley chairman, said the company will receive royalties for 12 years based on worldwide air-bag sales by TRW and sales by other U.S. manufacturers.

Talley had net earnings of $18.1 million for the second quarter of this year on revenue of $106 million.Earnings in the second quarter of 1988 were $5.1 million on revenue of $91 million.

Subaru sends students to summer in Japan

CHERRY HILL, N.J. — Several New Jersey high school students are participating in the Subaru Summer in Japan program.

The eight-week program is sponsored by the Subaru of America Foundation and is administered by the Youth for Understanding International Exchange.

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AUCTION DATES

Chrysler Motors

Aug. 15 — American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Nashville Auto Auction, Nashville; Florida Auto Auction of Orlando, Ocoee, Fla.; Portland Auto Auction, Portland, Ore.; Riverside Auto Auction, Riverside, Calif.; and Greensboro Auto Auction, Greensboro, N.C.

Ford Motor Co.

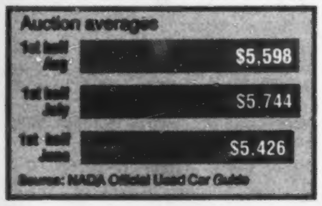
Aug. 15 — Harrisonburg Auto Auction, Harrisonburg, Va.; Bay Cities Auto Auction, Hayward, Calif.; and South Seattle Auto Auction, Kent, Wash.

Aug. 16 — Northway Auto Auction, Clifton Park, N.Y.; Fort Worth Auto Auction, Fort Worth, Texas; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Lakeland Auto Auction, Lakeland, Fla.

General Motors

Aug. 15 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and Manheim Auto Auction, Manheim, Pa.

Used car sales



Source: NADA Official Used Car Guide

Model-year breakdown

Year	1st half June	1st half July	1st half August
1989	$10,866	$11,235	$10,733
1988	7,965	7,811	7,625
1987	5,873	6,181	6,150
1986	5,170	5,409	5,246
1985	4,247	4,326	4,419
1984	3,457	3,583	3,486
1983	2,570	2,737	2,638
1982	2,057	2,084	2,001
Overall Average	$5,426	$5,744	$5,598

Source: NADA Official Used Car Guide

Orlando auction sells 4,927 on birthday

Florida Auto Auction of Orlando sold a record 4,927 vehicles at its 17th anniversary sale, up from last year's 4,864, the former peak. Consignments were 7,818 units, up from 7,532 a year ago.

The day's gross sales were $49.6 million with an estimated price per vehicle of $10,050.

Florida Auto Auction of Orlando has 116 acres, 15 auction lanes, 704 employees and 35 auctioneers.

Dealers from 37 states and Puerto Rico attended the sale. Of the 562 consigning dealerships and 891 purchasing dealerships, 257 were registered for the first time.

Employees at the auction's reconditioning center worked 16 consecutive days to prepare for the sale. They reconditioned more than 2,875 vehicles for the auction.

Two new lanes were opened, bringing the number of selling lanes to 15 — more than any other auction in the nation.

Factory sales by Chrysler Motors, General Motors, Mitsubishi, Subaru and Toyota contributed to the sale's success. Chrysler and GM participated in closed sales with 117 Chrysler dealers registered and 283 GM dealers registered.

GM had a 100 percent sales rate, consigning and selling 627 vehicles totaling $6,811,900. Chrysler registered 723 vehicles and sold 484, for a gross sales volume of $4,847,750.

Florida Auto Auction of Orlando is owned by Atlanta-based Manheim Auctions.

AUCTION BRIEFS

CHARLES THOMAS

GE auction bows

GE Capital Auto Auctions opened its $15 million Greater Tampa Bay auction facility in Tampa, Fla., Aug. 9 with prize drawings of more than $35,000 as well as breakfast with drag racer "Big Daddy" Don Garlits.

The eight-lane, 80-acre auction has storage capacity for more than 3,000 vehicles and features automated 24-hour check-in and check-out.

Major accounts of the Greater Tampa Bay Auto Auction are Ford Motor Credit, Ford Motor Co., Budget Rent-A-Car, GE Capital Auto Lease and Volkswagen Credit Corp.

Tampa Bay Auto Auction brings to 18 the number of auctions operated by GE Capital Auto Auctions, based in Barrington, Ill.

Anglo's Bayside debuts

Anglo American Auto Auctions, Nashville, Tenn., has opened its 22nd subsidiary, Bayside Auto Auction in Tampa, Fla.

The new $5 million, 20.5-acre facility will conduct weekly sales with consignments of up to 800 vehicles. Florida is a hot market for auto auctions because of the number of used vehicles flowing from rental car companies.

AUCTION DIRECTORY 313-446-6065

OHIO

Tri-State Auto Auction, Exit 36 on I-75, Franklin, OH. Lease/Dealer sales every Tue., 11:30. Repo sale 1st & 3rd Sat. of ea. mo., 10:00. Recon/transpts. Call 513-746-4000.

OKLAHOMA

Dealers Auto Auction of Oklahoma City, Box 75757, Oklahoma City, OK 73147. Sale every Thurs. 10 A.M. GMAC, Ford Motor Credit, Chrys. Credit weekly. 405-947-2886.

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SOUTH CAROLINA

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San Antonio Auto Auction (div. of GECAA), 1500 Ackerman Rd., San Antonio, Texas 78219. Sale every Weds. Contact: Frank Post or Michael Milikien, 512-661-4200.

TEXAS

Fort Worth Auto Auction (div. of GECAA), 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Tuesday. Contact: George Horton, 817-626-5494.

WISCONSIN

Metro Milwaukee Auto Auction. Sale every Wednesday. FMC, GMAC, all leasing. 414-835-4436, Caledonia, Wisconsin.

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Audi adds dealer incentives; Subaru picks lease plan

By Arlena Sawyers
AUTOMOTIVE NEWS STAFF REPORTER

Audi is offering cash incentives to dealers on selected models and has added its 1990 Coupe Quattro to its leasing program. Also last week Subaru of America announced its lowest-ever lease rates for all 1989 and 1990 models, including the new Legacy.

Under the "Cash in on Audi" program, dealers are eligible to receive up to $5,000 on Audi 100 and 200 models and up to $2,300 on Audi 80 and 90 models.

Dealers can earn $250 for each 100 and 200 model in stock, transit or port-allocated status and $500 for each allocated and delivered from port stock. A $1,800 cash incentive on 80 and 90 models and $3,500 on 100 and 200 models is also being offered.

Dealers who exceed 100 percent of their two-month sales objective will earn up to a $1,000 bonus on each eligible 100 and 200 model sold or leased over that 100 percent and $500 on the 80 and 90 models.

Additionally, Audi salespersons can earn $250 for the retail sale or lease of the same four models plus the 1990 Coupe Quattro, which is included in the "3-Year Test Drive" leasing program.

The Audi dealer incentive program started Aug. 1 and expires Sept. 30. Audi delivered 2,658 cars in July, a 62 percent improvement over last July.

The new Subaru rates will be available through Oct. 3 on lease terms from 24 to 60 months. National and regional ads for the Subaru Special Value Lease Program are expected to begin this week.

Under the program, monthly lease payments for a Legacy would be $238 for 48 months, compared to $304 for a conventional lease, or $391 for retail financing at 10.5 percent for 48 months.

The company had hoped to exempt its Legacy from its extensive incentive programs. The Legacy was introduced in April. Monthly lease payments for the entry-level 1989 Justy DL are $112.

Subaru's July sales increased nearly 17 percent from 11,471 units in July 1988 to 13,364. Year-to-date sales are virtually tied with 1988, at 87,088, compared to 87,195 last year.

Automotive News Staff Reporter Jim Henry contributed to this report.

INCENTIVE WATCH

	Customer Incentives						Dealer Incentives	
		Finance Rates (Pct.) — Months —						
	Rebates	24	36	48	60	Expiration Date	Type	Expiration Date
Chrysler Motors								
Chrysler	$500 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15		
Dodge Cars	$300 - $1,500	0.0*	5.9	6.9	10.9	Sept. 15	$500 on Daytona	Sept. 15
Dodge Trucks	$500 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15	$500 on Dakota, full-sized trucks	Sept. 15
Eagle	$1,000 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15		
Jeep	$500 - $1,000	0.0*	5.9	6.9	10.9	Sept. 15		
Plymouth	$300 - $1,500	2.9	5.9	6.9	10.9	Sept. 15		
*2.9 percent on some models								
Ford Motor Co.								
Ford Cars	$500 - $1,500	2.9	6.9	7.9	10.9	None		
Ford Trucks	$300 - $1,000	2.9	6.9	7.9	10.9	None		
Lincoln	$1,000 - $1,500	2.9	6.9	7.9	10.9	None		
Mercury	$1,000 - $1,500	2.9	6.9	7.9	10.9	None		
Merkur	$2,000 - $4,000	2.9	6.9	7.9	10.9	None		
General Motors								
Buick	$500 - $1,500	2.9	5.9	6.9	10.9	None	All GM divisions: Zero to $1,000 per sale based on performance against quota. $150 per sale if dealer elects not to participate in quota program.	Sept. 27
Cadillac	$1,000 - $1,500					Sept. 27		
Chevrolet Cars	$400 - $1,000	2.9	5.9	6.9	10.9	Sept. 27*		
Chevrolet Trucks	$400 - $750	2.9	5.9	6.9	10.9	Sept. 27*		
GMC	$[illegible]00 - $750	2.9	5.9	6.9	10.9	None		
Oldsmobile	$1,000 - $1,500	2.9	5.9	6.9	10.9	None		
Pontiac	$700 - $1,250	2.9	5.9	6.9	10.9	None		
Cadillac does not have a finance-rate incentive *Chevrolet's rebate program has no expiration date								
Alfa Romeo							$1,000 - $6,000	Aug. 31
Audi							$1,800 - $5,000, some based on quota	Sept. 30
BMW 735i			8.5	9.0	9.5	Aug. 31		
735iL, 750iL			8.5	9.0	9.5	Aug. 31		
Daihatsu							$300 if meet sales quota	Sept. 5
Honda							Up to $500	Aug. 31
Hyundai	$300 - $1,000					Sept. 5	$300 - $800, some based on qouta	Sept. 5
Isuzu Impulse							$2,000	Sept. 5
Other Cars, Trucks							$300 - $1,000, based on quota	Sept. 5
Jaguar	$5,000					Sept. 18		
*To owners of 1986 Jaguar Sedans								
Mitsubishi Cars							$800 - $2,500, based on number sold	Sept. 30
Trucks							$300 - $2,500, based on number sold	Sept. 30
Nissan Cars							$100 - $1,500, based on quota	Sept. 5
Trucks							$100 - $2,000, based on quota	Sept. 5
Peugeot							$1,000 - $2,000	Sept. 16
Porsche							$3,000 - $6,000 on 40 percent of cars sold	Sept. 30
Sterling		4.9	5.9	5.9	6.9	Aug. 31	$1,500 - $2,750	Aug. 31
Subaru	$1,000 - $3,000*					Aug. 31	$1,000 - $3,000*	Sept. 5
*Rebates go to the customer in some regions and to the dealer in other regions								
Toyota Cars							$100 - $2,000, some based on quota	Sept. 5
Trucks							$200 - $2,500, some based on quota	Sept. 5
Volkswagen	$200 - $2,000	4.9	6.9	7.9	9.9	Sept. 4		

PN38

FROM PAGE 2

that will replace its current truck models, though not from a common family. The "flexible" chassis that was to be the heart of the PN38 appears to be gone.

The replacement for the current Aerostar, for example, was expected to be the first PN38 product. In subsequent years that same chassis — which could vary in width and length — was to have carried replacements for the F-Series, Ranger, Bronco and other models.

Now, sources say, the Aerostar replacement won't get a new platform when it is revised in 1993. But it will be completely overhauled in around 1996 and sit on the DFC55 platform that's expected to carry the next-generation Taurus.

One source said Ford still plans to use many common components but not to the degree originally planned. Another said some features of the PN38 concept, such as modular parts systems, would be incorporated into new truck programs.

Benton said the changes in the program were prompted by workload considerations as well as costs.

Benton said changes in the PN38 product line may allow Ford to use an existing powertrain with some revisions. The original PN38 included new engines from Ford's upcoming modular engine program.

Benton denied that the changes in the PN38 strategy represented a reluctance to take the kinds of product risks that led to the automaker's turnaround in the early 1980s.

"We are going to have hopefully very imaginative, far-reaching new truck/car kinds of products, regardless of what we call them," Benton said.

Benton was participating in the University of Michigan's Management Briefing Seminars at Traverse City, Mich., last week.

Automotive News Staff Reporters Laura Clark and Dutch Mandel contributed to this report.

Chrysler Fund donates to reading program

HIGHLAND PARK, Mich. — The Chrysler Corp. Fund has announced a $2.1 million grant to Reading Is Fundamental to establish a Running Start program.

The program encourages students in 10 cities to read or listen to the reading of 21 books. It also provides free books and resources for classrooms and programs to encourage parental participation.

The grant is the fund's largest ever for a single project and is its first major gift to early childhood learning.

MAZDA

FROM PAGE 3

account how a car makes you feel," she said.

Influencing Mazda's campaign is new research that finds people's buying decisions are more emotional than rational, she added.

Mazda decided on the new tack after it determined that a price-value position would not be profitable in the 1990s for a Japanese manufacturer, said George McCabe, deputy general manager and group vice president for sales and marketing.

"Mazda is a very different player than it was in the 1970s and early 1980s," he said. "We staked our reputation on being a low price-high value Japanese marketer."

But the appreciation of the yen against the dollar since 1985 shifted the production cost advantage to domestic manufacturers. And the arrival of other low-cost imports from Korea forced Mazda to change its strategy, McCabe said. The company has moved from "a price marketer to a premium quality marketer," he added.

About Sept. 1, the "It just feels right" corporate campaign will broaden into 1990 product advertising, Thompson said.

Five all-new 30-second television spots will pick up individual Mazda products — MPV, 626, 929S, MX-6 and a 323 Protege sedan that will be introduced this fall. All expand upon the "feels right" theme, as do two Miata spots that are carried over from its July 1 introduction.

The 1990-model-year media purchases will increase Mazda's frequency and reach in broadcast and print.

Instead of high frequency on one cable and six network television shows, Mazda will be on six cable and 40 network shows this fall, Thompson said. Instead of six magazines in 1988 and 20 in 1989, Mazda will advertise in 50 magazines for 1990.

The media buy is 75 percent network and spot television, 20 percent print and 5 percent other media.

Mazda's media buying budget for the 1989 calendar year is $140 million, up 36 percent from $103 million in 1988.

LEXUS

FROM PAGE 2

"But we've been in business (with other dealerships) for 42 years and we don't do business that way," Whitaker said. "Why sell a customer one car when you can keep him coming back?"

Lexus, the luxury division of Toyota Motor Sales, has pushed hard to ensure dealers don't sell LS400 and ES250 models above sticker, arguing that doing so would tarnish Lexus' image in the long run.

"I have personally discussed the startup with each of our 70 dealers that will be open by Sept. 1," said J. Davis Illingworth, vice president and general manager of Lexus.

"I have not specifically asked them not to add a pack, but believe me, they each know how I feel about it," Illingworth said.

So far, Lexus executives know of no dealer who is receiving August shipments of cars that is selling above suggested retail prices, a spokesman said.

Prices start at $21,050 for the ES250 sports sedan and $35,000 for the LS400.

"We'll find out for sure when we start calling each of our first 5,000 buyers, but I don't expect to see it," the spokesman said.

Stocks fall to 65 days on Aug. 1

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

In spite of lackluster new-car deliveries in July, U.S. and foreign automakers began August with a practically ideal 65-day supply.

Combined car stocks fell nearly 300,000 units during July and totaled 2,211,380 on July 1. A month earlier, the total was 2,510,701, a 73-day supply.

U.S. automakers began August with the lowest days' supply of the year because production was reduced by plant closings for vacations and model changeover. The inventory was 1,565,308 unsold domestic cars, equal to a 65-day supply. Domestic stocks were 15.26 percent lighter than on July 1 when there was a 75-day supply.

Import-car stocks shrank 2.61 percent to 646,072 on Aug. 1. The 67-day supply remained the same as on July 1.

Each of the Big 3 reported lower inventories and days' supplies of captive and U.S.-built cars on Aug. 1 than on July 1.

Ford Motor Co. reduced its car stocks 13.87 percent during July. The Aug. 1 total was 485,000.

General Motors cut its million-car inventory to 856,268 on Aug. 1. Stocks dropped 14.49 percent.

Combined stocks for Chrysler Motors dropped 12.57 percent, to 262,592, during July.

Honda began July with a 49-day supply. By Aug. 1, Honda had shaved its combined stocks 16.36 percent to 26 days or 63,761 units.

Toyota and Mitsubishi reported fatter inventories on Aug. 1. Toyota began the month with 91,083 unsold cars, up 22.05 percent. Mitsubishi's stock of 11,568 cars was 3.66 percent.

On the other hand, Nissan reduced its car stocks 4.87 percent to 144,739 during July.

IMPORT DAYS' SUPPLIES

	Aug. 1, 1989	July 1, 1989	Aug. 1, 1988
Chevrolet	90	117	96
Chrysler Motors	184	182	141
Acura	48	42	48
Daihatsu	79	82	71
Honda	29	63	14
Isuzu	83	134	134
Mazda	38	47	46
Mitsubishi	106	65	80
Nissan	88	75	95
Subaru	88	87	90
Suzuki	249	308	—
Toyota	43	31	17
JAPAN	64	64	52
Audi	67	117	198
BMW	76	79	83
Mercedes-Benz	50	43	50
Merkur	37	134	58
Porsche	70	96	89
VW	94	59	121
GERMANY	74	65	96
Alfa Romeo	115	114	91
Festiva	86	133	119
Hyundai	60	58	45
Jaguar	49	32	44
Peugeot	96	98	54
Pontiac	66	81	89
Eagle/Chrysler	244	201	493
Saab	65	91	70
Sterling	68	75	99
Volvo	74	68	69
Yugo	106	137	105
Other Countries	71	80	74
Total Import Cars	67	67	61
Geo Tracker	167	148	—
Isuzu	112	144	121
Mazda	62	75	86
Mitsubishi	65	95	110
Nissan*	47	55	73
Range Rover	48	45	48
Suzuki	157	150	75
Toyota	60	45	31
Dodge	169	169	[illegible]
Total Imp. Trucks	73	77	69
Total Imp. Vehicles	68	69	63

*[illegible]

DOMESTIC DAYS' SUPPLIES

	Aug. 1, 1989	July 1, 1989	Aug. 1, 1988
Alliance	0	0	161
Premier	97	92	118
Total Eagle	97	92	118
Horizon	71	113	73
Laser	51	51	—
Sundance	90	136	53
Reliant	99	84	79
Acclaim	52	58	—
Caravelle	—	—	131
Gran Fury	—	—	23
Total Plymouth	72	86	65
LeBaron K	—	—	78
LeBaron J	88	73	50
LeBaron GTS	190	262	105
Fifth Avenue	72	93	95
New Yorker C	63	72	79
New Yorker E	—	—	136
Total Chrysler	79	77	70
Omni	78	105	75
Shadow	63	103	56
Daytona	69	72	47
Aries	89	67	78
Lancer	175	244	133
Spirit	63	54	—
Diplomat	—	—	68
Dynasty	53	50	46
Dodge 600	—	—	133
Total Dodge	67	70	64
CHRYSLER MTRS.	72	77	68
Escort	62	86	59
Mustang	53	57	52
Tempo	67	81	53
Taurus	48	65	43
Thunderbird	100	122	97
Probe	77	85	31
Crown Victoria	57	92	47
Total Ford Div.	62	79	54
Lynx/Tracer	68	71	106
Topaz	67	81	49
Sable	55	67	49
Cougar	89	112	71
Grand Marquis	47	98	31
Total Mercury	63	85	57
Continental	56	66	26
Lincoln	49	58	65
Mark VII	50	59	72
Total Lincoln	51	60	60
Total L-M Division	60	77	57
FORD MOTOR CO.	62	78	55
Skyhawk	79	86	98
Somerset/Skylark	43	31	53
Century	83	82	68
Regal	97	84	115
LeSabre	54	74	72
Reatta	74	82	160
Electra	71	98	85
Riviera	63	85	61
Total Buick	68	74	81
Cimarron	—	67	81
Allante	76	114	66
Seville	98	36	66
DeVille	78	140	66
Brougham	91	77	74
Eldorado	95	85	80
Total Cadillac	83	103	70
Chevette	—	—	252
Geo Prizm/Nova	119	128	116
Cavalier	69	86	46
Camaro	61	75	81
Celebrity	56	33	67
Corsica/Beretta	56	65	33
Lumina/Monte Carlo	82	74	73
Caprice	61	81	64
Corvette	91	126	70
Total Chevrolet	68	69	54
Firenza	—	—	120
Calais	87	117	60
Cutlass Ciera	90	86	64
Cutlass Supreme	93	114	126
Olds 88	86	93	69
Olds 98	54	77	56
Toronado	158	182	71
Total Oldsmobile	81	97	73
Fiero	—	—	96
Sunbird	64	74	49
Firebird	48	72	70
Grand Am	72	72	45
Pontiac 6000	70	61	61
Grand Prix	102	131	62
Bonneville H	78	91	70
Paris./Safari	64	81	99
Total Pontiac	73	82	56
GENERAL MTRS.	72	79	64
HONDA	25	40	11
MAZDA	45	60	34
MITSUBISHI	24	25	—
NISSAN	72	86	46
TOYOTA*	34	21	17
DOM. TOTAL	65	75	58
Subcompact	47	65	45
Compact	62	71	47
Intermediate	69	72	63
Standard	62	88	63
Specialty	86	112	87

*Estimate

To give you more space, we launched one of these.

The New Generation of OLDSMOBILE

Olds jumps the gun on Cutlass

Usually it's automotive enthusiast magazines that break release dates for new-product photos and information, amid complaints from automakers. This time, Oldsmobile fractured its own embargo dates of Sept. 7 or October issues with this ad running in September issues of buff books available now. The ad highlights the 1990 Cutlass Supreme sedan.

AUCTIONS

FROM PAGE 3

up from 109,000 in 1988. Chrysler declined to say how many factory cars will go through the auctions this year. But in 1988, the estimate was 130,000, up from 80,000 the previous year.

Following the lead of domestic automakers, many of the importers have similar buyback arrangements with daily rental car companies.

Mitsubishi, for example, started the year with 5,000 program cars and the number has grown to 20,000, according to Zafirovski.

Automakers like the fleet programs because they expose large numbers of people to their cars and provide a way to smooth out the peaks and valleys of retail orders at plants.

Ford Motor Co. has taken the buyback program a step farther by offering it to its corporate customers. Hewlett-Packard Corp. was one of the first companies to enter into a buyback arrangement with Ford for disposal of its fleet vehicles.

Average rotation for a program vehicle in a daily rental fleet is eight months, but Zafiovski said it could go as low as 6½ months. Program vehicles are expected to continue for the foreseeable future, say industry executives.

Although the industry fails to produce statistics, estimates by leading officials peg 1989 auction sales as high as 6 million vehicles on consignments of about 8 million cars and trucks.

The Big 3 auction chains will account for about 40 percent of those sales with independent auctions picking up the remainder.

At GE, based in Barrington, Ill., Zafirovski expects sales of 760,000 vehicles, up 7 percent over last year, at its 18 locations on registrations of 1.3 million vehicles.

For Atlanta-based Manheim Auctions — with 24 locations — sales in 1989 are expected to top 825,000 vehicles on consignments of 1.5 million cars and trucks, an increase of 8 percent from a year ago.

And Nashville-based Anglo American Auto Auctions estimates it will close the year selling 780,000 vehicles — up 12 percent over 1987 — on registrations of 1.2 million cars and trucks at its 23 auctions.

Program cars, which are sold at special auctions limited to an automakers' dealers, still top other types of vehicle auctions with a sales rate of 95 percent or more.

"Ford and General Motors sales have almost a 100 percent sales rate with Chrysler slightly lower," said Zafirovski.

Sales rates are 75 percent for fleet and lease vehicles and are about 50 percent for vehicles brought to the auction by dealers, he said.

Program cars have led the surge in the number of institutional vehicles flowing to the auctions. The gavel is expected to fall on approximately 760,000 factory vehicles in 1989.

In 1980, vehicles brought to the auction were 75 percent dealer and 25 percent institutional vehicles — meaning manufacturer, fleet, lease and others — but that has changed.

According to Zafirovski, by 1985 institutional vehicles had inched up to 30 percent of the vehicles going to auctions and dealer-owned vehicles had fallen to 70 percent.

"Most of the growth in institutional vehicles has occurred since 1985," said Zafirovski. "By 1992, we're looking at 40-45 percent dealer and 55-60 percent institutional vehicles at the auctions."

The auctions expect the next growth area to be vehicles from captive finance companies, particularly the importers whose retail lease portfolios are maturing.

Michael J. Richardson, president and chief executive of Anglo American Auto Auctions, said dealer-consignment vehicles have grown 4 percent while fleet and lease vehicles have climbed 29 percent and manufacturer vehicles 38 percent since the beginning of the decade.

New-car dealers have also been attending auctions in greater numbers, persuaded by the manufacturers to purchase program vehicles.

"Our statistics show that 80 percent of all new-car dealers from the domestic manufacturers have attended one auction in the last 24 months," said Zafirovski. "More realistically, roughly 50 percent of the new-car dealers attend factory sales regularly or several times a quarter."

Air-bagged Fords to use Izumi steering wheels

YAPHANK, N.Y. — Izumi Corp. has been awarded a three-year contract by Ford Motor Co. to manufacture steering wheels for cars equipped with air bags.

Beginning with the 1990 model year, Ford Mustang, Ford Crown Victoria and Mercury Grand Marquis will have air bags.

Approximate volume for the three models is 300,000 annually.

TRW and Morton Thickol will supply the air-bag modules.

Izumi Corp. is the U.S. subsidiary of Izumi Motor, Japan.

BMW

FROM PAGE 2

management board and at BMW of North America, which required him to "commute" about every two weeks between New Jersey and Munich for the last three years.

"This company (BMW of North America) deserves a full-time presence. This was always considered a temporary arrangement. Nobody can really do this (commute) twice a month," he said.

Kramer acknowledged that BMW's U.S. sales have declined, but worldwide sales were up 11 percent last year to about 495,000 units, and the company is on a pace to sell more than 500,000 this year.

BMW of North America's sales declined 16 percent in 1988 to 73,359. Sales this year were 39,867 through July, down 2 percent from last year. July sales were down 15 percent at 5,018.

Gerlinger joined BMW AG in 1963 and has served in a variety of sales and operations positions including department manager for the parts division, manager of export sales for the North American market and manager of worldwide distribution of automobiles.

July output lowest since early 1982

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Darkened by model changeover downtime and idled plants due to lagging sales, July's domestic car output was the lowest for any month in 7½ years, and truck output was the lowest of any month since December 1984.

Automakers built 280,093 cars in July, the lowest output for any month since January 1982 when 266,858 units were assembled.

July's build was 54.30 percent below June's production of 612,914 and 24.05 percent lower than the year-ago month's 368,783.

Weekly output is rising. Last week's scheduled build was 108,204, 27.30 percent above the prior week's 84,998 and 10.69 percent more than the year-ago week's 97,758.

Last week's scheduled production was split as follows: General Motors, 36.45 percent; Ford Motor Co., 27.36 percent; Chrysler Motors, 13.49 percent; Honda of America Manufacturing, 6.94 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.98 percent; New United Motor Manufacturing Inc., 3.70 percent; Toyota Motor Manufacturing U.S.A., 3.43 percent; Diamond-Star Motors, 2.38 percent; and Nissan Motor Manufacturing Corp. U.S.A., 2.27 percent.

July's truck output of 224,787 was the lowest of any month since December 1984 when 211,229 units were produced.

Last month's truck build was 40.96 percent below the June assembly of 380,749 and 6.35 percent lower than the year-ago month's 240,019.

Truckmakers targeted 78,098 units to be built last week, 4.71 percent above the prior week's 74,584 and 10.80 percent more than the year-ago week's 70,487.

GM's Reatta Craft Centre in Lansing, Mich., and most lines at its Detroit-Hamtramck plant reopened today. The Toronado line is slated to resume output Aug. 16. The plant was closed for model changeover.

Ford's Lincoln Mark VII line at the Wixom, Mich., plant remains idle until Aug. 28 for changeover.

July build trails June in Canada

Canadian auto output totaled 51,309 units for July, 44.02 percent below the June build of 91,654 but 42.81 percent over the year-ago month's 35,928.

Last week's estimated assembly of 11,451 cars dipped 9.08 percent from the previous week's 12,594 and declined 5.69 percent from the year-ago week's 12,142.

July's truck output of 38,187 was 57.11 percent lower than June's 89,026 but was 10.19 percent more than the year-ago month's 34,656.

Truck production of 11,256 units last week was 25.86 percent above the prior week's 8,943 but 32.68 percent below the year-ago week's 16,719.

Output resumed today at General Motors' three Oshawa, Ontario, plants and its Scarborough, Ontario, facility.

U.S. CAR

U.S. CAR	Week Ended Aug. 12, 1989	Week Ended Aug. 13, 1988	Week Ended Aug. 5, 1989	July Total	Jan. 1 to Aug. 12, 1989	Jan. 1 to Aug. 13, 1988
Horizon	1,000	0	1,208	4,515	18,534	53,889
Sundance	700	0	87	1,964	65,348	65,468
Reliant	0	0	0	0	0	56,260
Acclaim	2,400	0	2,222	1,860	75,702	0
Caravelle	0	0	0	0	0	9,067
Gran Fury	0	161	0	0	0	15,147
Total Plymouth	4,100	161	3,517	8,339	159,584	199,851
LeBaron K	0	0	0	0	0	7,912
LeBaron J	2,400	718	2,369	3,058	62,369	46,403
LeBaron GTS	0	0	0	0	2,946	6,005
N. Yorker C-Class	600	1,553	630	443	58,997	65,045
Fifth Avenue	1,500	803	0	351	1,500	16,394
Total Chrysler	4,500	3,074	2,699	3,852	125,812	141,759
Omni	1,000	0	1,172	4,791	19,906	52,602
Daytona	1,600	739	1,364	2,081	51,315	45,664
Shadow	700	0	105	1,719	62,217	64,152
Aries	0	0	0	0	0	54,570
Dodge 600	0	0	0	0	0	8,549
Dynasty	1,400	1,768	1,636	957	86,842	61,743
Lancer	0	0	0	0	1,528	5,808
Spirit	1,300	0	1,196	1,604	63,114	0
Diplomat	0	243	0	0	0	12,568
Total Dodge	6,000	2,750	5,473	11,152	284,922	305,656
CHRYSLER MOTORS	14,600	5,985	11,689	23,343	570,318	647,266
Escort	6,570	9,790	5,221	14,573	194,652	238,492
Mustang	4,515	2,118	4,234	8,770	133,398	124,426
Tempo	3,065	2,501	2,961	5,514	92,308	116,626
Taurus	3,977	8,189	7,706	9,438	224,803	244,131
Thunderbird	2,775	0	2,224	5,991	98,942	90,246
Total Ford Div.	20,902	22,598	22,346	44,286	744,103	813,921
Topaz	1,317	1,008	1,132	3,567	43,038	44,035
Cougar	2,797	0	2,194	5,965	84,622	66,686
Sable	1,370	2,710	2,389	2,858	72,649	83,637
Total Mercury	5,484	3,718	5,715	12,390	200,309	197,358
Continental	1,027	1,106	1,069	2,421	41,880	27,021
Mark VII	0	541	0	713	13,978	14,647
Lincoln	2,193	1,649	2,105	4,859	78,778	80,561
Total Lincoln	3,220	3,296	3,174	7,993	134,636	122,229
Total L-M Division	8,704	7,014	8,889	20,383	334,945	319,587
FORD MOTOR CO.	29,606	29,612	31,235	64,669	1,079,048	1,133,508
Skyhawk	0	113	0	0	6,913	10,065
Skylark/Somerset	41	284	0	3,625	34,914	28,483
Century	2,953	1,022	1,505	9,949	79,158	65,189
Riviera	61	0	0	0	11,409	3,642
Electra	2,117	1,186	1,429	8	46,854	53,241
LeSabre (fwd)	2,350	2,366	0	5,222	92,357	78,923
LeSabre (rwd)	0	123	0	155	4,102	6,421
Reatta	22	217	0	0	3,162	5,455
Total Buick	7,544	5,311	2,934	18,959	278,869	251,419
Cimarron	0	0	0	0	0	3,693
Eldorado	49	0	0	0	19,152	23,410
Seville	35	0	0	0	14,032	14,488
Brougham (rwd)	0	530	0	1,870	21,933	19,283
Deville (fwd)	3,845	0	2,676	2,847	122,866	97,287
Allante	75	0	79	306	2,077	1,135
Total Cadillac	4,004	530	2,755	5,023	180,080	159,296
Cavalier	4,952	6,358	6,337	22,332	233,717	222,184
Camaro	0	0	0	0	64,591	54,287
Celebrity	0	3,490	0	1,729	70,349	111,614
Corsica/Beretta	2,935	8,288	0	7,963	231,961	250,217
Caprice	0	4,074	0	8,550	112,761	129,728
Corvette	0	450	333	2,240	16,306	13,638
Total Chevrolet	7,887	22,660	5,670	42,834	729,685	781,668
Calais	44	506	0	4,524	56,525	65,779
Firenza	0	0	0	0	0	5,230
Cutlass Ciera	1,103	0	771	9,774	57,403	13,551
Cutlass Supreme	2,000	0	0	2,574	54,522	90,480
Toronado	0	0	0	0	4,845	10,209
88 (fwd)	1,714	2,914	0	1,453	87,618	95,090
88 (rwd)	0	222	0	486	5,065	7,650
Olds 98	1,355	1,065	950	986	45,282	46,835
Total Oldsmobile	6,216	4,707	1,721	19,797	311,260	334,824
Sunbird	676	1,027	2,923	7,286	91,222	65,110
Grand Am	4,158	2,221	246	12,727	148,219	141,384
Firebird	0	0	0	0	35,352	37,613
Grand Prix	2,820	2,683	0	2,221	74,606	74,199
Pontiac 6000	3,460	2,075	821	6,288	53,092	46,044
Bonneville	2,681	2,304	1,824	11	56,185	68,286
Safari/Parisienne	0	133	0	0	2,691	5,064
Fiero	0	474	0	0	0	13,083
Total Pontiac	13,795	10,917	5,814	28,533	461,367	450,783
GENERAL MOTORS	39,446	44,125	19,894	115,146	1,961,241	1,977,990
DIAMOND-STAR	2,573	0	2,479	5,514	36,610	0
HONDA	7,505	7,561	7,289	23,452	234,391	226,262
Civic	2,485	2,607	2,602	8,358	80,221	63,850
Accord	5,020	4,954	4,687	15,094	154,170	162,412
MAZDA†	4,304	4,246	2,643	12,262	125,717	67,860
NISSAN	2,460	2,898	1,878	6,194	71,701	64,765
NUMMI	4,000	3,331	4,190	16,017	127,197	98,165
Corolla	1,600	1,191	1,741	6,620	51,414	35,950
Geo Prizm/Nova	2,400	2,140	2,449	9,397	75,783	62,215
TOYOTA	3,710	0	3,701	13,496	78,727	0
VOLKSWAGEN	0	0	0	0	0	35,595
Golf/GTI	0	0	0	0	0	30,042
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	108,204	97,758	84,998	280,093	4,284,950	4,251,411
Total Cars, Canada	11,451	12,142	12,594	51,309	594,279	673,019
U.S., Canada Cars	119,655	109,900	97,592	331,402	4,879,229	4,924,430
U.S., Canada Cars and Trucks	209,009	197,106	181,119	594,376	8,118,745	8,009,702

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe

CANADIAN CAR

CANADIAN CAR	Week Ended Aug. 12, 1989	Week Ended Aug. 13, 1988	Week Ended Aug. 5, 1989	July Total	Jan. 1 to Aug. 12, 1989	Jan. 1 to Aug. 13, 1988
Premier	1,241	0	1,055	209	24,691	38,984
CHRYSLER MOTORS	1,241	0	1,055	209	24,691	38,984
Tempo	2,562	3,523	3,249	655	78,486	111,336
Topaz	1,098	1,731	1,370	254	33,295	40,478
Crown Victoria	2,289	1,950	2,537	2,544	75,702	79,372
Grand Marquis	2,271	1,974	2,541	2,531	81,323	79,702
FORD MOTOR CO.	8,220	9,178	9,697	5,984	268,806	310,888
Celebrity	0	271	0	3,519	15,231	13,311
Cutlass Ciera	0	1,191	0	9,363	95,976	156,497
Lumina	0	0	0	21,278	81,640	0
Pontiac 6000	0	0	0	0	0	29,675
Regal	0	341	0	3,206	43,462	94,999
GENERAL MOTORS	0	1,803	0	37,366	236,309	294,482
HONDA	1,490	1,161	1,842	5,175	50,742	24,277
TOYOTA	500	0	0	1,891	8,544	0
VOLVO	0	0	0	684	5,187	4,388
Total Cars, Canada	11,451	12,142	12,594	51,309	594,279	673,019

U.S. TRUCK☆

U.S. TRUCK☆	Week Ended Aug. 12, 1989	Week Ended Aug. 13, 1988	Week Ended Aug. 5, 1989	July Total	Jan. 1 to Aug. 12, 1989	Jan. 1 to Aug. 13, 1988
Caravan	1,400	1,566	1,191	3,442	64,779	57,474
Dakota	1,800	1,641	1,619	1,764	59,683	64,564
Caravan C/V	0	50	15	8	4,535	8,797
Ram pickups	1,800	1,650	1,623	1,639	59,788	43,043
Total Dodge	5,000	4,907	4,448	6,853	188,785	173,878
Cherokee	4,000	2,962	4,116	8,470	137,840	106,121
Comanche	500	721	472	957	18,595	29,401
Grand Wagoneer	300	298	315	334	7,164	8,415
Wagoneer	50	151	77	171	5,251	6,332
Total Jeep	4,850	4,132	4,980	9,932	168,850	150,269
Voyager	1,100	1,501	1,020	3,130	60,854	53,243
Town & Country	0	0	0	286	1,874	0
Total C-P Div.	1,100	1,501	1,020	3,416	62,728	53,243
CHRYSLER MOTORS	10,950	10,540	10,448	20,201	420,363	378,204
Aerostar	3,980	4,167	4,000	8,582	143,474	122,391
Bronco	1,398	366	1,401	3,066	48,667	35,195
Bronco II	2,094	2,786	2,099	2,098	75,562	79,227
Econoline	4,146	3,814	4,210	8,928	145,462	145,452
Heavy trucks	1,173	1,459	1,158	2,857	39,916	41,174
Light trucks	9,129	7,398	8,940	22,070	331,100	303,305
Ranger	6,138	6,401	4,019	5,473	198,627	217,875
Total Ford Div.	28,058	26,391	25,827	53,074	980,808	944,619
FORD MOTOR CO.	28,058	26,391	25,827	53,074	980,808	944,619
Astro	2,975	2,969	2,977	12,001	104,217	109,408
Blazer	542	0	530	2,161	17,958	16,593
Mediums/Heavies	375	803	270	1,133	6,756	12,584
P-Model	0	724	0	1,995	20,749	24,875
Pickups	8,393	6,901	7,451	32,366	254,374	214,352
S-10	4,972	6,372	4,864	20,782	169,547	185,617
S-10 Blazer	3,827	1,251	3,895	15,948	123,620	104,448
Sportsvan/Van	1,682	1,735	1,391	8,119	61,881	58,662
Suburban	1,461	0	1,544	6,253	50,235	44,569
Total Chevrolet	24,227	20,755	22,922	100,758	805,618	771,108
Jimmy	161	0	153	624	5,310	4,822
Mediums/Heavies	575	584	673	2,432	11,014	24,486
P-Model	0	106	0	483	2,916	3,640
Pickups	2,267	1,925	2,342	9,620	75,524	66,355
S-15	1,166	1,557	1,188	3,787	38,663	41,861
S-15 Jimmy	1,133	1,181	1,116	4,165	34,400	30,080
Safari	785	740	772	3,044	27,035	27,815
Suburban	649	0	505	2,141	19,529	19,689
Vandura/Rally Vans	595	535	1,083	2,148	17,352	21,640
Total GMC	7,331	6,628	7,832	28,444	225,802	240,368
GENERAL MOTORS	31,558	27,383	30,754	129,202	1,031,420	1,011,476
NAVISTAR	1,750	2,014	1,745	3,806	52,121	53,079
NISSAN	2,332	1,409	2,360	5,404	74,899	61,276
AM GENERAL	450	450	450	1,800	14,040	14,310
MISCELLANEOUS	3,000	2,300	3,000	11,300	87,600	73,140
Total Trucks, U.S.	78,098	70,487	74,584	224,787	2,661,251	2,536,104

CANADIAN TRUCK

CANADIAN TRUCK	Week Ended Aug. 12, 1989	Week Ended Aug. 13, 1988	Week Ended Aug. 5, 1989	July Total	Jan. 1 to Aug. 12, 1989	Jan. 1 to Aug. 13, 1988
Caravan	2,456	2,957	2,033	4,086	86,790	85,493
Caravan C/V	154	189	119	150	7,324	8,209
Ram Wagon	545	546	12	428	16,135	14,828
Ram Van	1,398	1,539	193	857	41,391	39,520
Total Dodge	4,553	5,231	2,357	5,521	151,640	148,050
Voyager	2,018	2,116	1,949	3,700	77,249	76,847
Total Plymouth	2,018	2,116	1,949	3,700	77,249	76,847
Wrangler	1,700	1,028	1,655	3,243	49,424	29,582
Total Jeep	1,700	1,028	1,655	3,243	49,424	29,852
CHRYSLER MOTORS	8,271	8,375	5,961	12,464	278,313	254,479
FORD MTR. (lt. trks.)	2,774	3,482	2,732	3,569	97,721	100,138
Light trucks	0	3,154	0	14,125	97,446	88,669
Vans	0	0	0	2,159	36,743	35,105
Total Chevrolet	0	3,154	0	16,284	134,189	123,774
Light trucks	0	1,440	0	4,226	42,381	45,386
Vans	0	0	0	1,052	18,057	18,604
Total GMC	0	1,440	0	5,278	60,438	63,990
GENERAL MOTORS	0	4,594	0	21,562	194,627	187,764
NAVISTAR	211	268	250	592	7,604	6,787
Total Trks., Canada	11,256	16,719	8,943	38,187	578,265	549,168
U.S., Canada Trks.	89,354	87,206	83,527	262,974	3,239,516	3,085,272

☆—Includes window van production *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Automotive News®

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GM, Chrysler in China for auto show

By Stephen Vines
STAFF CORRESPONDENT

HONG KONG — Less than three months after China's government violently put down student demonstrations in Beijing, it is business as usual as the U.S. government and automakers prepare to take part in the country's annual auto show, which begins Thursday.

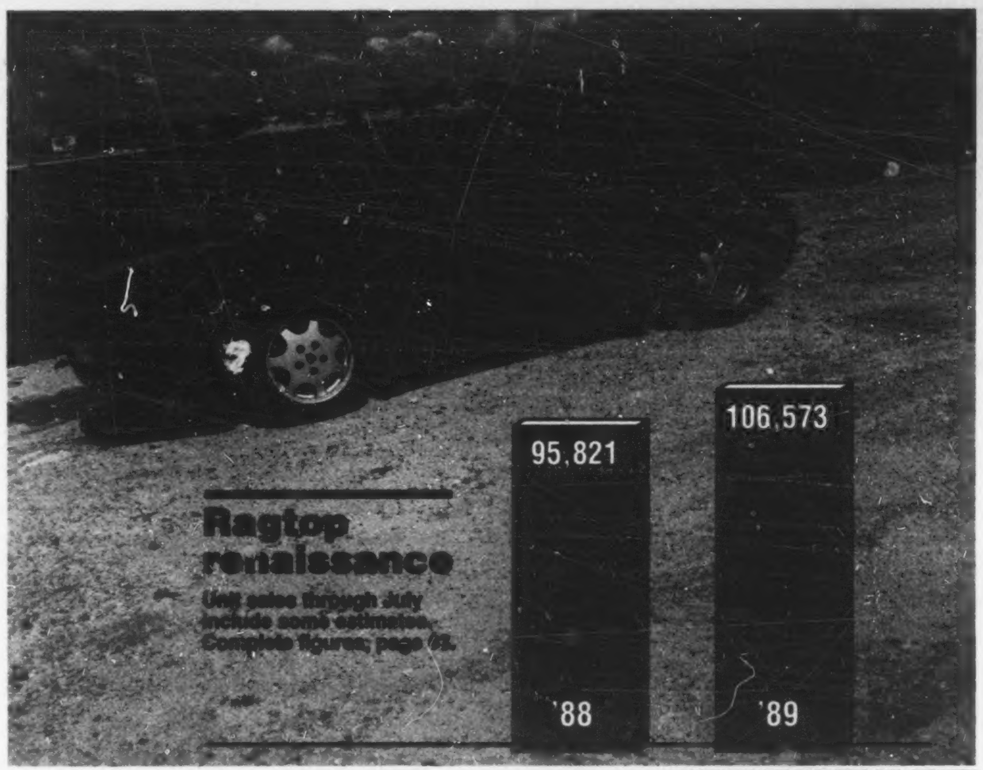
The show, originally scheduled for July, was postponed after the June 3 violence that prompted many foreign auto executives to flee the country. Now many have returned and the show, renamed Auto Shanghai '89 from the original Automotive China '89, will go on with trade fair certification from the U.S. Department of Commerce. The Shanghai show will also be visited by the new American ambassador to China, James Lilley, the U.S. Embassy in Beijing confirmed.

Show organizers say there will be a United States pavilion at the show. Embassy officials deny any knowledge of a special area for U.S. automakers, but two of the Big 3 said they will attend.

"Yes, we will have a display there, as we have had for the past four years," said John Pekarek, a General Motors spokesman in Detroit. "We were committed to doing the show in April and we decided to carry it through. We will likely have a small display, as we've had in the past — only two or three vehicles."

As to whether or not GM, which shipped engine tooling to China last year, would continue its participation in Chinese activities, Pekarek said, "On any new business venture or any new project in China, we're taking a very cautious wait-and-see approach. It's a very unusual situation. I've read lots of reports of companies going back in and we're very cautious."

see CHINA, page 65



AUTOMOTIVE NEWS/JOE WILSSENS, CHARLOTTE WINTER

Porsche 944 S2 cabriolet is among the 1990s that could help convertibles capture 2 percent of the market.

CONVERTIBLES: *New buyers expand a niche; more '90 models drop the top*

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

The American ragtop revival, which started in 1982, began surging last year. And several key launches for 1990 will expand the niche.

Sales of ragtops are up 11 percent during this otherwise down sales year.

And there are important launches coming up. During the 1990 model year, General Motors will bring out the Buick Reatta convertible, plus droptop versions of the Cutlass Supreme and Chevrolet Beretta. Chrysler will add a Dodge Shadow convertible in 1991.

The low volume but high-profile new Mercedes-Benz SL will be introduced in the United States in January. The new Lotus Elan will debut next spring and Nissan's Infiniti line will include an M30 convertible next spring.

"The convertibles are becoming a 12-month sale," says Marvin DeLuca of DeLuca Chrysler-Plymouth in Cleveland. "There is not as much in the fall and winter, but we peck away at it all year round."

The open-top share of new-car sales has tripled since 1982 when Chrysler's LeBaron convertible ended five years without domestically produced convertibles.

"The big difference between now and then was that convertibles were available in almost every single segment."
— JOEL PITCOFF
FORD

see RAGTOPS, page 63

GM prices try to spur top sellers

By John K. Teahen Jr.
AUTOMOTIVE NEWS STAFF REPORTER

General Motors priced its 1990 cars like a company that suddenly realized it has been missing the boat all these years.

The company's new prices appear more competitive in the high-volume and hotly contested compact and intermediate segments. GM cut prices or posted moderate increases on many of those autos — and they aren't stripped models.

The marketing and promotional potential is great, but whether it can be translated into increased sales will be determined as the model year proceeds.

An obstacle for GM is the elimination of the price break on options grouped in packages. Some divisions took that step last spring. Ordering the options as standalone items boosts the price to the buyer and the dealer.

But one advantage for buyers undoubtedly will remain. Barring a long-lasting avalanche of sales, there is no hint that the steady round of cash and finance incentives will end.

GM announced a 1990 price increase averaging 2.5 percent on comparably equipped cars plus 0.9 percent for installing passive restraints on all models. Automotive News estimated the hike at $525.

But not a single car in the GM fleet went up $525. Twelve were reduced as much as $500; 90 went up as much as $2,981 (the super-hot Pontiac Firebird Trans Am GTA); and 20 models had no 1989 counterpart.

Eight of the cuts were on Chevrolets, notably the best-selling Corsica and Beretta. Two Corsica four-doors dipped $480 and $490; Beretta two-doors went down $185 and $255.

see GM, page 66

Rude Awakening, Part II

- How Roger Smith led his all-American General Motors into partnership with the all-Japanese Toyota.
- The origins of Saturn.
- The hiring of Elmer Johnson.

Keller

A new chapter excerpted from "Rude Awakening," **Maryann Keller's** book on modern GM. Pages 42 and 44.

Chevy alters strategy in bid to make Geo fly

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Chevrolet is completely overhauling the marketing strategy for its year-old Geo line of imports, putting new emphasis on the individual models, a new national advertising campaign and a shift in responsibility between its two advertising agencies.

The Geo concept was designed to bring young import intenders into Chevrolet showrooms and boost Chevrolet's sagging market share in the small vehicle segment. But the brand has not generated the kind of sales spark envisioned by Chevrolet: an estimated 200,000 Geos will be sold by the end of the 1989 model year compared to a projected 220,000 despite generous incentive programs.

Revamping Geo marketing has also been a top priority of Jim Perkins, the former Toyota executive who returned to GM to become Chevy's general manager May 1.

Erdman

Chevrolet is backing down from its strategy of promoting the Geo brand over the individual cars nationally. Dealers had complained that consumers were confused that Geo was a model instead of a line of vehicles. Some consumers were even asking "What is a Geo?"

"The upbeat kind of advertising was different, but it didn't go far enough in establishing a name for Geo or positioning it in the marketplace," said Rick Smith, owner of Key Chevrolet in Muncie, Ind.

Michael Erdman, Chevrolet general marketing manager, said confusion over Geo stemmed from a staggered launch of Geo vehicles around the nation and a renaming of products midway through the model year. For instance, the Chevrolet Nova vehicle was renamed the Geo Prizm.

Chevrolet will step up its national advertising with both a brand campaign and advertising for individual models. A heavy emphasis will be placed on Geo's fourth car, the Storm, which arrives this fall.

Chevrolet will put in additional advertising dollars for Geo, Erdman said. Factory regional ads and dealer association ads will continue to promote individual models.

Chevrolet will also discontinue its cartoonish "No matter what" advertising campaign. The "No matter what" campaign promoted the Geo brand nationally showing

see GEO, page 64

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follows Page 34.

Dodge promises more theme cars

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

AUTOMOTIVE NEWS/JOE WILSSENS

Damoose told dealers Dodge will strengthen its performance image.

HIGHLAND PARK, Mich. — Dodge will tell an estimated 3,000 dealers meeting in Nevada this week that it plans an array of future products to back up the brand's performance image.

John Damoose, vice president of Dodge, said in an interview that Chrysler could not spend heavily for "performance hardware" during its brush with bankruptcy earlier in the decade. Consequently, Dodge's product lineup did not always reflect the performance image being marketed.

"In the last four or five years, despite spending $3 billion in incentives and marketing for this division alone, we really haven't moved our image one iota in the marketplace," Damoose said. "That, to me, is our big target in the future.

"There are reasons why we didn't do it. One of them is because you can't move your image if you don't have the products to support that image. You can't do it in a phony way,"he said.

"A very important distinction between the Chrysler of the early '80s and the Chrysler of the early '90s is that we are finally beginning to build some brands that are supported by products that support a brand image," Damoose said. "It's something that is vital to us staying a factor in the marketplace.

"We have to build a distinct, clear image in the marketplace. We've got to build on our heritage and make this a performance-oriented division and concentrate on expressive, innovative vehicles," he said.

Damoose said he will convey that message to dealers attending a 1990 model preview in Reno, Nev., Wednesday.

Damoose outlined the future product strategy which will bolster the brand image.

- A 16-valve version of the Dodge Spirit sedan will bow in the 1991 model year using a new multi-valve version of Chrysler's 2.2-liter four-cylinder engine.
- The 1991 four-place Dodge Stealth sports car based on the Plymouth Laser/Eagle Talon platform will be offered in four versions. Damoose said Dodge expects in 1991 to sell 30,000 units of the Stealth which will become the lead image model for the division.
- A 5.2-liter V-8 version of the Dodge Dakota mid-sized pickup will be introduced in the 1991 model year. The Dakota also will receive a front-end freshening in the 1991 model year, Damoose said.
- He also said a 1991 facelift of the full-sized Dodge pickup, including front and rear treatment and new side moldings, is scheduled.
- Dodge will retain exclusively the Shadow convertible, bowing in 1990. A companion Plymouth Sundance model had been planned.
- Differentiation of the Dodge Monaco sedan from its sister model the Eagle Premier is planned in the 1991 model year. Damoose said that Dodge expects to sell "50,000 plus" Monaco units in the 1990 model year, Damoose said.
- Dodge and Eagle will market first the 1993-model sedan based on Chrysler's new mid-sized LH platform. Chrysler and Plymouth will launch later 1993 models from the platform which is the company's first since the 1980 K-platform.
- Dodge will market various performance-oriented technology before the other divisions. Damoose said the company is working on multi-valve and turbo versions of its new 3.3-liter V-6 engine and additional applications of anti-lock braking systems and driver-activated suspensions.

Chrysler previously said it will restyle the Dodge Caravan and Grand Caravan minivans in the 1991 model year, launch the sport-utility code-named ZD in the 1992 calendar year and introduce a new full-sized Dodge pickup by the mid-1990s.

In addition, Damoose said possible production of the Dodge Viper sports car "is a lot more concrete than it was a few months ago."

"The whole issue is engineering feasibility now," Damoose said. "As the Viper team moves further along, we're finding out that it's becoming more feasible all the time. We're putting that in our side of the column as a counter at this particular time."

A final decision on Viper production will be made in the first quarter of 1990, Damoose said.

If built, the Viper could be offered in two versions.

"There'll probably be a 360 V-8 and a V-10," Damoose said. "That's probably the best way to do that vehicle."

He described the V-10 engine program, which is primarily being developed for truck applications, "as very much alive."

Damoose said now that Dodge has its product strategy in place, the difficulty is getting that message out in a crowded marketplace.

"You have to cut through the clutter and yet make that technology statement," Damoose said. "That's a difficult kind of balance to do."

Damoose said in the 1990 model

see DAMOOSE, page 52

New models strong, but imports dip

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — As import sales continue to decline, led mainly by lagging European luxury makes, new 1989 and early 1990 models introduced in the spring are the segment's bright spots.

Overall, import sales fell 6 percent in July compared to the same period a year ago, while year-to-date sales were down 8 percent to just over 1.65 million.

European imports led the decline. At 302,581, they were 12 percent below the first seven months of last year. They were down 11 percent for July.

BMW's flagship 7 series had a disappointing July, down 44 percent to 752 units, compared to 1,338 sold in July 1988.

Overall, BMW sales are down only about 2 percent for the year, but July sales fell 15 percent. The downturn comes at a critical juncture for BMW as Toyota's luxury Lexus line bowed in August.

But Audi's U.S. sales increased 61 percent in July compared to last year, although seven-month sales were down 11 percent.

About 62 percent of Audi's monthly sales were 100 and 200 models and the new 1990 V-8 Quattro flagship.

Japanese imports dipped 4 percent to 1.16 million for the first seven months. Increased transplant volume was a major factor.

New models like Mazda Miata, Acura Integra and Subaru Legacy

see IMPORTS, page 46

SIZE CLASS SHARES
Domestic and Import
July 1989

	Total Sales	Pct. of Total
SUBCOMPACT...	209,089	24.71
COMPACT........	214,883	25.39
INTERMEDIATE..	282,434	33.38
STANDARD	113,455	13.41
SPECIALITY......	26,310	3.11
TOTAL	846,171	100.00

Ford test driver dies in Cougar crash at proving ground

ROMEO, Mich. — A Ford Motor Co. durability driver was killed Aug. 16 when the 1989 Cougar he was testing rolled over at the automaker's Michigan Proving Grounds here. Ford identified the driver as Loyd W. Story, 38, a UAW member and a 14-year employee of the proving ground.

A Ford spokeswoman said Story was conducting a "routine durability test" on the Cougar when the accident occurred. The Michigan State Police are investigating.

The incident was the third fatality at a Ford site this year; two workers employed by a maintenance contractor died in an explosion in an underground utility tunnel at Ford's Rouge complex in Dearborn, Mich., in late April. The last employee fatality at Ford's Romeo Proving Grounds occurred in 1964.

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Peugeot enlists Steed to challenge NHTSA crash test

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Peugeot Motors of America has enlisted former NHTSA administrator Diane Steed to challenge the agency's 35 mph crash test program after its 505S model posted poor results.

Steed said the controversial new-car assessment program, which crashes cars into a fixed barrier at 5 mph higher than the federally mandated limit of 30 mph, is "not an exact science."

But Steed said she continued the program during her tenure in the Reagan administration for fear that consumer groups would fight a decision to ax the tests.

"It would not have been realistic to try," said Steed, who added the test was "put on the books" by former NHTSA administrator Joan Claybrook, a follower of consumer advocate Ralph Nader, and "we couldn't get rid of it."

The program crashes selected cars into the barrier at a speed that generates a third more force than crashes at 30 mph. The results for head injury criterion and chest deceleration in the higher speed crashes are compared to levels considered fatal — 1,000 for head injuries and 60 G's for chest deceleration — in the lower speed crashes.

Peugeot's 505S, equipped with passive belts, had a head injury score of 1,983 for the driver and 2,192 for the passenger, and respective chest deceleration of 64 and 77 G's, the worst numbers this year for a compact car.

By comparison, Toyota's compact Cressida scored respective driver and passenger head injury numbers of 790 and 544 and driver/passenger chest G's of 51.

"The frontal crashes into a brick wall do not replicate what happens in most accidents." Steed said. "Therefore, this data should not be used as a sole indicator of a car's crashworthiness."

NHTSA calls the test experimental because the car scores should be compared only among similar models, said Jeffrey Miller, acting NHTSA administrator.

Steed and other automotive experts were lined up for Peugeot, without pay, by a consultant, Ron DeFore, a former NHTSA director of public affairs.

NHTSA 1989 NEW- CAR CRASH ASSESSMENT

Vehicle	Head injury criterion		Chest deceleration (G's)	
	Driver	Passenger	Driver	Passenger
SUBCOMPACT CARS:				
Audi 80 4-dr. sedan	600	515	49	39
Toyota Corolla 4-dr. sedan	994	546	49	45
Volkswagen Fox 2-dr. sedan	787	818	64	58
COMPACT CARS:				
Hyundai Sonata 4-dr. sedan	1,196	937	54	53
Peugeot 505S 4-dr. sedan	1,983	2,192	64	77
Toyota Cressida 4-dr. sedan	790	544	51	51
TRUCKS, VANS, MPVs:				
Isuzu Trooper II 4x4	1,269	1,520	73	59
Suzuki Sidekick MPV	1,345	1,763	64	70
Toyota pickup	1,520	883	47	46
Toyota van	1,183	530	59	54

Other experts willing to speak on Peugeot's behalf include Thomas Hanna, president of the Motor Vehicle Manufacturers Association; George Nield, president of the Automobile Importers of America; and Barbara Keating, president of California-based Consumer Alert.

A Peugeot spokeswoman said, "There is an awful lot of confusion or misinterpretation and we thought it was time people should speak out."

Meanwhile, the latest round of tests included four light trucks.

Isuzu's Trooper II posted respective driver and passenger head injury numbers of 1,269 and 1,520 and chest deceleration of 73 and 59 G's. Suzuki's Sidekick had head injury numbers of 1,354 driver/1,763 passenger and respective chest deceleration figures of 64 and 70 G's. Toyota's pickup posted numbers of 1,520 driver/883 passenger and chest results of 47 and 49 G's. The Toyota Van fared best among light trucks with head injury numbers of 1,183 driver/530 passenger and chest G's of 59 and 49.

Subaru hopes to cut financial drain of incentives

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

CHERRY HILL, N.J. — Subaru of America hopes to wean itself from heavy rebates, but the company will continue to offer incentives while it renews its product lines.

"We would all like to get off the dope," said Thomas R. Gibson, president and chief operating officer of Subaru of America. "It's a very expensive way to market cars.

"In our ease, we'll continue to use incentives, but we'll be cutting back the amounts. We've got new products, and more competitive products. We'll have programs, but nowhere near the degree we've had for the past year and a half," Gibson said last week in an interview.

Incentives run from $1,000 on some Justy minicars to $3,000 on the XT sport model. Subaru reportedly spent about $97 million on incentives in 1987 and 1988.

For the first half of this fiscal year, the company posted a net loss of $39.3 million. Sales through July are about even with last year's.

Subaru of America, based in Cherry Hill, N.J., is the publicly traded U.S. importer and distributor of cars made by Fuji Heavy Industries in Japan.

With a new lineup led by the Legacy, Subaru's first intermediate-class model, the company hopes to be able to cut incentives, but sales of the Legacy have been slower than expected, Gibson said.

"We would all like to get off the dope (incentives)."
— THOMAS GIBSON

"The dealers and the press all like the car, but it's a new segment for us, and new buyers for us, and that person is taking longer to make a decision than we thought," he said.

This fall, the company will also introduce a four-door version of the Justy. Also due is a four-wheel-drive version of the Justy with a belt-driven electronic continuously variable transmission. The only Justy with an ECVT currently comes in a front-drive model.

Subaru will also add anti-lock brakes as an option on the Legacy L this fall. The brakes are already an option on the top-of-the-line Legacy LS.

Last spring, Subaru began rebadging its high-volume line of sedans, wagons and three-door coupes as the Loyale, limiting the range of options and trim levels available.

A new XT sport model is expected in 1990 or 1991, and the Loyale line is due to be renewed around 1992.

Subaru's first domestic production is expected to begin in the next couple of weeks at Subaru-Isuzu Automotive in Lafayette, Ind., a joint venture that will make the Legacy and Isuzu pickups.

Gibson said domestic production will cushion Subaru from dollar-yen fluctuations that drove up prices after 1985, but the new plant won't prompt any immediate improvement in Subaru's profits.

Meanwhile, the Legacy is supposed to signal the beginning of the end of Subaru's heavy incentives. The Legacy first went on sale in April, the only Subaru without incentives.

The company recently started a low-cost leasing program that included the Legacy, but Gibson said the program had been planned in advance and was not a response to slow sales. The lease program was initially designed solely for the Legacy, but the company decided to include all its models as a further means of trying to reduce old stocks, he said.

Gibson said Subaru hopes to sell 60,000 to 80,000 Legacy models for the full 1990 calendar year — about half of expected total annual sales of 150,000 to 160,000 units.

Subaru's sales for the first seven months of 1989 at 87,088 were virtually even with 1988. Sales for July were 13,364, including 3,714 Legacy models, or about 28 percent of the monthly total.

Legacy is "doing well — not as well as I'd like, but the introduction came just as the market got soft, and we had too much inventory around," Gibson said. Inventory "is starting to come down, and September will be the first real shot for the dealers to promote Legacy."

He said dealer advertising until now has been featuring clearance sales of old models.

A few surprises have emerged in the Legacy line after the first few selling months, Gibson said.

see SUBARU, page 64

GM, Ford reduce forecasts for 3rd-quarter car output

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Domestic automakers scaled back their combined third-quarter auto production forecast again — this time by almost 41,300 units.

Bulging inventories of unsold cars caused most makers to cut their forecasts, as industry analysts had predicted.

General Motors, Ford Motor Co. and three of the six Japanese transplants trimmed their schedules. The Big 2 slashed 36,300 units from their forecasts; transplant companies cut about 5,000 units from their schedules (Automotive News, July 17).

The industry expects to produce 1,430,100 cars during the third quarter, down 2.47 percent from the 1,466,341 forecasted earlier.

The biggest cut came from the No. 1 automaker; GM's earlier schedule of 623,000 cars was sliced to 600,000 units.

GM's third quarter forecast is 17.79 percent below the 729,853 cars built in the year-ago period.

Ford cut back almost 13,500 cars from its last schedule. But its forecast of 362,669 cars is 0.69 percent above 1988's actual build of 360,189.

Chrysler Motors was one of two makers to increase its third-quarter schedule. The company boosted its previous forecast 5,000 units to 186,000 cars, 4.23 percent below the 1988 actual total of 194,220.

The other automaker increasing its third-quarter projection was Toyota Motor Manufacturing U.S.A., up 10,000 units to a schedule of 45,000 cars. Late last year, the company began building the Camry in Georgetown, Ky. Domestic Camry sales have been increasing monthly.

Honda of America Manufacturing shaved 410 units from its third quarter schedule. Honda projects output of 82,590, down 6.84 percent from the actual 1988 third-quarter build of 88,656.

New United Motor Manufacturing Inc. expects to assemble 47,000 units in the three-month period, down 13,000 units from its last schedule. The total is 60.19 percent above the 29,340 built in the year-ago period when NUMMI was retooling for the 1989 Geo Prizm.

Nissan Motor Manufacturing Corp. U.S.A. scaled back 1,500 cars from its previous third quarter schedule. The new forecast is 29,500 units, down 4.52 percent from the 30,897 built in the third quarter of 1988.

Third-quarter projections for the remaining U.S. automakers are unchanged. They are: Mazda Motor Manufacturing (U.S.A.) Corp.: 47,341; Diamond-Star Motors, 30,000.

U.S. THIRD QUARTER CAR PRODUCTION SCHEDULE

	Projected 1989	Actual 1988
General Motors	600,000	729,853
Ford	302,669	360,189
Chrysler	186,000	194,200
Total Big 3	1,148,669	1,284,242
Honda	82,590	88,656
Mazda	47,341	54,083
NUMMI	47,000	29,340
Toyota	45,000	0
Diamond-Star	30,000	0
Nissan	29,500	30,897
VW	0	3,512
Total transplants and joint ventures	281,431	206,488
Total	1,430,100	1,490,730

SOURCE: Automotive News figures

Court OKs long warranty in New York's lemon law

By Helen Kahn
SENIOR CORRESPONDENT

A federal judge in New York upheld a state lemon law requirement that manufacturers provide two-year/18,000-mile warranties.

But U.S. District Court Judge Leonard B. Sand did throw out a minor part of the state lemon law requiring dealers outside the state to notify the manufacturer of defect complaints by New York car owners.

It was the last of constitutional challenges to the law brought by the Motor Vehicle Manufacturers Association and the Automobile Importers of America in federal court. In May 1988, Sand, upholding the First Amendment rights of the manufacturers, threw out a section of the law that banned auto companies listing a window sticker charge to cover costs for complying with the state lemon law. Last December, he also ruled that the manufacturers' arbitration programs do not have to meet additional state requirements because they comply with the federal Magnuson-Moss warranty law.

Still pending before a state court in Albany is the auto industry's challenge to a section of the law that bars makers from seeking judicial review of decisions by New York's state-run arbitration program. A similar challenge in Connecticut resulted in that part of the state lemon law being declared unconstitutional, effectively ending the state-run arbitration.

In upholding the state's extended warranty coverage, Sand said New York acted to address the problems of defects that appear shortly after expiration of the warranty. Moreover, said Sand, most automakers are not affected since the 12/12 warranty is no longer standard.

He also disagreed with the automakers' claim that because of New York's requirements they might have to raise prices nationally. Instead, he felt they would likely do "what logic dictates and continue to pass along the added costs to the consumers who benefit from the statute, namely those who purchase and register their cars in New York." He noted that manufacturers can charge more in New York as Ford Motor Co. does with its $115 "mandatory New York repair coverage" and General Motors with its $65 for "New York warranty enhancements." In fact, he finds "no need for nationwide uniformity in this area."

But, says Sand, a "minor" requirement in the disputed section of the state lemon law, that out-of-state agents or dealers must forward written notices of reported problems to a manufacturer within seven days, is unconstitutional.

Mercedes dealers buy Crabtree chain

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — The owners of a Connecticut Mercedes-Benz dealership have bought Crabtree Automotive group, a suburban New York chain that last year paid the state to settle charges of false advertising and deceptive sales practices.

The principals at Imported Cars of Greenwich have formed TriStar Automotive Group to buy the Crabtree chain. Crabtree Automotive sold 11 brands in eight outlets in New Rochelle and Larchmont, N.Y.

Crabtree officials could not be reached for comment on the sale.

A year ago, Crabtree Automotive agreed to a settlement that the New York state attorney general's office said was the largest of its kind in the nation.

It said the settlement was worth up to $2.8 million, counting refunds that customers could demand.

But the immediate cost to Crabtree Automotive was limited to $150,000 to reimburse the attorney general's office for the cost of its investigation. Under the agreement, Crabtree Automotive denied any wrongdoing.

Charles H. Wilk, president of TriStar Automotive Group, said Crabtree Automotive has paid its $150,000 fine and the former owners would be responsible for damages from claims made before Aug. 17.

"High-pressure sales and service tactics will have no place in TriStar dealerships," Wilk said in a statement. "The new management will not rest until every customer leaves our dealerships satisfied."

In addition to Wilk, TriStar's principals are Arthur K. Watson Jr., chairman; and Stuart H. Watson, vice chairman. Arthur Watson and Wilk are also chairman and president, respectively, of Imported Cars of Greenwich, one of the largest Mercedes-Benz dealerships in New England.

With the Crabtree acquisition, TriStar will sell Ford, Mazda, Nissan, Sterling, Hyundai, Toyota, Suzuki, Cadillac, Jeep-Eagle and Mitsubishi. The company expects annual sales to total $150 million.

Crabtree-Haas Toyota in Westport, Conn., was not involved in the deal or last year's settlement.

Diamond-Star vote is Thursday

NORMAL, Ill. — Workers at Diamond-Star Motors will vote Thursday on a proposed labor contract reached last week between the transplant and the UAW.

The agreement follows five months of contract negotiation between the union and management at Diamond-Star, a 50-50 joint venture between Mitsubishi Motors Corp. and Chrysler Motors.

Both sides have declined to discuss details of the contract prior to the ratification vote. But the agreement is expected to recognize many of the plant's existing work rules, which are based on only two job classifications — production associates and skilled maintenance associates.

The company recognized the UAW in December 1988 without a union election after about 600 of the 872 production workers then at the plant signed cards calling for a union election. Diamond-Star now employs 2,300 production and maintenance workers.

Suppliers say U.S. car fleet can get 41 mpg in 10 years

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

U.S. auto suppliers believe domestic cars could meet fuel economy goals of 33 mpg by 1995 and 41 mpg by 2000 and that suppliers themselves will be instrumental in helping the Big 3 achieve that economy.

The position stands in stark contrast to the U.S. automakers, who are reluctant to commit to specific numbers.

A new survey of domestic component producers indicates they believe they would have no problem with a 45 percent improvement in corporate average fuel economy numbers.

U.S. automakers have committed to improving fuel economy in the '90s, but they are pushing for a system of flat percentage increases on a company-by-company basis. That system, they say, will prevent producers of larger vehicles from being penalized.

The supplier targets of 33 mpg and 41 mpg are still lower than those being proposed in a number of bills before Congress this year, however. At least three bills will reach the Senate this fall requiring the industry to have an average fuel efficiency of 45 to 50 mpg in 10 years.

"The survey results are surprising because of the attitude it reveals among the supplier industry," said Earl Landesman, principal with A.T. Kearney Inc., the international automotive consulting firm that conducted the study. "They're very gung-ho to meet the challenge. The public has the impression that the auto industry is running out of steam on improving fuel efficiency because there hasn't been much progress in the past two years. But here's the supplier industry saying that it's their responsibility, too, and they can do it."

Kearney asked 95 suppliers with combined revenues of $30 billion what mpg targets they considered realistic and how they would meet them.

Suppliers feel weight reduction is the answer.

"They're very determined that the answer is vehicle weight reduction," Landesman said of the survey results. "Everybody tends to look at the powertrain for the answer, but the majority think that weight reduction is the first key."

Weight reduction would be achieved with new plastic compounds, developed jointly between suppliers and the carmakers, and lighter metals for chassis components, castings and wheels, according to the survey answers.

Further efficiency will come from engine enhancements, the development and wider use of alcohol-based fuels, improved aerodynamics and, only as a last resort, vehicle downsizing.

A majority said that while they did not want to return to the "econo-box days of the early 1980s" or sacrifice vehicle performance, the industry must take a position on both fuel efficiency and emission control before the government legislates a position for it.

The survey participants predicted that if Congress forces automakers to meet a 50 mpg industry standard in the coming decade, Japanese carmakers, producers of small European vehicles, plastics manufacturers and automotive electronics producers will be the biggest winners. The biggest losers would be the Big 3, European luxury car producers, steel companies and stamping, castings and forging companies, the survey said.

Average industry fuel economy improved dramatically between 1975 and 1982 as the auto industry was rocked by escalating gasoline prices, import sales competition and a U.S. recession. Average vehicle fuel economy increased by 28 percent between 1975 and 1979, by another 28 percent between 1979 and 1982, and by 10 percent between 1982 and 1988. In 1989 it will actually decrease a bit, according to figures from the Environmental Protection Agency.

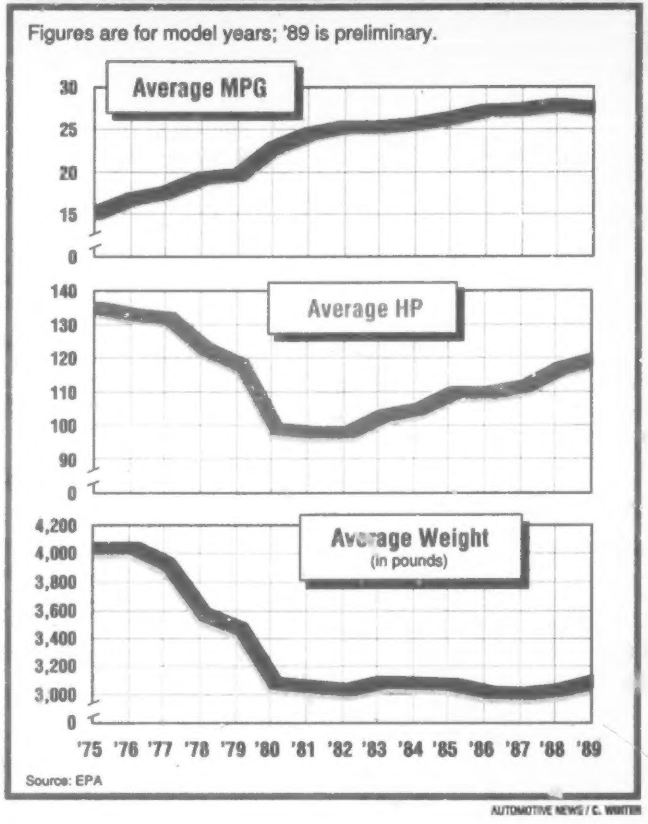
While the suppliers expressed confidence that meeting tougher industry requirements would boost their own revenues and either increase or not affect their earnings, they acknowledged their OEM counterparts would not be so lucky. The majority foresee a decrease in automaker profits if new fuel efficiency technology must be implemented.

What's most important piece for better mpg?

A.T. Kearney asked 95 U.S. suppliers which components need most development to improve fuel economy. These are their top responses:

Fuel Systems	29%
Electronics	14%
Tire Design	11%
Multi-valve engine	9%
Combustion chamber design	8%
High-temp engine material	7%
Valve train design	5%
Transmission gear ratios	5%
Continuously variable trans.	3%

Car fleet fuel efficiency



Figures are for model years; '89 is preliminary.

Source: EPA

AUTOMOTIVE NEWS / C. WRITER

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Loss at Nissan could hurt UAW at Big 3

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

NASHVILLE, Tenn. — While the United Auto Workers deal with their July 27 defeat at unionizing Nissan Motor Co.'s U.S. operations, they may have more to worry about than they think.

"The real implication of the Nissan election is what it portends for the domestic carmakers," said Michael Kane, director of the U.S.-Japan International Management Institute at the University of Kentucky in Lexington. "The transplants are now in a better competitive position vis-a-vis the Big 3. Even though the salaries and benefits at the transplants aren't much different from what the unionized domestic companies are paying, there is still a competitive difference.

"That makes the union itself more vulnerable. Because the U.S. carmakers are at a competitive disadvantage, they now have more ammunition to go back to the union and ask for a new round of contract concessions," Kane said.

But Irving Bluestone, professor of labor studies at Wayne State University and former head of the UAW's GM Department, counters that union representation does not put the Big 3 at a disadvantage.

"Labor cost is not the real issue of competitiveness in the industry any more," Bluestone said. "It accounts for well under 30 percent of total costs. And besides, there is really not that much difference now between domestic wages and wages in the Japanese industry. Management needs to look at some issue other than labor costs to improve its competitiveness."

Last month, UAW organizers lost a 16-month drive to unionize Nissan Motor Manufacturing Corp. in Smyrna, Tenn., when almost 70 percent of the plant's 2,400 workers voted to remain non-union.

The UAW denounced the July 27 election but did not challenge the results. Plant organizing operations have been largely dismantled.

The union suffered a similar setback in 1986 when it withdrew its petition for an election at Honda of America Manufacturing in Marysville, Ohio. As Honda prepares to open a second auto plant nearby in East Liberty, Ohio, management says it is aware of no further organizing activity.

William T. McGrath Jr., an automotive industry management consultant in Cleveland, also believes the transplant fight will affect UAW-Big 3 relations. McGrath, senior vice president for automotive with the consulting firm A.T. Kearney Inc., speculates that if one sector of the industry is unionized while another isn't, "the cooperative spirit that now exists between the UAW and the carmakers could be strained."

Bluestone argues that the domestic companies' relationship with the union actually enables them to collectively solve problems. "The UAW has a long history of working with management to improve profitability. I don't see that changing."

Meanwhile, the UAW has begun organizing efforts at Subaru-Isuzu Automotive Inc. in Lafayette, Ind., even though the plant doesn't start production until September, and at Toyota Motor Manufacturing in Georgetown, Ky.

SIA's reaction has not been meek. Within days of the UAW's Nissan defeat, SIA issued a statement departing from a previously neutral attitude toward unions.

"SIA does not believe that a third party such as a union is necessary at SIA," the company said. "Our company relies upon team cooperation. We feel this team approach at SIA makes any third-party intervention unnecessary."

In April, the union opened an organizing office in Georgetown, Ky., home of Toyota Motor Co.'s year-old, $1.3 billion car plant. Plant management has vowed to remain neutral on the issue. William Young, the UAW's organizing director in charge of Toyota, declined to discuss union plans.

Incentives keep trucks near last year's record

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Truck sales in the United States firmed in July under the impetus of heavy incentives. Overall, industry sales were just slightly below a year ago.

The strengthening in the industry's performance is chiefly due to the Class 1-3 light-duty segment where many buyers are rushing to take advantage of incentives and to avoid price hikes on new models this fall.

Industry sales for the first seven months of the year continue to be very strong.

Based on their current levels, they are still within range of hitting 5 million for the year and of coming in second-highest behind last year's 5.2 million record.

Overall, manufacturers retailed 433,670 trucks in July, off 2.15 percent from 1988's 443,210 deliveries.

The medium-duty Class 4-5 segments showed the biggest strength in July, followed by heavy-duty Class 8 sales which slipped into the minus column for the first time this year.

Class 1-3 light-duty sales of 406,733 during the month were off 2.02 percent from 415,113 a year earlier, according to Automotive News calculations based on vehicle manufacturers' reports.

Class 4 sales of 2,421 were up 26.03 percent from 1,921 in 1988, according to the Motor Vehicle Manufacturers Association.

Similarly, MVMA reported Class 5 sales of 615, up 12.02 percent from 549 a year earlier; Class 6 sales of 3,181, off 17.61 percent from 3,861; Class 7 sales of 8,318, off 9.55 percent from 9,196; and Class 8 sales of 12,402, off 1.34 from 12,570.

All these truck segments, except Classes 4, 7 and 8, showed an improvement over their general trend this year.

Generally, Ford's Super Duty, which has been the sole impetus behind Class 4's meteroic rise over the past year, is beginning to level off a bit. It has been drawing sales from both the light Class 3, as well as medium-duty Class 5-6 segments, according to company officials.

The slowdown in the growth of the Super Duty explains some of the recent rebound in Classes 5-6.

During the first seven months of calendar 1989, light-duty Class 1-3 sales of 2,795,571 were off 4.81 percent from 2,936,693 a year ago.

Year-to-date Class 4 sales of 16,323 were up 35.96 percent from 12,006 last year.

Class 5 sales of 3,917 were off 18.21 percent from 4,789 a year earlier.

Class 6 sales [illegible] were off 30.00 percent [illegible]

Class 7 sales [illegible] were off 6.20 percent from [illegible] year, and Class 8 sales [illegible] were still up 4.82 percent from [illegible]309.

Reflecting the weakening in Class 8 demand, Mack Trucks said it is cutting manufacturing and assembly rates for its heavy trucks. Mack said it plans to build 45 percent fewer Class 8 trucks during the third quarter than in the second quarter.

A company spokesman said specific production numbers had not been finalized yet.

Industry analysts have pointed out that not only Mack, but a number of other Class 7-8 manufacturers, like Ford, have been reducing their production schedules in consideration of the slowdown in market demand.

Heavy-truck manufacturers are currently revising their estimates of full calendar year sales in view of the softening market.

JULY TRUCK SALES BY MANUFACTURER AND SEGMENT

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1989	TOTAL 1988
CHRYSLER-PLYMOUTH	MO	18,161						18,161	20,036
	YR	124,780						124,780	133,142
DODGE	MO	43,520						43,520	46,836
	YR	328,787						328,787	350,968
JEEP	MO	23,546						23,546	20,463
	YR	149,914						149,814	144,567
TOYOTA	MO	17,280						17,280	25,702
	YR	129,604						129,604	147,011
NISSAN	MO	12,577						12,577	13,312
	YR	91,792						91,792	97,973
MAZDA	MO	6,690						6,690	6,870
	YR	48,595						48,595	58,995
ISUZU	MO	8,651						8,651	7,566
	YR	53,215						53,215	46,762
MITSUBISHI	MO	3,377						3,377	3,134
	YR	23,397						23,397	27,269
SUZUKI	MO	1,698						1,698	6,327
	YR	14,850						14,850	37,548
RANGE ROVER	MO	356						356	276
	YR	2,750						2,750	1,852
FORD	MO	123,282	2,333		1,177	3,123	1,507	131,422	127,858
	YR	840,719	15,540		5,939	20,408	9,620	892,226	925,437
FREIGHTLINER	MO						2,088	2,088	2,034
	YR						14,473	14,473	13,880
CHEVROLET	MO	116,846		19	340	727		117,932	113,749
	YR	772,700		154	3,774	5,202		781,830	806,660
GMC	MO	30,160		383	383	861		31,787	34,438
	YR	209,072		2,272	3,227	7,753		222,324	235,968
KENWORTH	MO					26	1,475	1,501	1,546
	YR					210	10,383	10,593	9,711
MACK	MO				96	127	1,670	1,893	2,260
	YR				1,144	1,521	12,089	14,754	14,83
MERCEDES	MO				76	98		174	232
	YR				517	735		1,252	1,817
NAVISTAR	MO		6	17	936	3,084	3,077	7,120	6,535
	YR		95	83	7,453	18,579	21,442	47,652	48,529
PETERBILT	MO					41	1,341	1,382	1,322
	YR					333	9,452	9,785	9,303
VOLVO/GM HEAVY	MO					75	1,022	1,097	1,447
	YR					555	9,390	9,945	9,426
HINO	MO	19		45	38	51		153	134
	YR	142		287	310	576		1,315	1,171
NISSAN DIESEL	MO	48		55	18	37		158	195
	YR	288		441	207	381		1,317	1,204
ISUZU TRUCK	MO	284	35	15	57	35		426	357
	YR	3,302	368	114	514	416		4,714	3,852
MITSUBISHI FUSO	MO	96		48	15	33		192	196
	YR	980		390	191	361		1,922	1,543
SCANIA	MO						17	17	15
	YR						75	75	110
IVECO TRUCKS	MO	142	47	33	11			233	195
	YR	784	320	176	87			1,367	1,292
WESTERN STAR	MO						104	104	125
	YR						931	931	906
OTHER DOMESTICS	MO				34	—	101	135	50
	YR				108	116	520	744	524
GRAND TOTAL	MO	406,733	2,421	615	3,181	8,318	12,402	433,670	443,210
	YR	2,795,571	16,323	3,917	23,471	57,146	88,375	2,984,803	3,132,254
1988 YR to DATE		2,936,693	12,006	4,789	33,533	60,924	84,309		

NOTE: 1988 YTD includes 9 Subaru Brats; Class 1-3 sales data reported by individual manufacturers; Class 4-8 reported by Motor Vehicle Manufacturers Assoc.

Class 8 orders decline

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Net new orders for heavy-duty Class 8 trucks totaled 10,681 in June, down 12 percent from 12,120 in June 1988 but an improvement from the 8,755 units ordered in May.

Deutsche Bank Capital Corp., an investment firm, said it continues to believe that order rates have peaked, with the current annual rate of orders running at about 130,000 units.

Frank Prezelski, an analyst with Deutsche Bank, said the sharp order declines of earlier months appear to have abated.

With retail sales of 14,006 in June and production of 15,000, order backlogs are dropping.

June's backlog of 52,532 units was down for the first time since October on a year-to-year basis and has declined steadily since it peaked in February, Prezelski said.

All manufacturers have now scheduled production cuts. The decline in the number of units built began showing up in July.

But the cancellation rate for new-vehicle orders has turned upward again and has approached what Prezelski called "a danger point of 20 percent."

June's order cancellation rate was slightly over 19.5 percent.

The industry is expected to monitor order cancellation rates even more closely than normal in the coming months because rates that consistently exceed 20 percent tend to be harbingers of downturns.

Deutsche Bank Group said it believed heavy-truck sales have peaked and will continue to drift downward.

Although near-term demand for heavy trucks could jump slightly as a result of lower interest rates, the investment firm said it believes the trend during the next few quarters will be downward.

It doesn't expect "prebuying" of vehicles to be a major factor in 1990.

It still sees U.S. retail sales of 135,000 to 140,000 Class 8 trucks in calendar 1990, down slightly from a projected 145,000 this year.

The modest downturn is not expected to have any major effect on the heavy-truck industry.

Companies like Navistar and Mack are expected to see an increase in earnings, while others whose sales have been extremely strong — such as Paccar and Eaton — are expected to show a modest earnings decline.

SERVICE MANAGEMENT

Makers, insurers joust over non-OEM crash parts

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

The automakers and the auto insurance industry are waging a heated debate over the use of non-genuine sheet metal crash parts to repair vehicles after collisions.

To win the support of consumers and body-shop operators, the automakers are publicizing the disadvantages of using non-genuine parts, such as loss of new-vehicle warranty protection from corrosion for the sheet metal replaced and problems with fit, finish and structural integrity.

The insurance industry is promoting its stance that non-genuine crash parts reduce the cost of vehicle repairs and help address the problem of high insurance rates from the roots — by cutting the underlying costs that cause those high rates.

The insurance industry also says that tests show non-genuine crash parts meet federal safety standards.

Leading the automakers' charge in the debate is Ford Motor Co., which recently began an ad campaign aimed at body shop owners.

The Ford parts and service division ads suggest a paper bag to cover the head of the shop owner who must tell customers that genuine sheet-metal parts will not be used for repairs to their vehicles.

The ad advises shop owners, "When insurance firms tell you to use 'economy parts,' don't cover for them. Save labor, time and money with genuine Ford sheet metal — it's made right and fits right."

The ad theme, according to Kenneth W. Myers, Ford parts and service marketing manager, continues Ford's collision repair industry information campaign, which has highlighted the shortcomings of non-genuine crash parts and reminds repairers that an informed customer is more likely to be a satisfied customer.

An estimated 30 million vehicles are damaged in accidents in the United States each year, according to Ford, and non-genuine parts are used in as many as 10 percent of those repairs. A decade ago, non-genuine crash parts were used in only a fraction of repairs, Myers said.

As automakers reduced year-to-year design changes on some models, he said, makers of non-genuine parts were able to avoid high tooling costs and focus on standardized parts.

Many foreign manufacturers, especially in Taiwan, produce non-genuine parts.

Growth of non-genuine parts has been exponential, Myers said. For example, auto body stamping imports from Taiwan jumped from $35,000 in 1978 to nearly $35 million in 1987, according to the U.S. Department of Commerce.

Quality testing of non-genuine crash parts by Ford and other vehicle makers has shown consistent problems with fit, finish, structural integrity and corrosion protection, according to Myers.

The automakers also emphasize that non-genuine crash parts are not covered under their new-vehicle warranties. Also, warranties are nullified for other genuine parts that are damaged as the result of the installation of non-genuine crash part.

Ford's campaign reflects the attitudes of other automakers.

General Motors graphically points out the differences between genuine GM and non-genuine replacement parts in a brochure available at GM dealerships.

In a brochure available at Chrysler Motors dealerships, Chrysler emphasizes the difference between genuine and non-genuine parts and the customer's right to specify genuine parts. Most non-genuine parts, Chrysler said, require extensive rework in order to make them fit.

"A part that doesn't fit right," said Frank Alexander, product manager for for sales and marketing at GM service parts operations, "not only looks bad but also can cause wind noise, water leaks and damage to other parts of the vehicle — damage that won't be covered by the new vehicle warranty. We believe the consumers have a right to know that."

On its side of the debate, the insurance industry notes that one way insurers are trying to reduce auto insurance costs is by advocating the sale of competitive replacement parts made by independent manufacturers.

The Alliance of American Insurers in Schaumburg, Ill., which represents some 165 insurance companies, recently conducted a study that showed a 1988 Buick Skylark Custom coupe valued at approximately $12,500 would cost more than $40,300 to rebuild using genuine replacement parts.

The repair figure,the Alliance said, does not include the cost of labor which can range from $15 to $60 per hour.

Rodger S. Lawson, senior vice president of the insurers' alliance, said independently made replacement parts save money because they cost less than genuine parts, and the competition drives down the cost of genuine parts.

For example, the insurers' alliance noted that a 1988 Pontiac Grand Am hood cost $210 from the original manufacturer and $188 from an independent maker, while the fender of a 1988 Mazda B200 sells for $198 from the OEM and $150 from the independent.

"The effect of competition can be seen in examples such as a 1983 Dodge Aries fender, which the OEM sold for $221 in 1983," the alliance said. "By 1986, the same fender was down to $87."

The insurance industry also takes issue with some automakers' contentions that using parts from suppliers other than OEMs may mean that the car no longer meets several federal motor vehicle safety standards.

Insurance Institute for Highway Safety specialists say that is not the case because with the exception of the hood, the cosmetic parts used to repair cars are irrelevant to safety. Parts like fenders, door panels and grilles cover the car like skin; they serve no structural or safety function, the specialists say.

The automakers and insurance industry will continue to debate the merits of genuine and non-genuine crash parts.

In all likelihood, the issue will be decided in state legislatures and the U.S. Congress where the automakers — the Big 3 plus several Japanese firms — are pushing legislation to require disclosure of the use of non-genuine sheet metal to the consumer before repairs are made. Twenty states already have enacted disclosure legislation and several more are considering it.

Service volume moves upward for June and 1st half

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

Service and parts business in new-car dealerships continued on the plus side in June and for the first half of 1989, according to the Automotive News Service Index.

June's shop volume rose 2.9 percent over the business recorded in June 1988, and volume for the first half was up 2.7 percent.

The Service Index is compiled from figures on parts and service business supplied by a cross-section of the nation's dealerships.

All indicators in the index, except repair orders written, gained in June and the first half.

Repair orders dipped 3.6 percent in June from the year-ago month and 2.4 percent for six months.

Still, gross profit on all labor, parts and accessories sales was up 2.0 percent for June and 3.8 percent for the six-month period.

Total labor sales (customer-paid and warranty) were up 6.0 percent for the month and 3.7 percent for the first half, while shop parts sales (customer-paid and warranty) rose 2.2 percent in June over the year-ago figure and 2.9 percent for the January-June period.

June sales of all parts and accessories were up 1.8 percent, while year-to-date sales increased 1.4 percent.

SERVICE INDEX
102.9★

	June '89 vs. June '88	Jan.-June '89 vs. Jan.-June '88
Gross Profit on All Labor and P&A Sales	+2.0%	+3.8%
Repair Orders Written	−3.6%	−2.4%
Total Labor Sales (Customer & Warranty)	+6.0%	+3.7%
Shop Parts Sales (Customer & Warranty)	+2.2%	+2.9%
Sales of All P&A...........	+1.8%	+1.4%

★ Survey by Automotive News shows that dealers' service and parts business in June 1989 was 102.9 percent of business in June 1988. Service business in the first 6 months of 1989 was 102.7 percent of business in the corresponding period in 1988.

U.S. parts makers increase share of import aftermarket

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

Domestic parts manufacturers continue to expand their share of the aftermarket for import nameplates, and they indicate sales could be better, according to a survey by Easton Consultants of Hopkinton, Mass.

The firm's fifth biennial survey revealed that U.S. parts makers recorded an average sales growth of 15.5 percent per year in import parts from 1984 to 1988.

Henry P. Allessio, a partner in the management consulting company, said sales of repair parts grew more than twice as fast as sales of maintenance parts.

The traditional channel of parts distribution — from parts makers to full-service warehouse distributors to local jobbers to independent repair shops — is the largest channel of import vehicle parts sales, according to Allessio.

"These traditional customers are supported mainly by domestic parts manufacturers and, to a lesser degree, by full-line parts importers/distributors," Allessio said.

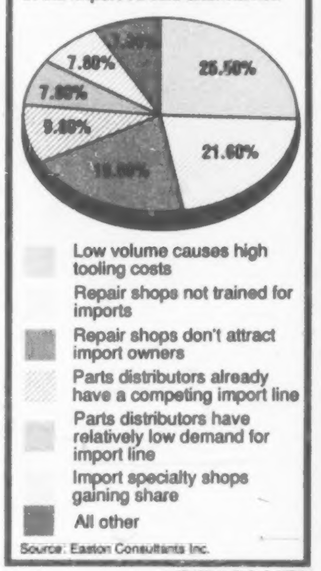
"Despite the strong sales growth of import vehicle parts by domestic makers in the traditional channel," he said, "the manufacturers cited several factors that were keeping them from gaining even more market share. The reasons are both supply- and demand-driven."

According to manufacturer respondents, the single greatest reason for not gaining bigger market share is the average low overall volume per import part, which makes tooling more expensive.

Other major reasons listed include parts manufacturers' perception that owners of import vehicles don't use the traditional service outlets and the lack of training in repairing import vehicles among traditional repair outlets.

Parts

Why domestic parts manufacturers feel they aren't gaining more share of the import vehicle aftermarket.



Source: Easton Consultants Inc.

AUTOMOTIVE NEWS / E. BEEVER

SERVICE BRIEFS

Ziebart buys Tidy Car

TROY, Mich. — Ziebart International Corp. has purchased Tidy Car's franchise system of 275 automotive detailing outlets for an undisclosed sum.

Renamed Tidy Car International, the new wholly owned Ziebart subsidiary, will be assigned the Tidy Car franchise agreements for 140 outlets in the United States and master franchise agreements for another 135 outlets in Canada, Europe, the Caribbean and Pacific Rim countries.

The purchase of Tidy Car, along with the earlier acquisition of the Tuff-Kote Dinol franchise system, expands the number of Ziebart franchised car-care dealers worldwide to 975.

RVIA training slated

RESTON, Va. — Two training programs for dealer technicians have been scheduled by the Recreation Vehicle Industry Association.

Set for Oct. 2-6 in Orlando, Fla., and Nov. 6-10 in South Bend, Ind., the week-long Trouble Shooter Clinics will cover repair techniques on RV appliances and components. Each class is limited to 200 registrants and costs $200.

Electronic parts catalog

PORTLAND, Ore. — Freightliner Corp. has come up with an electronic parts catalog system to help its dealers with parts identification, inventory and ordering.

The system, called PartsPro, is said to reduce by as much as 60 percent the time required to find parts by dealership parts and service personnel.

PartsPro includes a display monitor, personal computer and compact disc reader. The system covers all Freightliners manufactured since 1978.

STP service center

DANBURY, Conn. — First Brands Corp., marketer of STP, Prestone and Simoniz automotive products, has entered the $25 billion automotive service market through a new subsidiary, STP Consumer Services.

The subsidiary's four STP Service Plus centers in Atlanta will serve as test sites before national expansion. All will offer STP's quick lube service and Prestone's cooling system flush and fill. One test center will also have a Simoniz full-service car wash.

Ronald A. Artzer, president of STP Consumer Services, said the firm also plans to roll out STP Super Service centers that will offer quick lubes, car washes and car-care services along with full-service gasoline sales by early 1990.

During the next five years, the company hopes to open 50 to 100 STP Service Plus centers and estimates sales in excess of $100 million. Although the initial centers will be company owned, a spokesman did not rule out a franchised network of centers.

Center customers will receive an STP Pit Pass, a computer database card that stores each customer's service history.

GM, Chrysler expect major export gains

By Al Fleming
AUTOMOTIVE NEWS STAFF REPORTER

TRAVERSE CITY, Mich. — The Big 3 have widely varying expectations for vehicle exports as they head into 1990.

General Motors, Ford Motor Co. and Chrysler Motors will ship an estimated 180,000 to 195,000 vehicles to foreign markets this year.

GM's expectations alone could boost the total an additional 30,000 to 40,000 units in 1990.

Looking further out, Chrysler sees its exports spiraling upward in the next decade. Ford's aspirations are less bullish than those of its two major competitors.

Chrysler, which launched exports to Europe this year, expects to ship 50,000 vehicles there in calendar 1989, plus another 25,000 to 30,000 to other parts of the world, for a total of 75,000 to 80,000. Gerald Greenwald, Chrysler Corp. vice chairman, estimates the annual total will grow to 100,000 in three to five years and to 200,000 in five to eight years.

Because of its aggressive posture as a global manufacturer, Ford is taking a more casual approach as an exporter of U.S. vehicles. Ford exported 41,000 in 1988 and expects to ship 45,000 this year.

Said Philip E. Benton Jr., president of Ford's automotive group: "I don't think of exports as a big deal. An export is a hesitation, while we get geared up to produce in a local market."

Ford is intent on building global design and manufacturing centers of expertise. Under Ford's strategy, individual operations have been tapped to develop products for major markets worldwide.

Benton said that by committing money and people to design and engineer a product at a designated "center of responsibility," Ford realizes "enormous potential" for lower costs and improved quality.

Lloyd E. Reuss, GM executive vice president, said the company's exports "should be in the 60,000 to 70,000 range" this year, and 100,000 in the 1990 model year.

He said in anticipation of long-range growth in exports, GM has been reorganizing and strengthening its export operations.

"We used to treat the export vehicle as sort of an add-on," Reuss said. "Now, we're designing products for export and doing the work here, rather than sending vehicles to Germany or Japan for major rework."

In comparing GM's international approach to Ford's assigning world-vehicle design responsibilities to designated areas, Reuss said: "We are not taking the Ford approach. We are working the other way. We think it's very important to have our creative people in the market where they are designing and producing the product."

Reuss, Benton and Greenwald were speakers at the University of Michigan Management Briefing Seminar here.

DOMESTIC SALES

CARS

	August 1-10, 1989	August 1-10, 1988
Eagle	1,775	881
Chrysler	3,505	5,318
Plymouth	9,023	7,264
Dodge	11,212	10,724
Chrysler Motors	25,515	24,167
Ford	40,530	37,110
Mercury	15,637	11,951
Lincoln	5,263	3,178
Ford Motor Co.	61,430	52,239
Buick	14,319	12,836
Cadillac	6,693	6,391
Chevrolet	32,404	35,099
Oldsmobile	15,415	18,134
Pontiac	15,479	14,217
General Motors	84,310	86,676
Honda	9,002	9,531
Mazda	789	709
Mitsubishi	1,094	—
Nissan	2,943	2,961
Toyota	5,218	862
U.S. Car Total	190,301	177,145

TRUCKS

	August 1-10, 1989	August 1-10, 1988
Chrysler	75	0
Dodge	12,036	11,772
Jeep	6,950	4,912
Plymouth	4,302	3,786
Chrysler Motors	23,363	20,470
Ford Motor Co.	35,685	33,943
Chevrolet	41,209	37,571
GMC	10,089	9,193
General Motors	51,298	46,764
Nissan	3,503	3,058
U.S. Truck Total	113,849	104,235
U.S. Car-Truck Total	304,150	281,380

Sales climb on hints of price hikes

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Sales of U.S.-built cars and light trucks climbed 8.09 percent in early August as many dealers began to alert customers to price hikes on 1990 models. Also, rebates were in full force.

In the Aug. 1-10 period, deliveries of U.S.-built vehicles totaled 304,150, up from 281,380 last year. Both periods had nine selling days.

The eight U.S. carmakers sold 190,301 domestic autos, up 7.43 percent from 177,145 in early August 1988. Only Ford Motor Co., Chrysler Motors, Toyota and Mazda reported year-to-year gains.

Light-truck sales advanced to 113,849, up 9.22 percent from 104,235 last year. The four domestic light-truck makers reported sales gains of 5.13 to 14.55 percent.

In early August, dealers said, they cashed in on customer concerns about price rises. "We let customers know there is a price increase coming, especially in the van line," said Greg Miciotto, new-car sales manager at Bill Hanna Ford in Shreveport, La.

Customer awareness of price hikes helped sales but "we're getting a very tough buyer. He's not concerned if you make a nickel," said John Schroder, general manager of Hansen Chrysler-Plymouth in Nashville, Tenn.

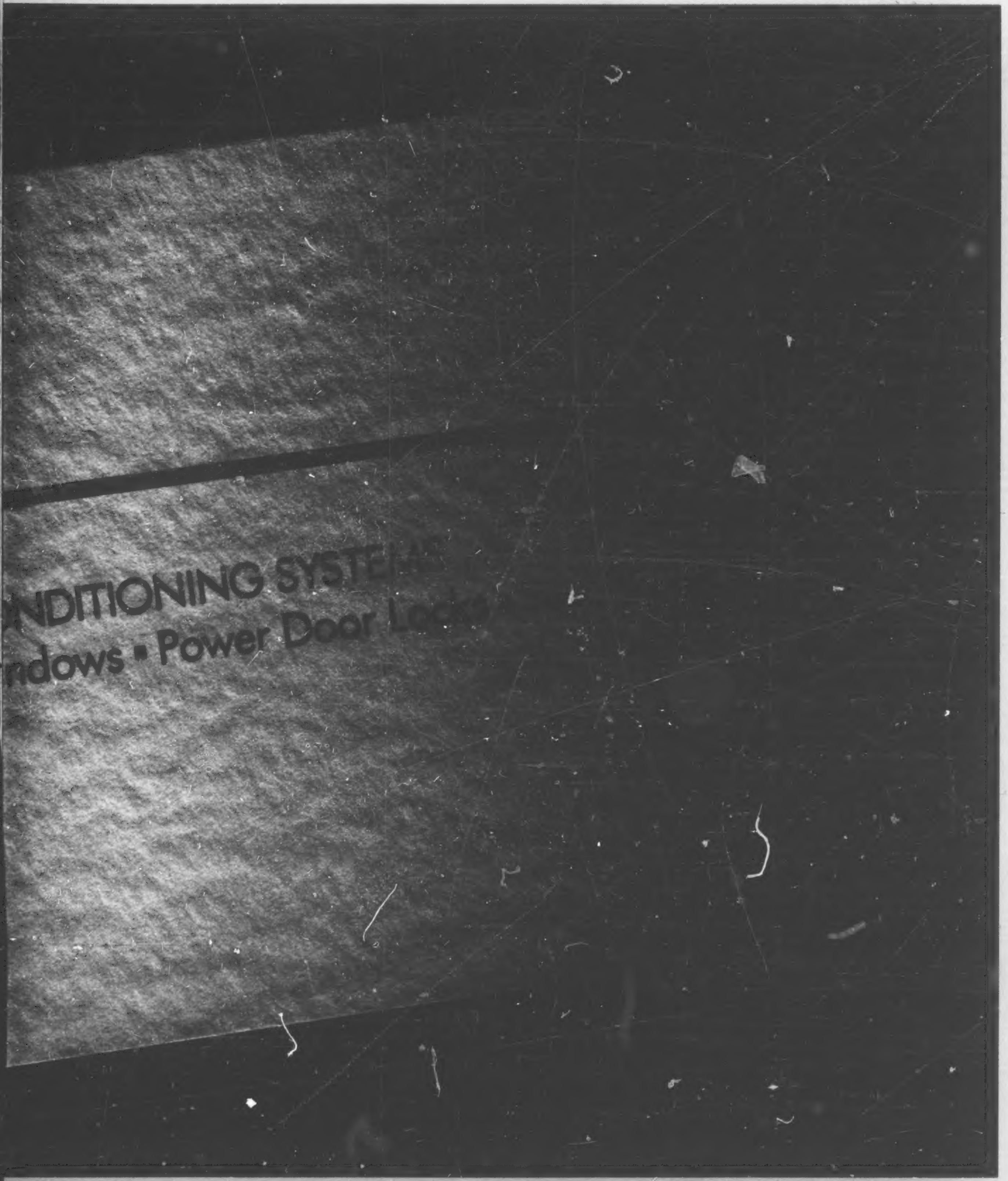
Ford reported the biggest gain in car sales; it sold 17.59 percent more cars in early August than it did last year. Thunderbird, Cougar and Probe were star performers.

While GM showed a 2.73 percent loss, Cadillac, Buick and Pontiac posted increases.

Chrysler boosted its car deliveries by 5.55 percent. Sundance/Shadow sales rose 38.65 percent.

Among the transplants, Toyota sold six times as many U.S.-built cars as it did last year. Mazda delivered 11.28 percent more MX-6s.

Nissan sold 18 fewer U.S.-made Sentras than it sold in early August last year.



Europe's sales boom slows down in July

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — New-car sales growth in Western Europe stalled in July following a 5 percent rise in June.

The lackluster 0.4 percent increase in 17 Western European countries during July — the second flat month of the last three — is further evidence that a long-expected decline in European sales may be at hand.

But sales for the first seven months of the year remained 5.6 percent ahead of 1988, which brought a full-year record of just under 13 million units. Most analysts believe a 13-million-plus year is all but assured for 1989.

European sales totaled 8,293,200 units through July, up from 7,856,800 last year, according to industry estimates compiled by Automotive News.

July sales were 1,007,700, compared to 1,003,400 in 1988.

Fiat Group, including the Fiat, Alfa Romeo and Lancia brands, remained the volume leader, with sales of 1,293,700 for seven months — a 15.6 percent market share and a 6.1 percent rise in volume.

The Italian group's July sales rose 0.8 percent to 170,500. The Fiat brand fell 2.2 percent to 122,000 for the month, while Alfa increased 10.7 percent to 22,200 and Lancia was up 8 percent to 26,300.

Second-place Volkswagen Group, Europe's sales leader for the past four years, continued to narrow the gap between itself and Fiat. The German group boosted sales 13.9 percent in July to 183,000 — outselling Fiat by 12,500 cars.

In the first seven months, VW group sales, including VW, Audi and Seat, rose 7.8 percent to 1,255,300, a 15.1 percent market share.

The market share increase for Peugeot SA — Europe's fastest-growing carmaker during the past two years — has slowed as a result of capacity constraints. Its Peugeot and Citroen brand sales dipped 1.2 percent in July to 128,800 units. For the year-to-date, sales rose 7.5 percent to 1,074,100, good for a 13 percent market share.

Ford continues to hold a narrow, but diminishing, lead over General Motors for fourth place. In July, GM outsold Ford by 7,600 cars. GM sales for the month rose 0.1 percent to 102,200, while Ford dropped 4.6 percent to 94,600.

Ford sales totaled 929,600 after seven months, an 11.2 percent share and a 5.9 percent increase over last year. GM stood at 905,200 — a 10.9 percent share and an 8.7 percent hike in volume.

Renault sales improved 5.9 percent through July to 851,200, a 10.3 percent share. July sales rose 5.7 percent to 118,500.

Among Europe's specialty makers, Mercedes-Benz sales dropped 4.7 percent through July to 262,600, a 3.2 percent share.

Meanwhile, BMW and Nissan both edged past Austin Rover in the year-to-date compilations during July. BMW's share was 2.9 percent after seven months following a 15 percent jump in sales to 243,300 units. Nissan's sales were 237,100 through July, an 8.3 percent increase and a 2.9 percent share.

NEW-CAR SALES BY COUNTRY IN EUROPE

Country	7 mos., 1989	Percent gain/loss
West Germany	1,763,700	+ 2.9
Italy	1,561,900	+ 9.2
France	1,347,800	+ 6.9
United Kingdom	1,247,500	+ 7.7
Spain	717,000	+10.3
Netherlands	347,900	+ 0.4
Belgium-Luxembourg	306,000	− 2.3
Switzerland	222,300	+ 6.9
Sweden	182,700	− 9.0
Austria	181,800	+11.8
Portugal	119,200	− 0.8
Finland	115,000	+ 5.5
Ireland	56,700	+27.3
Denmark	50,900	−15.5
Greece	41,000	+21.2
Norway	31,800	−28.7
Total	8,293,200	+ 5.6

Austin Rover's sales have dropped 5.7 percent for the year to 234,900, 2.8 percent of the market,

Toyota is off 2.5 percent for the year to 202,500, a 2.4 percent market penetration. Volvo is down 0.4 percent to 159,100, a 1.9 percent share. Mazda is down 7.8 percent to 139,200, equal to a 1.7 percent share. Mitsubishi is up 9.9 percent through July to 100,800, a 1.2 percent share, and Honda slipped 5 percent to 81,800, or 1 percent of the European market.

Combined Japanese sales through the first seven months rose 1 percent to 872,800, a 10.5 percent market share, following an 11.2 percent share for the Japanese during 1988 in Western Europe.

All four major European national markets improved in the first seven months, though both West Germany and the United Kingdom were down in July.

West Germany, Europe's biggest market slipped 1.5 percent in July to 232,000 units. But for seven months, Germany was 2.9 percent ahead of 1988 with 1,763,700 sales. Last year was the country's second best ever with a full-year total of 2.8 million sales, the country's second best year ever.

Italy was 9.2 percent ahead of last year at 1,561,900 units through seven months. July sales were 3.5 percent above the same month last year at 210,000.

France was 6.9 percent ahead of 1988 at 1,347,800. In July, French sales totaled 221,000, a 5.3 percent increase over last year.

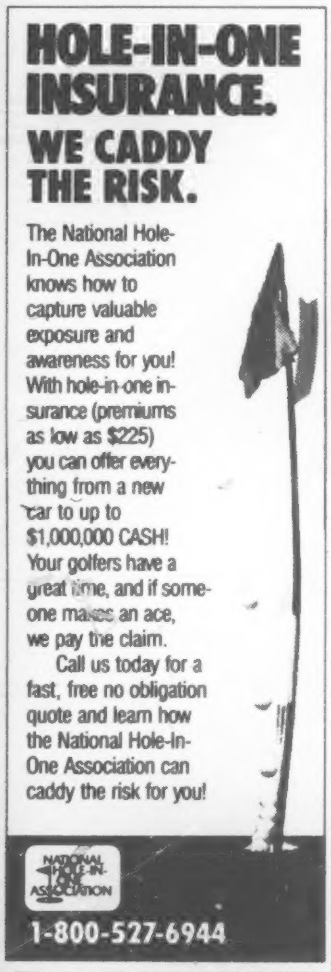
United Kingdom sales dropped 4.5 percent in July to 51,100, but were up 7.7 percent for the year to date at 1,247,500.

Spanish sales continued to rise in July, climbing 6.5 percent to 114,000. Through seven months, Spain was 10.3 percent ahead of last year with 717,000. For all of 1988, Spanish sales set a record of 1.06 million.

EUROPEAN SALES

Manufacturer	7 Mos. 1989	1989 share*	7 mos. 1988	Volume Change '89 vs '88
Fiat Group*	1,293,700	15.6	1,219,400	+ 6.1
VW-Audi-Seat	1,255,300	15.1	1,164,400	+ 7.8
PSA**	1,074,100	13.0	999,100	+ 7.5
Ford	929,600	11.2	877,500	+ 5.9
General Motors***	905,200	10.9	832,700	+ 8.7
Renault	851,200	10.3	803,500	+ 5.9
Mercedes-Benz	262,600	3.2	275,700	− 4.7
BMW	243,300	2.9	211,500	+15.0
Nissan	237,100	2.9	219,000	+ 8.3
Austin Rover	234,900	2.8	249,200	− 5.7
Toyota	202,500	2.4	207,700	− 2.5
Volvo	159,100	1.9	159,700	− 0.4
Mazda	139,200	1.7	150,900	− 7.8
Mitsubishi	100,800	1.2	91,700	+ 9.9
Honda	81,800	1.0	86,100	− 5.0
Others	322,800	3.9	308,700	+ 3.9
Total	8,293,200	100.0	7,858,800	+ 5.6

*Doesn't add to 100 because of rounding
**Includes Alfa Romeo
***Peugeot, Citroen, Talbot
****Opel, Vauxhall, GM-U.S. Canada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All-Italian IATO sport utility drives into European market

By Luca Ciferri
STAFF CORRESPONDENT

MILAN, Italy — One month after the press introduction of Bertone's Freeclimber, a sport-utility using a Daihatsu chassis and body mated to a BMW turbodiesel, a firm called IATO has announced an all-Italian competitor.

IATO was established in 1985 with the aim of designing, engineering and producing a brand new sport-utility vehicle created by the company's owner, businessman Francesco Cavallini.

To design and develop the new vehicle, he hired two engineers from Piaggio, Danilo Fabbrizzi for structural analysis and Vasco Antichi for body engineering.

Cavallini said the total investment of 13 billion lira ($9.2 million) is being kept to a minimum by using a traditional steel chassis with a fiberglass body and engines from Fiat. The four-cylinder powerplants include a 100-horsepower 1.6-liter unit, a 90-hp 2-liter version and an 86-hp turbodiesel from the Tipo line.

As a plant site, IATO chose Nusco, south of Naples, a small, agricultural village. The Italian government will reimburse 75 percent of the total investment since the zone is considered depressed since a 1982 earthquake.

IATO has begun pilot production and will assemble 50 units this month. European sales are expected to begin next month through the Organizzazione Graziella network, based in Turin.

IATO will cost $22,364 to $24,140.

Of the 3,400 vehicles slated for annual production, 1,400 will be exported to other markets on the Continent. The first contracts are for France and Spain. Exports to Portugal and Greece will follow soon, but Germany and Switzerland must wait for a version with a catalytic converter. There are no plans now for a right-hand-drive model or U.S. exports.

The front-wheel-drive vehicle will be priced at 31.5 to 34 million lira ($22,364 to $24,140). That is higher than its Japanese competitors, although it does carry more standard equipment including air conditioning and power windows. IATO will be built in a three-door five-passenger configuration with a pickup scheduled to be added in 1990 and a five-door in 1991.

S. African car buyers wait as labor woes hit makers

By Des Kilalea
SPECIAL CORRESPONDENT

JOHANNESBURG — Labor problems are disrupting the South African automotive industry at a time when there are waiting lists for many models of new cars.

During the past three weeks, strikes and lockouts at the plants of market leaders Volkswagen, Toyota and Samcor (which makes Ford, Mazda and Mitsubishi vehicles) have involved more than 13,000 workers and prompted Toyota to fire 3,600 assembly line workers last week.

The problems revolve around the call by the National Union of Metalworkers of South Africa, which represents most non-white auto workers, for wages and working conditions to be negotiated industrywide rather than on a plant-by-plant basis. Manufacturers, generally, have resisted the demand.

Negotiations broke down and the walkouts began. The stoppages have closed four plants for more than a week and waiting lists at dealerships are growing longer. The factories affected are Toyota's plant in Durban; VW's plant in Port Elizabeth; and Samcor's facilities in Port Elizabeth and near Pretoria.

Because of the stoppages, Toyota and VW have withdrawn from the wage negotiations. Both have said they will not resume talks until the workers return and plants are operating again.

The labor problems at the plants will hurt new-vehicle sales this year. Toyota, Volkswagen and Samcor account for about 60 percent of passenger-car Toyota and Samcor have a sizable portion of the pick-up market; Toyota and VW are forces in the minibus market; and Toyota is also a big producer of medium and heavy commercial vehicles.

Brand Pretorius, Toyota marketing director, expects current waiting lists of a week to 10 days to be lengthened slightly, but he said Toyota will try to make up lost production. A spokesman said VW had a backlog of three to six weeks on most vehicles before the walkout.

Toyota has lost production of 420 units a day, Samcor around 250 and VW about 300. A week's stoppage means a production loss of nearly 7,000 vehicles. Pretorius said Toyota dealer stocks are low, so the impact on sales will be immediate.

Toyota and VW have indicated willingness to reinstate workers and rejoin the talks if production resumes. But Delta Motor Co., which makes General Motors and Isuzu products, is taking legal action. The company, which was not a party to the talks, considers efforts to force a national wage agreement unconstitutional in terms of the industrial council and Automobile Manufacturers Employers Organization rules.

"We are not going to be railroaded into a relationship that we consider undesirable," said George Stegmann, a Delta director.

The parties are still far apart. The union is not believed to have revised its opening demand for a 6.58 rand ($2.40) per hour minimum with quarterly adjustments for inflation. But it has dropped its demand for an across-the-board 2 rand (73 cents) per hour increase to 1.50 rand (55 cents). Employers are apparently offering a 5.50 rand ($2) minimum.

Hot Acura holds pace toward 1990

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

GARDENA, Calif. — Acura's high-dollar NS-X sports car is on track for a mid-1990 introduction.

The small assembly plant that will build the low-volume NS-X will open early next year in Tochigi, Japan, a company spokesman said. The car will debut in the United States with an annual supply of about 3,000 units and also will be sold in Europe and Japan.

The mid-engined two-seater will be priced at $50,000 to $60,000 and will introduce some engine valve technology.

An all-new 3-liter, naturally aspirated V-6 exclusive to the NS-X will have the first application of Honda's V-Tec technology, variable valve timing and lift control.

Not only will the timing of the opening and closing of the two intake and two exhaust valves on each cylinder vary by engine speed and load, but so will the amount of lift, or how far each valve opens.

That added amount of control over the breathing is largely responsible for the engine's high power output. Without turbocharging, the 3-liter is rated at 270 horsepower, or 90 horsepower per liter of displacement.

V-Tec technology and the 270-hp rating are slowly quieting speculation among Honda watchers that the company will substitute a more exotic engine, perhaps a V-10 derived from Honda's Formula One racing program, before the NS-X is introduced.

"I thought that a car priced at $50,000 to $60,000 and especially from a division of Honda would have a more exotic engine," said Christopher Cedergren, an automotive analyst at J.D. Power and Associates, Agoura Hills, Calif. "They might surprise us yet, but the chances are very small. It may just be wishful thinking on my part."

Cedergren still expects Acura to introduce next spring a compact-sized car based on the new-for-1990 Honda Accord platform that will fit between the Acura Integra and Legend and plug the price gap between those two models.

In the fall of 1990, Acura is scheduled to unveil a new Legend.

IMPORT CAR SALES BY MODEL

	July 1989	July 1988	7 Mos., 1989	7 Mos., 1988
ACURA	12,765	11,064	83,825	72,367
Integra	8,099	5,521	47,762	33,650
Legend	4,666	5,543	36,063	38,717
ALFA ROMEO	225	339	1,928	3,047
Milano	55	147	709	1,521
Spider	170	192	1,219	1,526
AUDI	2,658	1,648	11,968	13,381
4000	2	24	89	402
5000	24	795	272	5,924
80	416	401	2,856	3,480
90	559	334	3,111	3,401
V8 Quattro	198	0	247	0
Coupe Quattro	78	0	78	0
100/200	1,115	71	4,129	71
100/200 Quattro	266	23	1,186	23
BMW	5,018	5,913	39,867	40,699
3-Series	2,632	2,538	19,741	21,881
5-Series	1,415	1,631	12,256	8,659
635 CSi	130	192	964	1,069
7-Series	752	1,338	5,711	7,473
M3	57	125	637	1,064
M5	11	40	242	234
M6	21	49	316	319
CHEVROLET/GEO	10,287	10,493	67,705	74,840
Spectrum	3,882	6,135	34,077	46,869
Metro	6,405	4,358	33,628	27,971
CHRYSLER MOTORS	7,230	8,800	64,214	78,191
Colt	4,045	5,706	35,683	50,815
Conquest	475	1,001	3,846	6,680
Medallion	95	459	3,575	9,027
Summit	1,356	0	12,041	0
Vista	1,075	1,634	8,176	11,669
TC	184	0	893	0
DAIHATSU	1,215	1,120	8,042	6,393
FORD Festiva	7,001	5,854	43,427	41,123
HONDA	26,442	23,978	142,222	145,240
Civic/CRX	4,629	6,595	36,227	66,650
Accord	17,403	12,548	77,941	48,684
Prelude	4,410	4,835	28,054	29,906
HYUNDAI	13,598	18,160	111,888	166,653
Excel	10,413	18,160	96,882	166,653
Sonata	3,185	0	15,006	0
ISUZU	1,861	2,590	11,454	14,185
I-Mark	1,335	1,687	8,022	9,265
Impulse	526	903	3,432	4,920
JAGUAR	1,472	1,539	10,837	11,436
XJ6	1,168	1,208	8,288	8,680
XJS	304	331	2,549	2,756
MASERATI	17	50	180	560
MAZDA	21,258	19,078	129,549	135,224
323	4,697	7,821	43,876	54,838
626	5,747	6,189	33,596	40,065
MX-6	89	359	2,059	6,294
Miata	4,105	0	5,861	0
929	1,605	2,383	12,181	15,550
RX-7	1,199	2,326	10,790	18,477
MPV	3,816	0	21,186	0
MERCEDES BENZ	6,403	6,880	42,668	50,946
190	1,439	1,854	8,153	10,856
260E	536	467	2,783	4,329
300	1,584	1,498	12,637	13,025
300 SE	602	605	3,944	2,236
300SDL Turbo	1	1	2	88
300SEL	330	240	2,346	3,603
420SEL	595	512	3,798	5,212
560SEL	401	411	2,868	3,149
560SL	736	993	4,826	7,067
560SEC	91	118	835	943
Tourist	88	181	476	438
MERKUR	1,076	1,976	5,570	8,382
XR4Ti	470	470	3,153	3,037
Scorpio	606	1,506	2,417	5,345
MITSUBISHI	5,182	5,940	42,718	40,980
Starion	30	171	578	1,966
Cordia	13	293	352	3,634
Tredia	0	19	10	434
Mirage	1,504	1,296	10,887	7,075
Galant	2,490	2,132	19,197	11,033
Precis	984	1,504	10,557	13,013
Van/Wagon	161	523	1,137	3,795
NISSAN	33,014	27,246	245,855	215,682
Sentra	8,990	10,686	74,359	84,354
Pulsar	2,348	4,220	16,402	31,092
Stanza	3,367	2,417	27,334	29,542
Axxess	1,095	0	3,496	0
Maxima	8,787	5,413	62,906	42,152
240SX/200SX	5,420	2,726	43,837	12,838
300ZX	2,757	1,561	15,510	13,256
Hawaii	250	223	2,009	2,448
PEUGEOT	515	534	3,582	4,016
PONTIAC LeMans	5,855	3,727	32,774	36,161
PORSCHE	1,168	1,336	5,722	10,142
924S	9	303	91	1,605
944	143	274	822	2,330
944S	69	23	210	292
944 Turbo	85	120	441	1,144
911 Coupe/Carrera 4	221	253	1,498	2,003
911 Turbo	108	84	826	663
911 Cabriolet/Speedster	477	156	1,326	1,229
928S	56	123	508	876
SAAB	3,636	3,516	19,828	22,857
900	924	560	3,661	3,840
900S	1,183	985	4,606	6,100
900 Turbo	827	899	5,567	5,441
9000S	263	308	1,722	2,015
9000 CD	217	0	1,833	0
9000 Turbo	216	635	2,016	4,849
Tourist	6	129	423	612
STERLING	470	705	3,821	5,652
SUBARU	13,364	11,471	87,088	87,195
Hatchback	98	349	2,097	3,571
3-Door	451	558	6,569	4,832
4-Door Sedan	1,926	2,684	25,043	17,850
Legacy	3,714	0	9,126	0
Loyale	2,545	0	5,700	0
XT/XT6	1,529	1,132	7,632	8,352
Station Wagon	1,166	5,249	18,341	36,769
Justy	1,935	1,499	12,580	15,821
SUZUKI Swift	430	0	3,239	0
TOYOTA	39,899	59,602	278,555	343,060
Corolla	11,538	15,700	68,033	87,403
Tercel	6,619	9,986	54,689	52,572
Celica	4,321	6,462	32,480	38,983
Supra	1,317	1,490	9,674	12,211
Camry	9,651	21,166	79,715	119,312
Cressida	1,438	950	12,066	6,811
Land Cruiser	434	564	3,166	4,443
Van	352	400	2,807	3,466
4Runner SR 5	3,766	2,223	12,513	12,476
MR2	463	661	3,412	5,403
VOLKSWAGEN	10,424	11,831	83,515	85,025
Cabriolet	916	1,230	7,008	8,406
Jetta	3,819	3,471	33,848	33,912
Golf/GTI	2,342	1,999	14,390	1,999
Vanagon	571	494	3,310	3,589
Quantum	9	289	856	1,704
Scirocco	9	357	834	1,947
Fox	2,758	3,991	23,269	33,468
VOLVO	9,173	8,769	62,216	58,390
240 Series	3,834	3,376	25,731	24,870
740 Series	4,154	3,973	27,620	25,672
760 Series	896	1,199	7,394	6,467
780	195	137	1,095	926
Tourist	94	84	376	455
YUGO	1,106	3,448	6,411	19,992
IMPORT TOTAL	242,762	257,609	1,650,769	1,791,840

Volkswagen has reported sales of U.S.-built Golf and GTI models as imports after June 30, 1988.

Compiled by Karen Dettkowski

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IMPORTS

FROM PAGE 3

helped their Japanese importers.

The 1990 Mazda Miata, for instance, constituted 19 percent of Mazda's import sales in July at 4,105 units, even though sales of the new ragtop began in late May.

Mazda's MPV minivan, which was introduced last fall, made up another 18 percent of the monthly figure and 16 percent of sales for seven months. On the strength of those two models, July import sales increased 11 percent for Mazda compared to July 1988. But for the first seven months, Mazda's import sales fell 4 percent to 129,549.

Subaru's Legacy, another 1990 model, made up 28 percent of Subaru sales for July, at 3,714 units out of a company total of 13,364 for the month. Legacy went on sale in April.

Loyale, Subaru's high-volume line of sedans, wagons and three-door hatchbacks that was rebadged and streamlined for April sales, made up another 19 percent of July's total, while sales fell for the older models. Volume of the older station wagons, for instance, fell 78 percent from July 1988.

Subaru's sales for the first seven months of 1989 were virtually even with 1988.

Demand for the new 1990 Acura Integra, which was introduced last spring, helped fuel a 16 percent rise in year-to-date sales for Acura, to 83,825. Counting both old and new models, Integra sales were up 47 percent in July compared to the same month last year, while Legend sales declined 16 percent from a year earlier.

The new Nissan 240SX, which went on sale in December 1988, helped Nissan show a 14 percent increase in import deliveries through July. For the month, Nissan import sales were up 21 percent compared to July 1988. Sales of the 240SX and the 200SX together accounted for about 18 percent of all year-to-date Nissan import sale.

And the 9000-CD, which went on sale in March, helped Saab boost July sales 3 percent compared to July 1988. Seven-month sales were off 13 percent, largely because of a 24 percent decline in 900S sales.

Honda import sales rose 10 percent in July to 26,442, but import sales were off 2 percent for the seven months to 142,222. The company is importing more Accords while the Honda of America Manufacturing plant in Ohio retools for a new Accord model. Meanwhile, the company is making more Civics in the United States, which has cut the number of imports.

Toyota imports fell about 33 percent in July and 18 percent for the seven-month period compared to last year. Corolla and Camry suffered the biggest declines. Import sales of those models dipped as U.S. production increased.

Lotus insists Miata fever won't swamp its $30,000 Elan

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

The head-turning excitement caused by Mazda's MX-5 Miata has raised the stakes in the two-seat roadster game that Lotus will join next spring with the Elan.

Miata, described as a throwback to the rear-wheel-drive, open-top charms exemplified by the old Elan produced from 1962 to 1973, increases the risk in Group Lotus' gambit to add a small front-drive, two-seat, $30,000 "entry-level" vehicle to its U.S. line.

But Lotus Managing Director Michael Kimberley brushes off inevitable comparisons and views the new Mazda as a plus for his car. He says the Miata will form a new base market from which Elan buyers will emerge.

"I don't think there is any comparison at all," he said. "In styling terms, the Miata is really a classic car and our car is uniquely different. A lot of people will want to move up into a Lotus from what is a well-prepared market for two-seat convertibles. And those owners will want to move up into something with more performance and with a lot more charisma. A Lotus is a Lotus.

"I've obviously crawled all over the Miata and it is a very nice little car," said Kimberley. "It's very well executed and very professionally engineered, but it's not a Lotus and it's not an Elan of the '90s. We intend to be a standard-setter not only for visual appearance, but with new technology because of the synergy between our car company and our research and development."

While Kimberley says eventual U.S. sales will be limited to 1,500 to 1,600 Elans per year, some industry observers consider the Elan vulnerable to the Miata, for which Mazda projects annual sales of 40,000. Lotus' aims are modest, but the Cadillac Allante has demonstrated how even low-volume targets can be missed.

The Elan had been expected to debut next month at the Frankfurt auto show in West Germany. But Kimberley now says it will probably bow at the Tokyo and London shows in October and possibly be seen first in the United States at the Detroit and Los Angeles shows in January.

Lotus' new Elan has virtually no rear overhang. HIDDEN IMAGE/HANS G. LEHMANN

The Elan will go on sale first in the United Kingdom and possibly one or two European countries. The U.S. introduction is slated for next spring.

The first pilot models are on the line. Lotus plans to produce 1,500 Elans in the first 12 months on a new line — with 600 to 700 sold in Great Britain. Maximum capacity is 3,000 Elans, achievable in two to three years, with about half going to the United States. "It is slightly lower than the 1,800 I originally planned," Kimberley said.

He said marketing studies suggest Lotus could sell 360 Elans a month in the United States.

"I think it is important for us to make sure we always have far fewer cars than the market is demanding," he said. "When there is overproduction, cars suddenly become less desirable."

Lotus has yet to reveal specifications, including the length of the stubby roadster. But it is reportedly about 143 inches long, compared to the Miata's 155.4 inches.

"It is a small car, but exceedingly well-proportioned," said Kimberley, who is 6 feet 5 and claims to have no problem fitting comfortably into the cockpit.

The Elan will reportedly be powered by a 1.6-liter, 16-valve four-cylinder engine from Isuzu developing 125 to 135 horsepower. Miata also has a 1.6-liter, 16-valve four-cylinder, which produces 116 hp.

Lotus is readying its U.S. dealer network for the Elan launch. Currently, 68 outlets sell about 300 Lotus Esprit units annually. Lotus established a wholly owned U.S. distribution arm in early 1987 and since then has completed a 48 percent turnover in dealers.

"We have our strongest-ever dealer network in the U.S. and that was the objective as we started to build up the network for the Elan," said Kimberley.

He said 16 open points remain throughout the country, though the Northeast region is essentially full.

RAGTOPS

FROM PAGE 1

Softtops have accounted for at least 1 percent of the U.S. auto market since 1986 and will approach 2 percent in 1989, analysts say.

That's a far cry from the 1963 peak of 7 percent, but also a sharp contrast to the 1970s, when convertibles all but vanished.

"We are near the peak of a boom," said analyst Thomas O'Grady of Integrated Automotive Resources.

During the first seven months of 1989, convertibles are up about 11 percent, to 106,573. They have expanded their niche at a time when overall car sales are down 6.4 percent on the year.

The largest volume convertible — Chrysler's LeBaron — is up 25 percent to 29,843 through July. Chrysler General Marketing Manager Clark J. Vitulli predicted more than 50,000 sales for the full year, up 20 percent over 1988.

Vitulli

Ford's Mustang convertible is up 25 percent through the first six months of 1989, to 20,782 units.

Convertible registrations jumped almost 50 percent in 1988 to 160,000 units and sales continue to rise in 1989. In 1982, registrations totalled 43,000 and accounted for 0.5 percent of the new-car market. Last year, convertibles took 1.5 percent of the market and some analysts say penetration could go as high as 2 percent this year.

O'Grady pegged a 1.8 percent share in 1989 and he forecast that convertibles will top 2 percent by 1992. But that is a long way from the 1963 model year, when convertible sales peaked at 7 percent of the new-car market — 542,000 units.

One reason is fuel economy. Convertibles usually carry about a 150-pound weight penalty — a not insignificant proportion of today's lighter weight models. Moreover, aerodynamics tend to suffer.

O'Grady also cited safety considerations and different car-buying tastes as reasons why the golden age of convertibles won't be duplicated.

"The mix might get up to 2¼ percent, but that would be the cap," he said.

Said Joel Pitcoff, research and analysis manager at Ford: "The big difference between now and then was that convertibles were available in almost every single segment."

Today, neither standard-sized models, nor basic U.S. subcompacts — a key droptop segment in Europe — have convertible versions.

"Secondly, the premium was relatively small over a hardtop — in those days a few hundred bucks," said Pitcoff. "The prices today are usually several thousand dollars higher, partly due to higher equipment levels. The economics of trading up have become a lot harder since the heyday."

Carmakers began thinning out convertible offerings in the late 1960s and early 1970s.

The last domestic droptop to drop out was the Cadillac Eldorado in 1977 and there were none built until 1982. The number of imported convertibles also declined. In the 1960s, virtually all two-seater and 2+2 imports were open-top.

Carmakers jumped back into the game following the emergence of a successful aftermarket cottage industry typified by ASC Inc. and Cars and Concepts, now called C&C Inc. ASC and C&C are still at the heart of the convertible business in Detroit. ASC does the Toyota Celica GT 4, Pontiac Sunbird, Chevrolet Cavalier, Camaro RS and IROC-Z V8 and Corvette and the 944 Cabriolet at its new plant in Weinsburg, West Germany. C&C turns out the Ford Mustang and forthcoming Beretta and Cutlass Supreme convertibles.

"When we came back in 1982, people wanted to know why it ever went away," said a Chrysler spokesman. "There was a pent-up demand."

"There has been a boom," said O'Grady. "Though in one sense the market was there, but the product wasn't. But it also has to do with baby boomers at this time of their lives. In their late 20s and early 30s people were more concerned with performance. Convertibles have come a little bit later, giving them some performance and a little taste of their youth."

The Chrysler spokesman said the average age of LeBaron convertible buyers is early 40s. Ford tracks a median age of 33 years for Mustang convertible buyers, only four years older than the Mustang coupe buyer and below the overall industry average.

Mazda's MX-5 Miata roadster introduced this summer has emerged as America's hottest automotive topic. Conventional wisdom is that the Miata may be creating a new segment, or at least reviving the affordable two-seater niche once populated by small, rear-wheel-drive British roadsters. Mazda projects eventual sales of 40,000 cars annually for its Miata.

"The Miata may revive interest in convertibles to the extent that people are attracted to the car, but put off by the kinds of tack-ons dealers are charging," said Ford's Pitcoff. "When the buyers find that dealers want $3,000-$4,000 above sticker, they may decide to take a look at a Mustang or a LeBaron."

Raising the roof: Convertible sales up, new models planned

First 7 months (January-July)

Convertibles	1989 Sales CYTD	1988 Sales CYTD	Percent of change	Converter and location
Alfa Romeo Spider	1,218	1,518	−19.76	
Aston Martin Volante V-8	19	16	+18.75	
Vantage Volante V-8	12	11	+ 9.09	
Bentley Continental V-8	N.A.	N.A.		
BMW 325 I-6	5,281	7,334	−23.00	
Buick Reatta (1991)	—	—		ASC Inc. supplies parts to B-O-C plant in Lansing, Mich.
Cadillac Allante	2,034	2,163	− 5.96	(Italy)
Chevrolet Cavalier	5,844	4,697	+24.42	ASC Inc., West Jackson, Ohio
Chevrolet Camaro RS	3,889	4,000†		ASC Inc., City of Industry, Calif.
IROC Z V-8				ASC Inc., City of Industry, Calif.
Chevrolet Corvette V-8	4,304	4,591	− 6.25	ASC Inc. supplies parts to Bowling Green, Ky.
Chevrolet Beretta (1990)	—	—		Cars & Concepts (C&C Inc.)
Chrysler LeBaron	29,843	23,971	+24.50	Done in-house Chrysler plants
TC by Maserati	893	—		
Dodge Shadow (1990-91)	—	—		ASC Inc., Toluca, Mexico
Ford Mustang	20,782*	16,519*	+25.81	C&C Inc., Brighton, Mich.
Jaguar XJS V-12	1,483	953	+55.61	U.K. (last year done in U.S.)
Maserati Spyder V-6	N.A.	N.A.		
Mazda RX7	3,083	4,619	−33.25	
Miata MX-5	5,861			
Mercedes-Benz 560SL	4,854	7,091	−31.55	
500SL (1990)	—	—		
Oldsmobile Cutlass Supreme (1990)	—	—		C&C Inc.
Pontiac Sunbird GT4	2,028	2,385	−14.97	ASC Inc., West Jackson, Ohio
Porsche 911 turbo	427	259	+64.86	
911 cabriolet	844	1,195	−29.37	
911 speedster	482	—		
944 S2 cabriolet (1990)	—	—		ASC Inc. plant in Heilbronn, Germany
Rolls-Royce Corniche	N.A.	N.A.		
Saab 900 turbo	2,245	1,882	+19.30	ASC Inc., supplies parts to Uusikawpunki, Finland
Toyota Celica GT	4,139	4,211	− 1.71	ASC Inc., Rancho Dominquez, Calif.
Volkswagen Cabriolet	7,008	8,406	−16.63	
Total	106,573	95,821	+11.22	

*Ford Mustang sales are R.L. Polk registrations for 6 months (Jan.-June).
†Estimate N.A. – Not available

GEO

FROM PAGE 1

several Geo models with unusual backdrops and a youthful musical score in the background.

The new, straightforward campaign will use the themeline "Getting to know Geo." It will address Geo's two biggest confusion points: "What is a Geo?" and "Where can I buy a Geo?"

The new campaign will use film footage of young Americans in and around their Geo models. The previous campaign used claymation characters, rear-screen projection and other MTV-like creative executions.

The brand ads will show a collage of different vehicles while talking about what Geo is. Product ads will position each product differently. For instance, the Tracker, a sport-utility vehicle also sold as the Suzuki Sidekick, will be positioned as a fun vehicle. The Geo Metro, also sold as the Suzuki Swift, will be positioned as an economical car.

To show where a Geo can be purchased, Erdman said the new ads will show a Chevrolet dealer sign that will come together with a Geo sign. The previous ads told viewers that the Geo could be purchased through select Chevrolet dealers and gave a toll-free number. The phone number is being dropped for the 1990 model year, said Erdman.

Erdman said the increased national effort will be backed by more advertising dollars from Chevrolet. Advertising Age, a sister trade publication to Automotive News, estimated that Chevrolet spent $30 million to $40 million million on Geo advertising in the 1989 model year.

Chevrolet is also increasing the dealer-profit margins, Erdman said. Dealers had told Automotive News that profit margins on Geo models are as low as $200. Some dealers had joked that margins were so low on Geo models that Geo letters were the initials for "Gross Equals Zero."

In addition to changing its creative approach, Chevrolet is also changing its Geo agency assignments.

Vic Olesen & Partners in Culver City, Calif., Chevrolet's advertising agency for the West Coast, will no longer handle national advertising for Geo on the West Coast. All national advertising for Geo will be created and handled by Lintas:Campbell-Ewald in Warren, Mich..

When Chevrolet hired Vic Olesen and Partners five years ago to create advertising for import-oriented West Coast consumers, it irked its long-time agency Campbell-Ewald. Last year, both Campbell-Ewald and Olesen created national Geo spots that ran in all parts of the country.

"It was not a decision made to pit agency against agency," said Erdman, who added that Olesen has been told to concentrate on finding niche markets for Chevrolet's domestic vehicles such as S-10 Blazer and Beretta.

Dealers are welcoming the change, Erdman said.

At the division's recent meeting with Chevrolet dealers in the South, dealers applauded when the new Geo strategy and advertising campaign were presented, Erdman said.

SUBARU

FROM PAGE 6

"Historically, Subaru station wagons have outsold four-doors three to one. With the Legacy, it's more like 50-50," he said.

"Also, we projected the LS luxury version would be about 15 to 20 percent of sales, and it's running more like 30-plus percent. Automatics are running higher than expected, and 4wd is running more than 50 percent. The 4wd four-door is doing better than expected. I think that's partly driven by ABS," which is available as an option on that car, Gibson said.

Gibson said the company might also sell up to 5,000 Legacys to daily rental companies for extra exposure, compared to about 20,000 of Subaru's older cars that were sold to rental fleets last year.

"We don't want to do a huge number and affect resale prices," Gibson said.

Subaru reported an 88-day supply of cars as of Aug. 1, versus 87 days July 1 and 95 days June 1.

CURRY

FROM PAGE 2

tine is a former deputy secretary of transportation,

Lobbyists who have met Curry say he is likely to be tougher than former administrator Diane Steed.

"My first impressions are that we will get more leadership from Curry than Diane Steed," said Brian O'Neill, president of the Insurance Institute for Highway Safety, a safety lobby funded by the insurance industry.

"Diane did not do things until political pressures built up and she was forced to do them. She did not exhibit leadership. Under her leadership, the agency was ducking issues."

O'Neill said he met with Curry and was assured that the agency will move forward with side-impact standards and light-truck safety regulations.

"He comes across as someone who is willing to show some leadership and move forward with safety initiatives that have been languishing within the agency for some time," O'Neill said.

An auto industry lobbyist concurred: "He's the one who will snap the whip to get things done. He's making his rounds and getting his ducks lined up. He will be tough and vigorous."

Curry served as commanding general of the U.S. Army Test and Evaluation Command, which included the nation's largest military test center, the Aberdeen Proving Grounds in Maryland, and the White Sands Missile Range in New Mexico.

After retiring in 1984, Curry became an adviser to television evangelist Pat Robertson's Freedom Council and later was president of the National Perspective, a private non-profit think tank controlled by Robertson.

Jaguar gets finance arm

Marine Midland Automotive Financial Corp., the largest bank-owned auto finance company, has formed a jointly owned captive finance company with Jaguar Cars to provide lease financing. It will be called Jaguar Leasing Corp.

In a separate arrangement under the name Jaguar Credit, Marine will provide "private label" retail and wholesale financing and capital loans to Jaguar dealers and their customers.

Marine will fund and service Jaguar Credit's programs. The joint company will be responsible for funding Jaguar's leasing programs, which Marine will service.

Operating through 13 regional offices nationwide, Marine has captive financing or private label arrangements with Mazda, Porsche, Subaru and Saab-Scania and also does business directly with other dealers. Its auto-related portfolio of managed assets was $7.2 billion at the end of 1988.

Marine Midland Automotive Financial is a subsidiary of Buffalo-based Marine Midland Banks, with assets of $26 billion.

Marine Midland Banks is a wholly owned subsidiary of the Hongkong and Shanghai Banking Corp.

— Louise Kertesz

GE, Mitsubishi set lease program

Mitsubishi Motor Sales of America has entered into an agreement with GE Capital Auto Lease to offer low-cost leases on the Mitsubishi Eclipse, Galant, Sigma and Montero.

The Triple Diamond Leasing program features high residual values, which reduce monthly payments. Terry Paape, GE Capital Auto Lease manager of sales and market development, said a 60-month lease on a Mitsubishi carries a $170 monthly payment, which he called the lowest in the industry.

GE Capital Auto Lease will fund and service the leases in a "private label" program for Mitsubishi Motor Sales.

In 1984, GE Capital Auto Lease and BMW of North America formed a jointly owned captive finance subsidiary, BMW Credit.

— Louise Kertesz

INCENTIVE WATCH

	Customer Incentives						Dealer Incentives	
		Finance Rates (Pct.) — Months —						
	Rebates	24	36	48	60	Expiration Date	Type	Expiration Date
Chrysler Motors								
Chrysler	$500 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15		
Dodge Cars	$300 - $1,500	0.0*	5.9	6.9	10.9	Sept. 15	$500 on Daytona	Sept. 15
Dodge Trucks	$500 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15	$500 on Dakota, full-sized trucks	Sept. 15
Eagle	$1,000 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15		
Jeep	$500 - $1,000	0.0*	5.9	6.9	10.9	Sept. 15		
Plymouth	$300 - $1,500	2.9	5.9	6.9	10.9	Sept. 15		
*2.9 percent on some models								
Ford Motor Co.								
Ford Cars	$500 - $1,500	2.9	6.9	7.9	10.9	None		
Ford Trucks	$300 - $1,000	2.9	6.9	7.9	10.9	None		
Lincoln	$1,000 - $1,500	2.9	6.9	7.9	10.9	None		
Mercury	$1,000 - $1,500	2.9	6.9	7.9	10.9	None		
Merkur	$2,000 - $4,000	2.9	6.9	7.9	10.9	None		
General Motors								
Buick	$500 - $1,500	2.9	5.9	6.9	10.9	None	All GM divisions: Zero to $1,000 per sale based on performance against quota. $150 per sale if dealer elects not to participate in quota program.	Sept. 27
Cadillac	$1,000 - $1,500					Sept. 27		
Chevrolet Cars	$400 - $1,000	2.9	5.9	6.9	10.9	Sept. 27*		
Chevrolet Trucks	$400 - $750	2.9	5.9	6.9	10.9	Sept. 27*		
GMC	$500 - $750	2.9	5.9	6.9	10.9	None		
Oldsmobile	$1,000 - $1,500	2.9	5.9	6.9	10.9	None		
Pontiac	$700 - $1,250	2.9	5.9	6.9	10.9	None		
Cadillac does not have a finance-rate incentive *Chevrolet's rebate program has no expiration date								
Alfa Romeo							$1,000 - $6,000	Aug. 31
Audi							$1,800 - $5,000, some based on quota	Sept. 30
BMW 735i			8.5	9.0	9.5	Aug. 31		
735iL, 750iL			8.5	9.0	9.5	Aug. 31		
Daihatsu							$300 if meet sales quota	Sept. 5
Honda							Up to $500	Aug. 31
Hyundai	$300 - $1,000					Sept. 5	$300 - $600, some based on qouta	Sept. 5
Isuzu Impulse							$2,000	Sept. 5
Other Cars, Trucks							$300 - $1,000, based on quota	Sept. 5
Jaguar	$5,000					Sept. 18		
*To owners of 1986 Jaguar Sedans								
Mitsubishi Cars							$800 - $2,500, based on number sold	Sept. 30
Trucks							$300 - $2,500, based on number sold	Sept. 30
Nissan Cars							$100 - $1,500, based on quota	Sept. 5
Trucks							$100 - $2,000, based on quota	Sept. 5
Peugeot							$1,000 - $2,000	Sept. 16
Porsche							$3,000 - $6,000 on 40 percent of cars sold	Sept. 30
Sterling		4.9	5.9	5.9	6.9	Aug. 31	$1,500 - $2,750	Aug. 31
Subaru	$1,000 - $3,000*					Aug. 31	$1,000 - $3,000*	Sept. 5
*Rebates go to the customer in some regions and to the dealer in other regions								
Toyota Cars							$100 - $2,000, some based on quota	Sept. 5
Trucks							$200 - $2,500, some based on quota	Sept. 5
Volkswagen	$200 - $2,000	4.9	6.9	7.9	9.9	Sept. 4		

PRODUCTION

Auto output up for week; 123,749 built

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

U.S. auto production continued to climb last week as the makers scheduled 123,749 cars, 15.41 percent more than the previous week's 107,225 and 13.31 percent above the year-ago week's 109,208.

Each of those weeks was affected by downtime for changeover.

Last week's estimated production was split as follows: General Motors, 39.35 percent; Ford Motor Co., 27.72 percent; Chrysler Motors, 13.90 percent; Honda of America Manufacturing, 5.79 percent; New United Motor Manufacturing Inc., 3.23 percent; Toyota Motor Manufacturing U.S.A., 3.02 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 2.87 percent; Diamond-Star Motors, 2.08 percent; and Nissan Motor Manufacturing Corp. U.S.A., 2.04 percent.

The Allante line at GM's Detroit-Hamtramck plant is idle for model changeover until Sept. 6. The company's Lakewood, Ga., plant resumed output today after downtime for changeover.

Truck production was scheduled at 76,380 units last week, 2.05 percent below the prior week's 77,977.

GM will continue output "well into 1990" at its Pontiac Central plant in Pontiac, Mich., which had been scheduled to close at year-end, according to a GMC truck and bus group spokesman. When the medium-duty truck line is transferred to Janesville, Wis., the assembly of chassis and frames for special vehicles like school buses and delivery vans will be added.

GM will close three of its light-duty truck plants Aug. 28 for one week to adjust high inventories. The plants are: Moraine, Ohio; Shreveport, La.; and Pontiac West, Pontiac, Mich.

Navistar International shut its Springfield, Ohio, plant last week. Output is expected to resume today; the rate will be reduced 15 percent to 298 vehicles per day.

Mack Trucks plans to build about 45 percent fewer Class 8 vehicles this quarter than in the second quarter.

Ford idled its heavy-duty line in Louisville, Ky., last week due to a lack of dealer orders. Production was slated to resume today.

Recovery mode for Canada cars

Canadian auto output was targeted at 20,058 units last week, 85.07 percent above the 10,838 assembled the previous week when model changeovers slashed the total. Last week's production was 21.11 percent above the year-ago week's 16,562.

Scheduled truck output of 17,054 was 55.79 percent more than the previous week's 10,947 but 9.49 percent below the year-ago week's 18,843.

Slow sales caused Navistar International to close its plant in Chatham, Ontario, last week. The plant is expected to resume output Aug. 28.

Volvo's plant in Halifax, Nova Scotia, resumed output today after a three-week vacation.

U.S. CAR	Week Ended Aug. 19, 1989	Week Ended Aug. 20, 1988	Week Ended Aug. 12, 1989	Aug. to Date	Jan. 1 to Aug. 19, 1989	Jan. 1 to Aug. 20, 1988
Horizon	1,000	0	1,249	3,215	19,783	53,889
Sundance	1,400	392	1,140	2,610	67,188	65,768
Reliant	0	0	0	0	0	56,260
Acclaim	2,800	0	2,465	7,043	78,567	0
Caravelle	0	0	0	0	0	9,087
Gran Fury	0	154	0	0	0	15,308
Total Plymouth	5,200	546	4,854	12,868	165,538	200,312
LeBaron K	0	0	0	0	0	7,912
LeBaron J	2,500	690	1,977	6,132	64,446	47,121
LeBaron GTS	0	0	0	0	2,946	6,005
N. Yorker C-Class	600	1,366	724	1,828	59,721	66,298
Fifth Avenue	1,500	926	1,476	2,976	2,976	17,397
Total Chrysler	4,600	2,982	4,177	10,936	130,089	144,733
Omni	1,000	0	1,131	3,069	21,037	52,602
Daytona	1,700	631	1,286	4,077	52,701	46,103
Shadow	1,400	482	1,085	2,569	64,002	64,552
Aries	0	0	0	0	0	54,570
Dodge 600	0	0	0	0	0	8,549
Dynasty	1,600	1,901	1,663	4,572	88,705	62,911
Lancer	0	0	0	0	1,528	5,808
Spirit	1,700	0	1,527	4,184	65,041	0
Diplomat	0	385	0	0	0	12,911
Total Dodge	7,400	3,399	6,692	18,470	293,014	308,006
CHRYSLER MOTORS	17,200	6,927	15,723	42,274	588,641	653,051
Escort	8,209	9,318	6,525	18,911	202,816	247,738
Mustang	4,523	3,396	4,386	12,296	137,792	127,842
Tempo	2,861	2,145	2,942	8,172	95,046	118,782
Taurus	6,479	7,620	3,984	16,628	231,289	251,944
Thunderbird	2,733	0	2,600	7,112	101,500	90,246
Total Ford Div.	24,805	22,479	20,437	63,119	768,443	836,552
Topaz	1,539	862	1,440	3,885	44,700	44,789
Cougar	2,747	0	2,619	7,121	87,191	69,686
Sable	2,032	2,483	1,402	5,345	74,713	86,152
Total Mercury	6,318	3,345	5,461	16,351	206,604	200,627
Continental	1,054	1,293	1,020	2,929	42,927	28,275
Mark VII	0	647	0	0	13,978	15,269
Lincoln	2,131	1,946	2,110	5,925	80,826	82,440
Total Lincoln	3,185	3,886	3,130	8,854	137,731	125,984
Total L-M Division	9,503	7,231	8,591	25,205	344,335	326,611
FORD MOTOR CO.	34,308	29,710	29,028	88,324	1,112,778	1,163,163
Skyhawk	0	346	0	0	6,913	10,455
Skylark/Somerset	1,079	777	44	1,123	35,996	29,279
Century	2,890	2,739	2,988	7,082	82,083	67,681
Riviera	413	2	47	460	11,808	3,642
Electra	2,040	1,160	1,685	4,868	48,462	54,489
LeSabre (fwd)	3,120	2,570	2,352	5,472	95,479	82,037
LeSabre (rwd)	0	89	0	0	4,102	6,519
Reatta	114	168	50	164	3,304	5,889
Total Buick	9,656	7,851	7,166	19,169	288,147	259,991
Cimarron	0	0	0	0	0	3,693
Eldorado	336	214	40	376	19,479	23,410
Seville	227	108	34	261	14,258	14,488
Brougham (rwd)	565	628	265	830	22,763	19,908
Deville (fwd)	3,845	0	3,742	9,728	126,608	97,287
Allante	9	0	75	147	2,086	1,135
Total Cadillac	4,982	950	4,156	11,342	185,194	159,921
Cavalier	1,793	6,926	4,868	11,731	235,426	229,752
Camaro	330	688	30	360	64,951	54,287
Celebrity	0	3,621	0	0	70,349	115,371
Corsica/Beretta	6,610	9,335	3,953	10,563	239,589	258,505
Caprice	2,570	3,900	1,212	3,782	116,543	133,730
Corvette	0	450	0	266	16,306	14,088
Total Chevrolet	11,303	24,920	10,063	26,702	743,164	805,733
Calais	1,170	1,373	34	1,204	57,685	67,147
Firenza	0	0	0	0	0	5,230
Cutlass Ciera	1,198	198	1,076	2,881	58,574	13,654
Cutlass Supreme	2,465	1,341	1,793	4,258	56,780	92,400
Toronado	44	109	10	54	4,899	10,209
88 (fwd)	2,600	2,971	1,583	4,183	90,087	98,056
88 (rwd)	130	226	48	178	5,243	7,872
Olds 98	1,355	1,014	1,322	3,437	46,604	47,956
Total Oldsmobile	8,962	7,232	5,866	16,205	319,872	342,524
Sunbird	1,193	1,110	440	3,971	92,179	66,445
Grand Am	4,800	3,830	4,305	9,302	153,166	145,701
Firebird	408	482	31	439	35,791	37,613
Grand Prix	3,138	3,677	2,839	5,977	77,763	78,002
Pontiac 6000	1,720	2,130	1,721	4,096	53,073	48,281
Bonneville	2,520	2,255	2,116	6,095	58,140	70,590
Safari/Parisienne	0	117	0	0	2,691	5,192
Fiero	0	191	0	0	0	13,268
Total Pontiac	13,779	13,792	11,452	29,882	472,803	465,092
GENERAL MOTORS	48,682	54,745	38,703	103,300	2,009,180	2,033,261
DIAMOND-STAR	2,573	0	2,479	7,035	39,089	0
HONDA	7,170	7,241	7,602	20,603	241,658	233,588
Civic	1,527	2,572	2,537	6,146	81,800	66,402
Accord	5,643	4,669	5,065	14,458	159,858	167,186
MAZDA†	3,555	4,600	3,438	9,107	128,406	72,106
NISSAN	2,526	2,809	2,347	6,375	74,114	67,487
NUMMI	4,000	3,176	4,216	11,568	131,413	101,496
Corolla	1,600	1,133	1,722	4,715	53,136	37,141
Geo Prizm/Nova	2,400	2,043	2,494	6,853	78,277	64,355
TOYOTA	3,735	0	3,669	10,385	82,441	0
VOLKSWAGEN	0	0	0	0	0	35,595
Golf/GTI	0	0	0	0	0	30,042
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	123,749	109,208	107,225	298,972	4,407,720	4,359,747
Total Cars, Canada	20,058	16,562	10,838	40,971	613,724	688,948
U.S., Canada Cars	143,807	125,770	118,063	339,944	5,021,444	5,048,695
U.S., Canada Cars and Trucks	237,241	218,902	206,987	589,123	8,353,964	8,231,654

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe

CANADIAN CAR	Week Ended Aug. 19, 1989	Week Ended Aug. 20, 1988	Week Ended Aug. 12, 1989	Aug. to Date	Jan. 1 to Aug. 19, 1989	Jan. 1 to Aug. 20, 1988
Premier	1,275	148	1,240	3,359	25,965	38,984
CHRYSLER MOTORS	1,275	148	1,240	3,359	25,965	38,984
Tempo	3,360	3,676	2,492	8,451	81,776	114,795
Topaz	1,440	1,875	1,051	3,587	34,688	42,177
Crown Victoria	2,520	2,313	2,192	6,742	78,125	81,464
Grand Marquis	2,638	2,357	2,167	6,838	83,857	81,843
FORD MOTOR CO.	9,958	10,221	7,902	25,618	278,446	320,279
Celebrity	0	680	0	0	15,231	13,886
Cutlass Ciera	0	2,194	0	0	95,976	158,918
Lumina	5,973	0	0	5,973	87,613	0
Pontiac 6000	0	0	0	0	0	29,675
Regal	482	2,064	0	482	43,944	97,380
GENERAL MOTORS	6,455	4,938	0	6,455	242,764	299,859
HONDA	1,870	1,255	1,317	4,661	52,439	25,438
TOYOTA	500	0	379	879	8,923	0
VOLVO	0	0	0	0	5,187	4,368
Total Cars, Canada	20,058	16,562	10,838	40,971	613,724	688,948*

U.S. TRUCK☆	Week Ended Aug. 19, 1989	Week Ended Aug. 20, 1988	Week Ended Aug. 12, 1989	Aug. to Date	Jan. 1 to Aug. 19, 1989	Jan. 1 to Aug. 20, 1988
Caravan	1,600	1,447	1,554	4,107	66,533	58,540
Dakota	1,900	1,818	1,923	5,118	61,706	66,505
Caravan C/V	50	72	79	141	4,664	8,947
Ram pickups	1,900	1,808	1,929	5,127	61,817	44,893
Total Dodge	5,450	5,145	5,485	14,493	194,720	178,885
Cherokee	4,100	3,921	4,182	11,575	142,122	111,883
Comanche	400	930	472	1,250	18,967	28,422
Grand Wagoneer	300	346	325	877	7,489	8,813
Wagoneer	50	295	66	178	5,317	6,483
Total Jeep	4,850	5,492	5,045	13,879	173,895	155,601
Voyager	1,400	1,405	1,379	3,595	62,533	55,158
Town & Country	100	0	42	142	2,016	0
Total C-P Div.	1,500	1,405	1,421	3,737	64,549	55,158
CHRYSLER MOTORS	11,800	12,042	11,951	32,109	433,164	389,644
Aerostar	3,701	4,390	4,000	10,901	147,195	126,632
Bronco	1,468	635	1,382	3,971	50,119	35,960
Bronco II	2,260	2,813	2,105	6,044	77,833	81,883
Econoline	4,148	4,546	4,153	11,689	149,617	149,413
Heavy trucks	0	1,317	1,118	2,044	39,861	42,609
Light trucks	9,844	8,047	9,079	26,075	340,894	311,481
Ranger	6,108	6,290	5,975	15,298	204,572	224,198
Total Ford Div.	27,529	28,038	27,812	76,003	1,008,091	972,176
FORD MOTOR CO.	27,529	28,038	27,812	76,003	1,008,091	972,176
Astro	2,347	2,991	2,886	7,615	106,475	112,617
Blazer	542	164	535	1,501	18,493	16,812
Mediums/Heavies	370	368	275	861	7,026	13,001
P-Model	0	945	0	0	20,749	25,903
Pickups	8,009	6,484	7,868	21,838	261,856	221,478
S-10	4,972	6,991	5,046	13,909	174,593	192,645
S-10 Blazer	3,827	1,794	3,716	10,659	127,336	105,631
Sportsvan/Van	1,819	1,814	1,721	4,653	63,739	59,892
Suburban	1,461	493	1,394	4,090	51,629	45,009
Total Chevrolet	23,347	22,044	23,441	65,126	828,179	792,988
Jimmy	161	42	161	444	5,471	4,896
Mediums/Heavies	580	716	609	1,727	11,628	25,549
P-Model	0	67	0	0	2,916	3,517
Pickups	2,591	2,013	2,073	6,538	77,921	68,069
S-15	1,166	1,386	1,142	3,258	39,805	42,762
S-15 Jimmy	1,133	560	1,240	3,266	35,640	31,309
Safari	673	798	794	2,085	27,717	26,615
Suburban	649	132	691	1,744	20,220	19,836
Vandura/Rally Vans	643	564	600	2,109	18,000	22,798
Total GMC	7,596	6,278	7,310	21,172	233,377	247,351
GENERAL MOTORS	30,943	28,322	30,751	86,297	1,061,556	1,040,339
NAVISTAR	0	1,725	1,759	3,155	52,130	55,049
NISSAN	2,658	1,412	2,254	6,800	77,479	62,685
AM GENERAL	450	450	450	1,260	14,490	14,760
MISCELLANEOUS	3,000	2,300	3,000	8,400	90,600	75,440
Total Trucks, U.S.	76,380	74,289	77,977	214,024	2,737,510	2,610,093

CANADIAN TRUCK	Week Ended Aug. 19, 1989	Week Ended Aug. 20, 1988	Week Ended Aug. 12, 1989	Aug. to Date	Jan. 1 to Aug. 19, 1989	Jan. 1 to Aug. 20, 1988
Caravan	2,664	3,270	2,439	6,729	89,437	89,012
Caravan-C/V	167	213	151	413	7,488	8,432
Ram Wagon	643	597	421	1,074	16,654	15,374
Ram Van	1,644	1,480	1,241	3,039	42,878	41,059
Total Dodge	5,118	5,560	4,252	11,256	156,457	153,877
Voyager	2,189	2,486	2,054	5,802	79,474	79,391
Total Plymouth	2,189	2,486	2,054	5,802	79,474	79,391
Wrangler	1,700	1,110	1,866	4,890	51,290	30,632
Total Jeep	1,700	1,110	1,866	4,890	51,290	30,632
CHRYSLER MOTORS	9,007	9,156	8,172	21,948	287,221	263,900
FORD MTR. (lt. trks.)	3,231	3,613	2,584	8,001	100,762	103,620
Light trucks	2,476	3,601	0	2,476	99,922	95,548
Vans	61	466	0	61	36,804	35,891
Total Chevrolet	2,537	4,067	0	2,537	136,726	131,439
Light trucks	2,248	1,482	0	2,248	44,629	47,901
Vans	31	255	0	31	18,088	18,951
Total GMC	2,279	1,737	0	2,279	62,717	66,852
GENERAL MOTORS	4,816	5,804	0	4,816	199,443	198,291
NAVISTAR	0	270	191	391	7,584	7,055
Total Trks., Canada	17,054	18,843	10,947	35,155	595,010	572,866
U.S., Canada Trks.	93,434	93,132	88,924	249,180	3,332,520	3,182,959

☆—Includes window van production *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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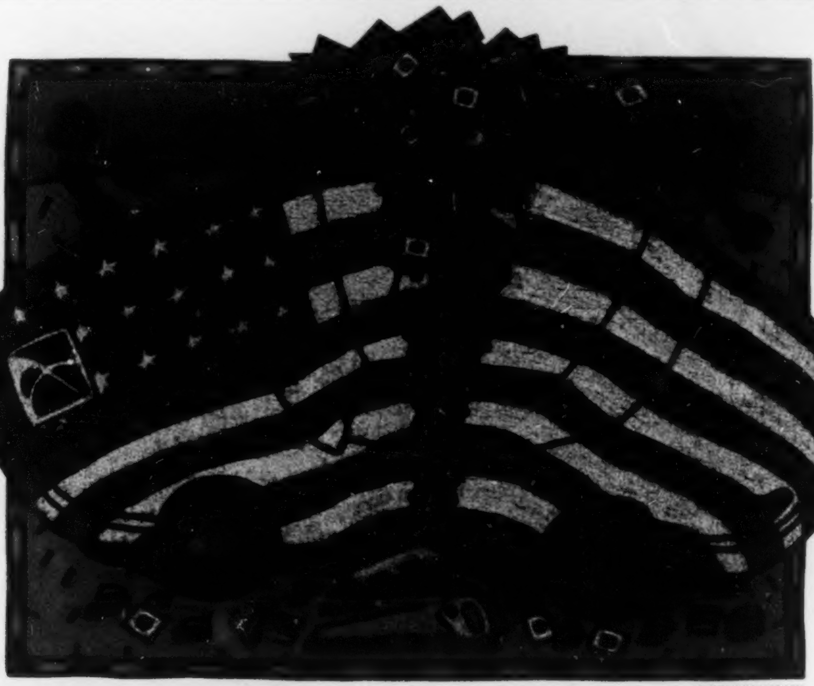


STEPHEN SCHUDLICH

WORLD CAR?

'All-American' Saturn will use components from transplants

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

The Saturn won't be so red-white-and-blue after all.

Hailed as America's answer to the foreign import, General Motors' Saturn line is supposed to use Yankee ingenuity to beat foreign manufacturers at their own low-cost, high-efficiency game and help re-establish the U.S. reputation for automotive know-how.

But when the car, a family sedan aimed at Toyota, Honda and Nissan buyers, finally rolls off the assembly line next summer, it will owe more than its inspiration to the transplants.

Japanese, German and U.S.-foreign joint-venture suppliers will provide the car's steel, brakes, windshields, windows, ashtrays, electrical motors, air conditioning parts and other components, as well as some of the tooling used to create it.

Although Richard G. "Skip" LeFauve, Saturn president, has stated that Saturn will not attempt to wave the flag to sell cars, it will appeal to American pride.

"There's something about a feeling of nationalism," LeFauve said in a previous interview with Automotive News. "Saturn was created to prove that we really haven't lost it in the United States, that we can build a small car at the quality and reliability levels today's consumers are demanding, and do it in a competitive price.

"It's the American answer to the import," he said. "If you'd like to buy a car designed and built in the United States, here's your opportunity."

The company has not formally revealed its suppliers and remains tight-lipped about the new car's components and technology. But dealers have been assured that it will have a domestic content in the mid- to high-90 percent range. As interpreted by one planned Saturn dealer, that would include parts assembled in Canada and Mexico, or parts produced in the U.S. by transplant operations.

But, some analysts say the con-

See SATURN, page 42

VW shuns rebates, will reduce prices

Salespersons get $150 extra per car

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

Following through on recent hints by Volkswagen management that the company will regain its value-leader status, dealers learned at their sales convention in San Francisco of revolutionary plans to "relaunch the Volkswagen franchise in the United States."

Volkswagen United States will officially announce in October a marketing assault that includes eradicating cash-to-customer rebates, a bonus payment plan aimed at maintaining sales force continuity, price reductions on current models and low introductory prices on future models.

The aim: to raise sales in 1990 to 200,000 from 168,800 in 1988 and the 150,000 target in 1989.

The first salvo in that assault is replacing rebates with significantly lower prices.

"We will not be in the retail consumer rebate business," said William J. Young, vice president of VW U.S.

"It is an inane, stupid strategy to charge the customer a certain amount and then give a rebate, even though he knows he's paying for the rebate in higher prices. It doesn't seem to me to give the customer enough credit (for being smart). VW wants to get out of the rebate business," he said.

But Young did say that as long as 1989 models remain on dealer lots, VW will continue its cash-to-customer incentives at "the same or greater" levels. VW's customer rebate program, due to expire Sept. 4, will continue to the end of the month or until all 1989 models are cleared.

On the 1990 models, VW will institute a plan that rewards the sales force for salesmanship and tenure at one dealership.

Under an installment plan, a salesperson will earn $150 per vehicle sold, paid over two years. The program works like this: In addition to regular earnings, the salesperson will receive the first $50 in-

See VW, page 2

Chevy, Olds, Buick retain ad themes

By Arlena Sawyers
AUTOMOTIVE NEWS STAFF REPORTER

Three General Motors divisions unveiled 1990-model advertising campaigns last week.

Chevrolet is keeping its "Heartbeat" theme for the fourth consecutive year, but will focus on product rather than image. Television spots featuring slice-of-life scenes have been replaced by commercials emphasizing the cars.

Chevrolet is focusing much of its efforts on its Geo line. Targeting a youthful audience, a Geo print ad pegs Toyota and Honda as the imports of the 1970s and 1980s, respectively, and predicts that the 1990s will belong to Geo.

While Buick is keeping its two-year-old "The Great American Road Belongs to Buick" slogan,

see GM ADS, page 44

Time is now for passive restraints

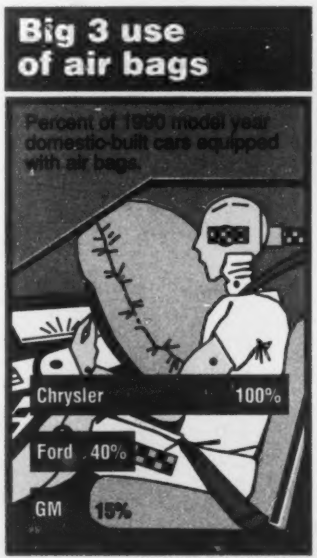
By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Nearly two decades of bitter debate on passive restraints end Friday. All cars produced for the U.S. market after that day must be equipped with some form of automatic crash protection.

And while the rule placates those who have worked hard to see air bags mandated in cars, the focus now shifts to expanding the standard to light trucks and even the means by which the automakers are satisfying the cur-

See BAGS, page 41

Big 3 use of air bags



AUTOMOTIVE NEWS / LANCE GRAVES

Market hurt by new-used price gap

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

GM Chairman Roger Smith once said that GM's best answer to low-priced compact cars sold by competitors was a two-year-old Buick.

Smith wasn't joking, but the real punch line is that the price gap between new and used cars is widening, kindled in part by price hikes for new cars and an apparent glut of used autos.

And the decline in used-car prices has affected almost everyone associated with the automotive industry, including manufacturers, dealers, customers and financial insititutions.

see USED CARS, page 43

AUTOMOTIVE NEWS/JOE WILSSENS

Chevrolet's 1991 Caprice and Camaro were among the surprises dealers viewed at the division's 1990 introduction in Detroit.

The Chevy line for 1990:

Cars and trucks for the 1990 model year were introduced last week to Chevrolet dealers and the press. Stories, pictures and specifications, Pages 16-17.

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Isuzu builds car hopes on new platform

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

HIDDEN/HANS G. LEHMANN

Power moves to the front wheels in the new generation Impulse.

WHITTIER, Calif. — The 1990 introduction of a new-generation Impulse and Stylus is critical for American Isuzu's hope of expanding its car offerings.

"We have established ourselves as a truck company, then as a sport-utility company with Trooper II," said Jack Reilly, American Isuzu senior vice president and general manager. "The task ahead of us is to establish ourselves as a car company too."

He denied speculation that sales of the new cars would make or break Isuzu's long-term commitment to passenger cars: "The launch has no bearing on whether we stay in the car business."

However, sales success is needed to trigger the go-ahead on another car platform from Isuzu Motors, the Japanesse parent, Reilly said.

The new models are built on a single platform. Previously, Isuzu had two: one for the rear-wheel drive Impulse and one for the front-drive I-Mark four-door sedan and three-door hatchback. Stylus will be the four-door sedan replacement for I-Mark, and Impulse will be replaced by a sporty three-door, front-drive hatchback.

The three-door I-Mark hatchback will not be replaced.

The cars also will be sold by General Motors' Geo franchise as the Spectrum four-door and Storm sport coupe.

American Isuzu will get a third sport-utility vehicle, called Rodeo, for 1991, Reilly said.

Rodeo, like the Trooper II, will be based on the Isuzu pickup platform, but will have "a much rounder look," Reilly said. The wheelbase and overall length will be similar to the pickup but the profile will have "a less paramilitary look than Trooper and be more stylish to appeal to a younger market," Reilly said.

Isuzu will continue to market the Trooper II and smaller Amigo alongside the new sport-utility vehicle and will add a high-line version of the Trooper II, he said.

Volume projections are not yet final yet, but Reilly expects Rodeo to sell close to the Trooper II rate, about 50,000 units last year.

Rodeo's production site also is not final, but the new Subaru-Isuzu joint venture plant in Lafayette, Ind., is a possibility, Reilly said.

Reilly is upbeat about Isuzu's sales prospects for the rest of 1989 and 1990.

He is sticking to his earlier forecast of a 10 percent sales gain for calendar 1989 over 1988's 114,925 cars and trucks. Through July, sales were ahead of last year's pace by 6.1 percent, and he thinks the rest of the year will pick up a bit.

For 1990 Reilly is projecting a record sales year, between 131,000 and 140,000 cars and trucks.

Helling **Agres**

Six key execs accept Saab's early-out offer

By John A. Russell
SPECIAL CORRESPONDENT

ORANGE, Conn. — Six key executives of Saab-Scania of America, including the head of the U.S. car division, are among 37 employees taking early retirement under an incentive package the company offered to cut costs.

Sten O. Helling, 51, executive vice president in charge of the car division, will retire Sept. 1, as will Eugene G. Agres, 61, executive vice president for administration and finance, and Lennart Lonnegren, 60, corporate communications director.

Also retiring are three of Saab's four regional managers, Walter Lawson, 54; Howard Smith, 57; and Philip Krantz, 58.

The retiring regional managers will continue as consultants until replacements are found. Sinclair hopes to fill the positions within two months.

The early retirement program, announced by Saab in mid-July, was offered to 58 employees. To qualify, employees over 50 years of age had to have more than five years' service.

Company officials admit Saab is under financial pressure. Seven-month sales in this country totaled 19,828, about 13 percent below last year's. In Sweden, the Saab Car Division is expecting a $150 million loss.

Helling, Saab's No. 2 U.S. executive, joined the company in 1980 from Volvo of America. He was part of the original management team put together by Sinclair after he joined Saab in late 1979.

He will remain on the company's executive committee as a consultant and assistant to Sinclair for one year.

Agres joined Saab in 1961 as treasurer and has been executive vice president for finance and administration since 1987.

Lonnegren, who also will be retained as a consultant, is a 26-year Saab veteran and the only executive from previous management.

NADA predicts rough year for dealers

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — One U.S. auto dealer in 10 could go out of business in the next year as dealer profits and vehicle sales fall, a National Automobile Dealers Association study warns, but industry analysts say most franchises will continue to thrive if strongly managed.

Dealer profits, as a percentage of total sales, have fallen from 2.4 percent in 1984 to 1.7 percent last year despite near-record sales, the study by NADA's industry analysis division said. It blamed a glut of vehicles and new nameplates entering the market for the decline.

As sales slow in 1989, most franchises will lose money, some for the first time ever, the NADA report said.

But Dan McClory, managing director of the Auto Equities Group, an auto dealership investment consultant firm in Newport Beach, Calif., said, "As with any average, you have to take the (NADA profit margin) figures with a grain of salt. The good dealership operators will continue to make money even though the margins have shrunk."

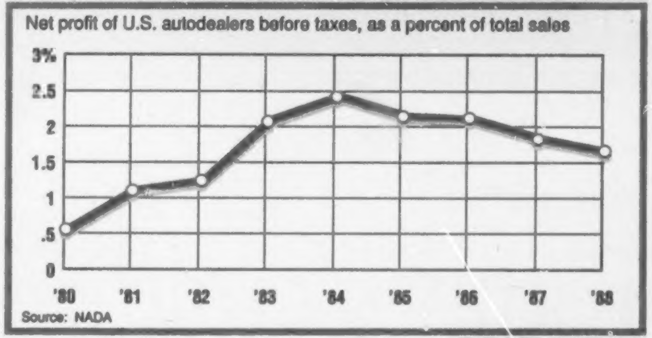
Dealerships, he said, will have to focus on the long term, building the less cyclical sources of profit such as service and used-car sales, while maintaining their current organization through the downturn.

"For example, the Ford, Chevy, Toyota and Nissan dealers may have been selling 1½ used cars for every new car," he said. "Honda dealers may have sold one used car for every three or four new cars. They'll have to learn to sell used cars."

Profits have declined in all areas of dealerships except the parts department, the NADA report said. Fewer than half of all dealerships made money on sales of vehicles in 1988, according to the report. Rebates and incentives have depressed margins on new cars to an average of 7.76 percent per unit. All the domestic franchises in the study lost money in the service department, while all the imports except Mazda made money.

John Fitzgerald Jr., president of the Fitzgerald Automotive Team, with Dodge, Oldsmobile, Buick and European import dealerships in the Washington metropolitan area, said, "Dealer profit has declined because there are more dealers, more manufacturers and the market is not any bigger. . . . Manufacturers are concerned with their cost to build cars and if they build more cars, it costs them less, so dealers have to carry more inventory."

Dealer profit margins



Net profit of U.S. autodealers before taxes, as a percent of total sales

Source: NADA

AUTOMOTIVE NEWS / CHARLOTTE WINTER

The larger inventories force the dealer to spend more on advertising and personnel, and the problem, said Fitzgerald, is exacerbated by manufacturers transferring more of their costs to the dealers.

"Dealers will have to become more expert in controlling their inventories," Fitzgerald said. "Even in 1929, some stockbrokers made money."

Jim Everett, senior associate for Jack Hamel and Associates, an auto dealership brokerage based in Sarasota, Fla., also noted that bigger dealerships were "buying all the franchises in sight" from 1985 through 1987 and paying top dollar for them. Now that there is a slowdown in the industry, dealers will have to work harder to sell cars and are finding they need stronger management, he said.

"This is a good shakeout period," Everett said. "The groups that are not put together well will be shaken out. The numbers guys, those dealerships that are well managed, will do just fine, thank you. They may have a $500,000 year rather than a million, but they'll do OK. Some of the mom and pops will do well, some won't."

Speedy $72,800 Jaguar slated for sale in U.S.

By Daniel Ward
STAFF CORRESPONDENT

LONDON — High-performance JaguarSport versions of Jaguar production models will be introduced in the United States by mid-1990. Emissions work is in progress on the 317-horsepower XJR-S 6-liter that bowed last week in the United Kingdom.

A $72,800 price tag and 158-mph top speed make the new model the most expensive and fastest Jaguar available.

Tom Walkinshaw, who heads Jaguar's worldwide racing effort and the JaguarSport unit developing the street cars, said, "The new XJR-S puts us very much on the pace with competition such as Porsche and Ferrari. We are setting our sights now on further improvements within the product range as well as developing overseas sales networks in key markets, having successfully established our franchise in the U.K."

Jaguar Chairman Sir John Egan predicted that JaguarSport cars could eventually account for 10 percent of Jaguar sales.

In the first 12 months of operation in Britain, JaguarSport sold 550 cars through 24 dealers.

Before the introduction of the 6-liter model, JaguarSport packages consisted only of improved steering, suspension, wheels, tires and aerodynamic features. With the new car, JaguarSport's sales and marketing director Bill Donnelly said he believes the firm has a competitive rival to the Porsche 928-S4 and Mercedes 560SEC. Only the SEC is marginally faster.

JaguarSport's XJR-S draws 158 mph from its 317-hp 6-liter V-12 engine.

No decision has been made on how many of the 142 U.S. Jaguar dealers will be offered the JaguarSport franchise. "We may have to offer JaguarSport to all our U.S. dealers for legal reasons," Egan said.

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GE Capital Corp. promotes president of auction unit

AUCTION BRIEFS

CHARLES THOMAS

GE Capital Auto Auctions, which has grown to 18 locations since 1985, is losing President Mike S. Zafirovski who has been promoted to senior vice president, marketing and business development for GE Capital Fleet Services.

"Over the past four years, Mike successfully started GE Capital Auto Auctions' business," said James W. Rogers, president of GE Capital Fleet Services.

"The fleet services market is becoming increasingly competitive and Mike's extensive background in auto financial services and acquisitions brings the set of skills that will compliment our team and our strategy for growth," he added.

Edward D. Stewart, vice president and general manager of GE Capital Auto Financial Services, will act as president of the auction unit, based in Barrington, Ill., until a replacement is named.

GE Capital Corp., a financial services titan, is a major player in the fleet and lease industry.

Building and acquiring auto auctions provided it with a means to remarket hundreds of thousands of its own vehicles in addition to cars and trucks from dealers and other institutions.

Ford Motor Co. purchased 20 percent of GE Capital Auto Auctions shortly after it was formed for an undisclosed amount. This gave GE a flow of vehicles from Ford Motor Co., Ford Motor Credit and Hertz Corp., in which Ford has a stake.

GE expects sales of 760,000 vehicles, up 7 percent over last year, on registrations of 1.3 million vehicles.

AUCTION DATES

Chrysler Motors

Aug. 29 -- American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Nashville Auto Auction, Nashville, Tenn.; Florida Auto Auction of Orlando, Ocoee, Fla.; Portland Auto Auction, Portland, Ore.; Riverside Auto Auction, Riverside, Calif.; and Greensboro Auto Auction, Greensboro, N.C.

Aug. 30 -- A.D.E. of Birmingham, Birmingham, Ala., and Butler Auto Auction, Gibsonia, Pa.

Aug. 31 — Northway Exchange Auto Auction, Clifton Park, N.Y.; Aptco Auto Auction, Taylor, Mich.; Indianapolis Auto Auction, Indianapolis; Omaha Auto Auction, Omaha, Neb.; Southwest Auto Auction, Phoenix, Ariz.; San Antonio Auto Auction, San Antonio, Texas; and Ark-La-Tex Auto Auction, Shreveport, La.

Ford Motor Co.

Aug. 29 — Bay Cities Auto Auction, Hayward, Calif., and South Seattle Auto Auction, Kent, Wash.

Aug. 30 — Albuquerque Auto Auction, Albuquerque, N.M.; Concord Auto Auction, Acton, Mass.; Aptco Auto Auction, Taylor, Mich.; Fort Worth Auto Auction, Fort Worth, Texas; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Salt Lake Auto Auction, Salt Lake City

Aug. 31 — A.D.E. of Birmingham, Moody, Ala.; Greensboro Auto Auction, Greensboro, N.C.; and Skyline Auto Exchange, Fairfield, N.J.

Sept. 5 — Newburgh Auto Auction, Newburgh, N.Y.

Sept. 6 — Atlanta Auto Auction, Red Oak, Ga.; Baltimore-Washington Auto Exchange, Baltimore; Southern California Auto Auction, Fontana, Calif.; and Greater Tampa Bay Auto Auction, Tampa, Fla.

General Motors

Aug. 29 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and Fresno Auto Dealers Auction, Fresno, Calif.

Aug. 30 — Puget Auto Auction, Auburn, Wash.; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Mississippi Auto Auction, Hattiesburg, Miss.; and Omaha Auto Auction, Omaha, Neb.

Aug. 31 — Arena Auto Auction, Chicago; Columbus Fair Auto Auction, Columbus, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Utah Auto Auction, West Bountiful, Utah

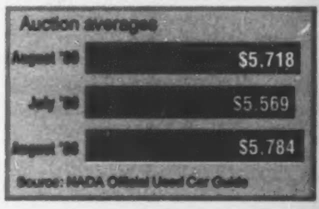
Sept. 5 — A.D.E. of Birmingham, Moody, Ala., and Florida Auto Auction of Orlando, Ocoee, Fla.

Sept. 6 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Statesville Auto Auction, Statesville, N.C.

Toyota

Aug. 29 — Newburgh Auto Auction, Newburgh, N.Y.

Used car sales

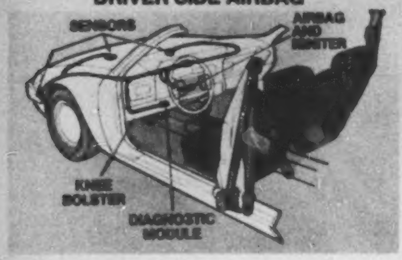


Source: NADA Official Used Car Guide

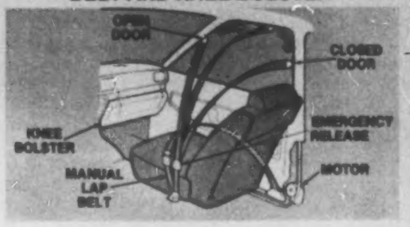
Model-year breakdown

Year	June	July	August
1989	$10,765	$10,752	$10,766
1988	7,988	7,800	7,726
1987	5,965	6,038	6,156
1986	5,200	5,230	5,264
1985	4,264	4,245	4,319
1984	3,447	3,420	3,476
1983	2,563	2,620	2,633
1982	2,033	2,015	2,030
Overall Average	$5,486	$5,569	$5,718

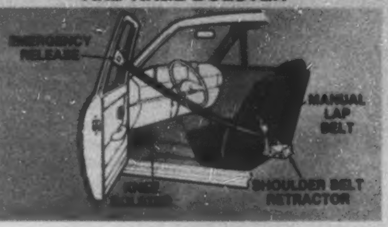
Source: NADA Official Used Car Guide



DRIVER SIDE AIRBAG



MOTORIZED SHOULDER BELT AND KNEE BOLSTER



NON-MOTORIZED SHOULDER BELT AND KNEE BOLSTER

How makers meet standard

Manufacturers have taken three approaches to meeting the passive-restraint rule: an air bag system (far left); a motorized belt approach (center); and a two-point non-motorized belt. All three systems require that a manual lap belt be used except for a three-point non-motorized belt (not pictured), which attaches the lap portion to the door.

BAGS

FROM PAGE 1

rent car standard.

NHTSA is likely to mandate passive restraints for light trucks, minivans and multipurpose vehicles beginning in the 1993 model year. The safety agency is also launching studies to determine whether some automatic seat belt systems are inferior.

None of the concerns, or the new wave of passive restraint regulation, is likely to become an issue until the early 1990s. NHTSA is giving automakers time to adjust to the current requirements and does not want to not hinder the voluntary move toward air bags, said Jeffrey Miller, acting NHTSA administrator.

Beefing up passive restraint requirements could also take a back seat to new technical requirements manufacturers may face from pending clean air legislation, according to Philip W. Haseltine, executive director of the American Coalition for Traffic Safety, an auto industry-backed safety group.

As of Sept. 1, all 1990 passenger cars must be equipped with some sort of passive protection, capping a four-year phase-in that began in 1987 with 10 percent of the fleet. That percentage was increased to 25 percent in 1988 and 40 percent in the 1989 model year.

The number of passenger cars with driver-side air bags has increased from 3,175 vehicles — all Mercedes-Benz models — in 1984 to an anticipated 2.9 million in the 1990 model year.

To accelerate air bag installation, NHTSA has given automakers a four-year reprieve from full frontal passive protection if a driver-side only air bag is used. Until 1994, vehicles with driver-side air bags will be allowed to use manual three-point belts on the passenger side.

NHTSA estimates that by 1993 between 5 million and 6 million vehicles will have air bags.

Although safety activists would have liked to see mandatory air bags, they too, are satisfied with the progress of the passive restraint program.

"I've been waiting for this day for 20 years," said Joan Claybrook, a former NHTSA administrator and a leading consumer advocate who sued the government several times on the issue of passive restraints.

"We've come to the conclusion that air bags and shoulder belts together work best. But we've come down a long road to allowing choice. And because of the popularity of air bags, everyone will install them in the end."

The safety agency is holding off on issuing a light truck passive restraint requirement. The fear is that the there would be an insufficient supply of air bags and that such a rule would squeeze manufacturers' resources to the point of hurting the program.

"It made sense to put passive restraints on passenger cars first - they are the most vulnerable vehicles and that's where the overwhelming majority of death and serious injury occur," Miller said. "We want to make sure we don't interfere with passenger cars."

In fact, NHTSA anticipates automakers will begin to voluntarily move toward truck passive restraints before a new requirement is issued.

But by the time NHTSA is ready to issue a light truck passive restraint requirement, research and studies may have tainted the agency's view on various belt systems. By 1993, NHTSA may be prepared to tell manufacturers what kind of belts they cannot use — a decision consumer advocates are pressing the agency to make.

But, NHTSA has responded to a petition by Insurance Institute for Highway Safety saying it will evaluate the usage rates and effectiveness of detachable versus non-detachable automatic belt systems and for the various types of motorized and non-motorized systems.

The group, in a survey of 179 dealer showrooms in the Washington, D.C. area, found only 12 of the 276 cars on display with the detachable passive belts connected. Dealers are required to show the cars with the passive belts in place. NHTSA said it will continue to investigate dealers on a case-by-case basis to determine if they are complying with the law.

In a 1987 study of cars in four metropolitan areas, the Insurance Institute also observed the usage rate for detachable non-motorized automatic belts systems to range from 46 to 64 percent and the usage rate for detachable motorized belts to be 88 percent. The use rate for vehicles with non-detachable automatic belts ranged from 87 to 96 percent.

NHTSA will have to wait for enough crash data from passive restraint-equipped cars to be generated over two to three years before it can make a decision.

"If we saw that one system was worse then the others, sure we would want to take some action to weed that system out of the population," Miller said.

Consumer groups argue there is enough data for NHTSA to ban some belts. But there is no consensus among the advocates on which belts to eliminate.

The controversy stems from the way the passive restraint law was written. NHTSA calls it a performance standards, because automaker are not told which system to use. If instrumented crash dummies "survive" a 30 mile-per-hour crash test, the system passes and can be used. To date, none of the systems has failed, NHTSA said. During the test, NHTSA does not fasten lap belts on passive systems where only the shoulder belt is automatic.

The non-motorized three-point belt used by General Motors is the most controversial.

The belt is anchored to the door and straps in the front seat occupants when the door is closed.

Critics of the system say it is difficult to get in and out of the cars with the belt attached and as a result most owners will use the system's detachable feature, defeating the purpose of passive protection.

GM says the three-point is more effective in a crash since it offers more protection than a two-point system when the driver fails to fasten the lap-belt portion.

Miller said the question is still "what is the trade off - we're going to have to look at the data to see how often do people with two-point belts use their auxiliary belt, and how big a differential in effectiveness and usage is there."

As for the possibility of air bags becoming mandatory, NHTSA has no plans to amend the rule to mandate the use of the device.

The original mandatory passive restraint rule was passed in 1978 by the Carter Administration.

The rule was rescinded by the Reagan Administration in 1981, a move that was immediately challenged in court by a coalition of consumer groups.

Two years later, the Supreme Court ruled 9-0 in 1983 in favor of the consumer groups and NHTSA was forced to rewrite the passive restraint rule.

"That was the only way the rule got passed during the Reagan administration," said Haseltine, who was deputy assistant secretary for policy in the transportation department under former Transportation Secretary Elizabeth Dole.

Haseltine said he and a small group of seven or eight developed a the current "compromise" rule that would satisfy the White House and "put 15 years of debate behind us."

The revised rule with its phase-in provisions went into effect on July 1, 1984. But it had an escape clause. If belt laws covering two-thirds of the population were adopted, the passive restraint rule mandating only automatic belts, could be repealed on April 1, 1989 by the secretary of transportation.

The Big Three and American Honda formed an organization to lobby for belt use laws called Traffic Safety Now — the predecessor to the American Coalition for Traffic Safety.

Consumer advocates criticized the decision and accused Dole of bowing to political pressure because air bags were not included.

But Miller said he believed the "the decision turned out to be better than people may have expected because we have not only passive restraints but lots of belts laws and belt use."

To date, the air bag systems deployed have been reliable. But, manufacturers worry that liability suits will increase if drivers of vehicles with air bags do not wear their seat belts, Haseltine said.

In a fatal crash, the occupant of a car with an air bag and a three-point belt has a 45 to 55 percent of survive and a 40 to 50 percent chance with an air bag and a lap belt. But the chances if survival with an air bag alone drop to between 20 and 40 percent — lower than the 40 to 50 percent protection afforded by just a three-point manual belt, according to NHTSA studies.

High court asked to review no-passive restraint suit

By Helen Kahn
SENIOR CORRESPONDENT

WASHINGTON — A second lawsuit alleging that a car is defective because it was not equipped with passive restraints has been appealed to the U.S. Supreme Court.

If that appeal or another filed last month is accepted, it would be the first high court review of the issue.

The court is expected to consider both petitions when it reconvenes in October.

Pauline W. Kitts, who sued General Motors on behalf of her husband, Willard, who was killed in a 1982 accident, claims the automaker did not use available technology that would have enabled him to survive. A lower court held GM was not guilty of building a "defective and unreasonably dangerous" 1982 Pontiac J2000. Kitts was killed in a single-car accident while wearing a seat belt.

The decision is similar to a 1st Circuit opinion last month that is being challenged by Trial Lawyers for Public Justice. That case, Wood vs. GM, involves a plantiff injured in a multipurpose vehicle while not wearing a seat belt.

In their petition, the trial lawyers also question whether mere compliance with the minimum requirements of any performance safety standard shields a manufacturer from liability in damage suits.

In the Kitts case, a New Mexico District Court held that the federal safety law pre-empted a common law claim. On appeal, the 10th Circuit Court joined the Kitts case with a similar one — Richart vs. Ford — and threw out both of them on grounds of federal preemption.

Friend-of-the-court briefs were filed by the Product Liability Advisory Council, the Automobile Importers of America and the Motor Vehicle Manufacturers Association. All argued for federal preemption, while the Trial Lawyers for Public Justice and the Association of Trial Lawyers of America filed briefs arguing against preemption.

The government filed a supplemental brief with the Supreme Court, contending that the safety law would not pre-empt state common law "except in certain limited situations not applicable to the Kitts case." When the 10th Circuit Court ruled on the Kitts case, it relied wholly on the Wood case in the 1st Circuit.

An argument made in the Kitts case is that Congress alone has the constitutional power to pre-empt state law and the role of the courts is only to determine and apply congressional intent.

Kitts' lawyers argued that the effect of the 10th Circuit opinion is to "quash an important area of common law development in the states" not limited to alleged auto defects but also applying to "many other areas in which Congress has enacted minimum design standards."

They relied in part on an earlier Supreme Court decision that prohibits "federal judges, independent of the will of Congress, from preempting state common law."

Kitts' attorneys also argued that "uniformity" of safety law was not among Congress' intent in the 1966 safety law. "Nowhere in Congress' own expression of its purposes is uniformity even mentioned, much less identified as a primary purpose," the petition said.

Chrysler says head-impact rule impedes development of air bags

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Federal regulations that require instrument panels to absorb the impact of a passenger's head at low speeds could interfere with the development of some passenger-side air-bag systems.

NHTSA's call for comments on the matter was in response to a Chrysler Motors petition to exclude air-bag-equipped cars from the standard because it feels the rule is redundant in light of the head protection afforded by an air bag.

But NHTSA noted that air bags do not deploy in head-on collisions at speeds below 12 mph, nor do they work in side or rear impacts, but occupants frequently hit the instrument panel in those crashes.

Chrysler said it is attempting to develop a passenger-side air bag mounted on top of the panel, which appears to have a safety advantage over conventional systems when a passenger is leaning forward or the occupant is a child standing on the seat. Most systems used or in development are mounted on the front of the dash. But Chrysler said it can't design a dash-top system and meet the agency's head-impact standards.

The standard evaluates the ability of an instrument panel to absorb the impact of a head-shaped test object moving at 15 mph.

NHTSA is seeking comments in an effort to further air-bag technology.

But NHTSA denied a similar petition from Mitsubishi Motors Corp. because the company failed to argue that the standard hinders development of technology.

NHTSA's comment period is open until Sept. 25.

USED CARS

FROM PAGE 1

Dan Strader, a used-car salesman for Kerr-Neilsen Buick-Jeep-Eagle in Gary, Ind., said the dealership sold twice as many used cars as new cars in July.

He said customers see the price of a new Buick Park Avenue, for example, and then stroll over to the used-car lot and buy a used one.

The reason: A 1989 Park Avenue retails for about $22,000 while a 1988 with 8,000 miles on it retails for $15,500.

Even more astonishing is the upward movement in profits from dealerships' used-car operations.

According to the National Automobile Dealers Association, used-car operations in 1988 accounted for 26 percent of total dealership profits, up from 7 percent in 1985.

Some industry analysts have gone so far as to say the decline in used-car prices could explain the softness in new-car sales this year.

"Used-car prices have been weakening relative to new car prices since 1982," said Jack V. Kirnan, an analyst with Kidder, Peabody & Co.

Kirnan recently completed a study that showed the average price of a used car in 1982 was about 47 percent of the cost of a typical new car. By 1988, that ratio had fallen to about 40 percent.

"Weaker used-car prices hurt trade-in value, requiring the potential buyer to to make a larger down payment," said Kirnan.

Part of the reason for the depressed prices of used cars could be the number of vehicles sold since the economy rebounded in 1983 — about 90 million. Another is the bounty of incentives that persuade consumers to trade.

But according to Kirnan's report, the real hobgoblin has been the surge in fleet sales, causing lower trade-in values for used cars.

According to the U.S. Department of Commerce, fleets now comprise about 36 percent of total cars sold, up from 20 percent in the early 1970s.

Executives of auto auctions say the ratio of cars brought to the auctions by dealers and institutional vehicles is changing.

In 1980, 75 percent were dealer consignment vehicles and 25 percent were institutional vehicles — meaning manufacturer, fleet and lease and others.

By 1985, institutional vehicles had edged up to 30 percent and dealer consignments had fallen to 70 percent.

Looking ahead, industry officials expect that by 1992, more institutional vehicles than dealer consignment vehicles will arrive at auto auctions.

Fueling that swing in the market has been the number of buyback cars — vehicles sold to daily car rental companies, then repurchased by the manufacturer and remarketed at auctions. Automakers expect to remarket about 750,000 of them this year.

ccording to NADA, vehicles two years old or less accounted for 23 percent of new-car dealers' used-car sales in 1988, up from 16 percent in 1982.

Retail lease vehicles also have added to the torrent of used cars.

Cars leased for personal use have jumped from an estimated 293,000 in 1983 to more than a million this year. They eventually will spill back into the used-car market.

Michael J. Richardson, president and chief executive officer of Nashville-based Anglo American Auto Auctions, said lease portfolios from the middle of the decade already are starting to mature.

"We have a potential customer — a bank — that returned fewer than 1,000 lease vehicles in 1985," he said. "This year, we are looking at 80,000."

Banks and other financial institutions are smarting from hefty losses on the residual values of retail leases now coming to term.

When they made the lease agreements, they set residual values high to keep customer payments low. But the vehicles are not bringing the prices they had predicted when the cars were leased.

A spokesman for National Bank of Detroit said some retail lease vehicles are bringing $1,300 to $1,500 less than expected at term.

Joel Pitcoff, research analysis manager at Ford Motor Co., disputed findings that used-car prices have affected new-car sales.

He said the softness in new-car sales is due to high interest rates and an uncertain economy.

"There is no oversupply of two- to five-year-old cars," he said. "In fact, there is a scarcity of low-mileage, late-model cars."

Pitcoff also said the likelihood of a used-car salesman snitching a new-car customer is scant.

"The used-car customer is more likely to upgrade to a new car than the customer who normally buys a new car purchasing a used vehicle," he said.

Pitcoff also pooh-poohed findings that the huge number of daily rental cars coming back into the market has driven down used-car prices.

"These vehicles make up only 35 percent of the entire fleet market," he said.

Olds, BMW incentives

Oldsmobile increased its cash rebate on the 1989 Toronado, and BMW announced new consumer financing on its 325i models last week. Details are in Incentive Watch, below.

INCENTIVE WATCH

	Customer Incentives						Dealer Incentives	
		Finance Rates (Pct.) — Months —						
	Rebates	24	36	48	60	Expiration Date	Type	Expiration Date
Chrysler Motors								
Chrysler	$500 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15		
Dodge Cars	$300 - $1,500	0.0*	5.9	6.9	10.9	Sept. 15	$500 on Daytona	Sept. 15
Dodge Trucks	$500 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15	$500 on Dakota, full-sized trucks	Sept. 15
Eagle	$1,000 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15		
Jeep	$500 - $1,000	0.0*	5.9	6.9	10.9	Sept. 15		
Plymouth	$300 - $1,500	2.9	5.9	6.9	10.9	Sept. 15		
Ford Motor Co.								
Ford Cars	$500 - $1,500	2.9	6.9	7.9	10.9	None		
Ford Trucks	$300 - $1,000	2.9	6.9	7.9	10.9	None		
Lincoln	$1,000 - $1,500	2.9	6.9	7.9	10.9	None		
Mercury	$1,000 - $1,500	2.9	6.9	7.9	10.9	None		
Merkur	$2,000 - $4,000	2.9	6.9	7.9	10.9	None		
General Motors								
Buick	$500 - $1,500	2.9	5.9	6.9	10.9	None	All GM divisions: Zero to $1,000 per sale based on performance against quota. $150 per sale if dealer elects not to participate in quota program.	Sept. 27
Cadillac	$1,000 - $1,500					Sept. 27		
Chevrolet Cars	$400 - $1,000	2.9	5.9	6.9	10.9	Sept. 27*		
Chevrolet Trucks	$400 - $750	2.9	5.9	6.9	10.9	Sept. 27*		
GMC	$500 - $750	2.9	5.9	6.9	10.9	None		
Oldsmobile	$1,000 - $2,500	2.9	5.9	6.9	10.9	None		
Pontiac	$700 - $1,250	2.9	5.9	6.9	10.9	None		
Alfa Romeo							$1,000 - $6,000	Aug. 31
Audi							$1,800 - $5,000, some based on quota	Sept. 30
BMW 735i			8.5	9.0	9.5	Aug. 31		
735iL, 750iL			8.5	9.0	9.5	Aug. 31		
325i			9.6	9.6	9.6	Sept. 30		
Daihatsu							$300 if meet sales quota	Sept. 3
Honda							Up to $500	Aug. 31
Hyundai	$300 - $1,000					Sept. 5	$300 - $800, some based on quota	Sept. 5
Isuzu Impulse							$2,000	Sept. 5
Other Cars, Trucks							$300 - $1,000, based on quota	Sept. 5
Jaguar	$5,000					Sept. 18		
Mitsubishi Cars							$800 - $2,500, based on number sold	Sept. 30
Trucks							$300 - $2,500, based on number sold	Sept. 30
Nissan Cars							$100 - $1,500, based on quota	Sept. 5
Trucks							$100 - $2,000, based on quota	Sept. 5
Peugeot							$1,000 - $2,000	Sept. 18
Porsche							$3,000 - $8,000 on 40 percent of cars sold	Sept. 30
Sterling		4.9	5.9	5.9	6.9	Aug. 31	$1,500 - $2,750	Aug. 31
Subaru	$1,000 - $3,000*					Sept. 4	$1,000 - $3,000*	Sept. 4
Toyota Cars							$100 - $2,000, some based on quota	Sept. 5
Trucks							$200 - $2,500, some based on quota	Sept. 5
Volkswagen	$200 - $2,000	4.9	6.9	7.9	9.9	Sept. 4		

*2.9 percent on some models

Cadillac does not have a finance-rate incentive *Chevrolet's rebate program has no expiration date

*To owners of 1988 Jaguar Sedans

*Rebates go to the customer in some regions and to the dealer in other regions

Sales dip in 'short' period

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Mid-August car and light-truck sales declined almost 9 percent from the comparable 1988 period.

There was one less selling day this year. For Aug. 11-20, deliveries of U.S.-built cars and light trucks totaled 274,320, down 8.77 percent from 300,682 last year.

Although overall sales were down, dealers sold more cars and light trucks per day than they did in 1988. This year's Aug. 11-20 daily selling rate was 34 290, up 2.64 percent over last year's 33,409.

DOMESTIC SALES

CARS	August 11-20, 1989	August 11-20, 1988
Eagle	1,551	1,272
Chrysler	3,345	5,906
Dodge	10,352	10,771
Plymouth	9,242	8,034
Chrysler Motors	24,490	25,985
Ford	36,907	40,852
Mercury	13,989	14,424
Lincoln	4,124	4,908
Ford Motor Co.	55,020	60,184
Buick	15,929	15,536
Cadillac	5,872	6,713
Chevrolet	27,817	31,796
Oldsmobile	14,359	18,784
Pontiac	14,036	15,563
General Motors	78,013	88,394
Honda	9,732	9,256
Mazda	942	1,015
Mitsubishi	906	—
Nissan	3,011	4,182
Toyota	6,300	1,429
U.S. Car Total	178,414	190,445
TRUCKS		
Chrysler	72	0
Dodge	9,212	10,651
Jeep	6,047	6,911
Plymouth	3,531	3,913
Chrysler Motors	18,862	21,475
Ford Motor Co.	30,594	38,552
Chevrolet	33,709	36,306
GMC	8,909	9,658
General Motors	42,618	45,964
Nissan	3,832	4,246
U.S. Truck Total	95,906	110,237
U.S. Car-Truck Total	274,320	300,682

Sales of domestic-built cars dipped 6.32 percent to 178,414 from 190,445 last year.

On a daily basis, car sales rose 5.39 percent to 22,302 from the year-earlier selling rate of 21,161.

Honda and Toyota reported increases in sales of U.S.-built cars. Honda sold 9,732 cars, up 5.14 percent from 9,256 last year. Civic sales jumped to 4,388 from 3,863, while Accord sales were steady at 5,344, compared to 5,393 last year.

Toyota sales rose dramatically because the company now builds two lines of cars in this country. Sales of Corolla and Camry this year totaled 6,300 compared to 1,429 for Corolla alone last year.

Sales of the other six domestic auto producers declined, with Nissan reporting the heaviest loss — 28.00 percent.

Of the Big 3, General Motors reported the largest car-sales dip. Deliveries totaled 78,013, down 11.74 percent from 88,394 in 1988.

Chrysler Motors posted sales of 237 Eagle Talons in mid-August, up from 180 for Aug. 1-10, which was the first sales report for the new sport coupe.

Domestic light-truck sales fell 13.00 percent during mid-August. The total was 95,906, compared to 110,237 last year. The daily selling rate was 11,988, off 2.13 percent from 12,249 in 1988.

All four truckmakers reported lower sales for the period. The largest decline was at Ford where sales of light-duty trucks slipped 20.64 percent to 30,594 from 38,552.

Car, truck production ahead of '88

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

United States car and truck production increased last week over the prior and year-ago weeks as model changeover and vacation shutdowns wound down.

With almost back to normal levels for the new model year, car output totaled 131,462 units last week, 5.56 percent more than the previous week's 125,540 and 4.72 percent more than the year-ago week's 125,606.

So far this year, 4,540,973 cars have been produced, 1.28 percent more than the 4,483,516 completed last year at this point.

Last week's estimated production was split as follows: General Motors, 42.22 percent; Ford Motor Co., 26.69 percent; Chrysler Motors, 14.15 percent; Honda of America Manufacturing, 3.96 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.06 percent; New United Motor Manufacturing Inc., 3.04 percent; Toyota Motor Manufacturing U.S.A., 2.86 percent; Nissan Motor Manufacturing Corp. U.S.A., 2.02 percent; and Diamond-Star Motors, 2.00 percent.

Truckmakers targeted production at 78,204 units last week, 2.01 percent more than the prior week's 76,660 and 2.29 percent more than the year-ago week's 76,455.

Ford's Lorain, Ohio, plant is closed this week due to a shortage of dealer orders for Ford Thunderbird and Mercury Cougar. Ford will idle its Chicago plant Sept. 1 until Sept. 11 due to slow sales of its 1989 Taurus and Sable.

Chrysler's Toledo, Ohio, plant shut down last week to adjust high inventories. Output of the Cherokee, Grand Wagoneer, Wagoneer and Comanche is expected to resume Sept. 5.

As previously reported, GM closed its Moraine, Ohio; Shreveport, La.; and Pontiac West, Pontiac, Mich., plants because of bloated inventories today. All three plants are expected to resume operations Sept. 5.

GM's Allante line at the Detroit-Hamtramck plant remains idle until Sept. 6 for model changeover.

Canada car output rises

Last week's scheduled Canadian auto output was 19,733 cars, 11.76 percent percent above the prior week's 17,656 and 6.53 percent more than the year-ago week's 18,523.

So far this year, 631,055 cars have been built, 10.93 percent below the 708,518 completed last year at this point.

Truckmakers estimated assembly of 19,911 units last week was 17.15 percent higher than the prior week's 16,996 and 11.39 percent above the year-ago week's 17,875.

Navistar International's plant in Chatham, Ontario, was expected to resume production today. The plant had been idle due to slow sales.

Volvo's Halifax, Nova Scotia, plant reopened last week after a three-week vacation.

U.S. CAR	Week Ended Aug. 26, 1989	Week Ended Aug. 27, 1988	Week Ended Aug. 19, 1989	Aug. to Date	Jan. 1 to Aug. 26, 1989	Jan. 1 to Aug. 27, 1988
Horizon	1,100	0	1,134	4,449	21,017	53,869
Sundance	1,600	1,349	1,539	4,349	68,927	67,160
Reliant	0	0	0	0	0	56,260
Acclaim	2,900	0	2,972	10,115	81,639	0
Caravelle	0	0	0	0	0	9,087
Gran Fury	0	313	0	0	0	15,562
Total Plymouth	5,600	1,662	5,645	18,913	171,583	201,958
LeBaron K	0	0	0	0	0	7,912
LeBaron J	2,700	1,620	2,636	8,968	67,282	48,411
LeBaron GTS	0	156	0	0	2,946	6,105
N. Yorker C-Class	700	1,849	761	2,689	60,582	68,464
Fifth Avenue	1,600	961	1,671	4,747	4,747	18,323
Total Chrysler	5,000	4,586	5,068	16,404	135,557	149,215
Omni	1,100	0	1,074	4,243	22,211	52,602
Daytona	1,800	1,608	1,757	5,934	54,558	47,634
Shadow	1,600	1,575	1,524	4,293	65,726	65,934
Aries	0	0	0	0	0	54,570
Dodge 600	0	0	0	0	0	8,549
Dynasty	1,700	2,594	1,841	6,513	90,646	66,112
Lancer	0	108	0	0	1,528	5,908
Spirit	1,800	0	1,806	6,090	66,947	0
Diplomat	0	224	0	0	0	13,196
Total Dodge	8,000	6,109	8,002	27,072	301,616	314,505
CHRYSLER MOTORS	18,600	12,357	18,715	62,389	608,756	665,678
Escort	8,689	7,053	8,161	27,552	211,457	254,453
Mustang	4,403	3,572	4,420	16,596	142,092	131,666
Tempo	3,048	2,911	2,828	11,187	98,061	121,929
Taurus	8,030	6,030	6,435	24,614	239,275	257,999
Thunderbird	2,791	0	2,679	9,849	104,237	90,246
Total Ford Div.	26,961	19,566	24,523	89,798	795,122	856,293
Topaz	1,352	1,066	1,413	5,111	45,926	46,044
Cougar	2,794	0	2,723	9,891	89,961	69,686
Sable	2,528	1,956	2,104	7,945	77,313	88,196
Total Mercury	6,674	3,022	6,240	22,947	213,200	203,926
Continental	446	1,676	1,057	3,378	43,376	29,883
Mark VII	0	826	0	0	13,978	16,075
Lincoln	1,007	2,492	2,158	6,959	81,860	84,862
Total Lincoln	1,453	4,994	3,215	10,337	139,214	130,820
Total L-M Division	8,127	8,016	9,455	33,284	352,414	334,746
FORD MOTOR CO.	35,088	27,582	33,978	123,082	1,147,536	1,191,039
Skyhawk	0	541	0	0	6,913	10,894
Skylark/Somerset	1,083	1,632	1,079	2,206	37,079	30,832
Century	2,853	3,914	2,886	9,931	84,932	71,955
Riviera	449	78	334	830	12,178	3,719
Electra	1,824	1,320	1,664	6,316	49,910	55,625
LeSabre (fwd)	3,195	3,965	2,751	8,298	98,305	84,944
LeSabre (rwd)	270	59	0	270	4,372	6,558
Reatta	146	179	114	310	3,450	6,060
Total Buick	9,820	11,688	8,828	28,161	297,139	270,587
Cimarron	0	0	0	0	0	3,693
Eldorado	361	251	274	675	19,778	23,893
Seville	362	209	210	626	14,623	14,788
Brougham (rwd)	638	791	596	1,499	23,432	20,746
Deville (fwd)	3,845	294	3,920	13,648	130,528	98,332
Allante	0	0	0	138	2,077	1,135
Total Cadillac	5,226	1,545	5,000	16,586	190,438	162,587
Cavalier	2,996	6,667	2,056	14,990	238,685	235,052
Camaro	1,280	1,761	705	2,015	66,606	56,713
Celebrity	0	3,603	0	0	70,349	118,992
Corsica/Beretta	7,275	11,184	7,342	18,570	247,596	267,758
Caprice	4,130	3,846	2,704	8,046	120,807	137,470
Corvette	260	452	97	623	16,663	14,538
Total Chevrolet	15,941	27,513	12,904	44,244	760,706	830,523
Calais	1,170	2,707	1,192	2,396	58,877	69,840
Firenza	0	0	0	0	0	5,230
Cutlass Ciera	1,313	471	1,309	4,315	59,998	14,067
Cutlass Supreme	2,930	2,765	2,688	7,411	59,933	94,301
Toronado	56	211	4	70	4,915	10,531
88 (fwd)	3,150	3,003	1,831	6,564	92,468	101,091
88 (rwd)	148	220	104	300	5,365	8,098
Olds 98	1,355	1,192	1,287	4,724	47,891	48,945
Total Oldsmobile	10,122	10,569	8,415	25,780	329,447	352,103
Sunbird	1,892	2,478	1,413	6,083	94,291	69,208
Grand Am	4,800	4,807	4,603	13,905	157,769	150,021
Firebird	833	1,256	563	1,427	36,779	39,318
Grand Prix	2,930	3,434	3,228	8,997	80,783	82,336
Pontiac 6000	1,705	2,147	1,650	5,733	54,708	50,411
Bonneville	2,231	2,307	2,098	7,904	59,949	72,845
Safari/Parisienne	0	133	0	0	2,691	5,314
Fiero	0	0	0	0	0	13,260
Total Pontiac	14,391	16,562	13,555	44,049	486,970	482,713
GENERAL MOTORS	55,500	67,877	48,702	158,820	2,064,700	2,098,513
DIAMOND-STAR	2,625	0	2,706	9,793	41,847	0
HONDA	5,210	7,198	7,114	25,757	246,812	240,861
Civic	1,653	2,567	1,266	7,538	83,192	68,982
Accord	3,557	4,631	5,848	18,220	163,620	171,879
MAZDA†	4,021	4,699	3,859	12,432	132,731	76,706
NISSAN	2,658	2,652	2,565	9,072	76,811	70,452
NUMMI	4,000	3,241	4,123	15,691	135,536	104,672
Corolla	1,600	1,154	1,719	6,434	54,855	38,274
Geo Prizm/Nova	2,400	2,087	2,404	9,257	80,681	66,398
TOYOTA	3,760	0	3,778	14,188	86,244	0
VOLKSWAGEN	0	0	0	0	0	35,595
Golf/GTI	0	0	0	0	0	30,042
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	131,462	125,606	125,540	431,225	4,540,973	4,483,516
Total Cars, Canada	19,733	18,523	17,656	58,302	631,055	708,518
U.S., Canada Cars	151,195	144,129	143,196	489,528	5,172,028	5,192,034
U.S., Canada Cars and Trucks	249,310	238,459	236,852	837,044	8,602,885	8,473,933

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe

CANADIAN CAR	Week Ended Aug. 26, 1989	Week Ended Aug. 27, 1988	Week Ended Aug. 19, 1989	Aug. to Date	Jan. 1 to Aug. 26, 1989	Jan. 1 to Aug. 27, 1988
Premier	1,275	946	1,276	4,635	27,241	40,078
CHRYSLER MOTORS	1,275	946	1,276	4,635	27,241	40,078
Tempo	3,360	3,009	3,286	11,737	85,062	118,471
Topaz	1,440	1,336	1,388	4,975	36,076	44,052
Crown Victoria	2,520	2,369	2,554	9,296	80,679	83,777
Grand Marquis	2,638	2,486	2,637	9,475	86,494	84,200
FORD MOTOR CO.	9,958	9,200	9,865	35,483	288,311	330,500
Celebrity	0	535	0	0	15,231	14,674
Cutlass Ciera	0	2,736	0	0	95,976	161,526
Lumina	3,720	0	3,996	7,716	89,356	0
Pontiac 6000	0	0	0	0	0	29,675
Regal	2,480	3,707	280	2,760	46,222	100,934
GENERAL MOTORS	6,200	6,978	4,276	10,476	246,785	306,839
HONDA	1,620	1,274	1,758	6,169	53,947	26,713
TOYOTA	500	0	481	1,360	9,404	0
VOLVO	180	125	0	180	5,367	4,388
Total Cars, Canada	19,733	18,523	17,656	58,302	631,055	708,518

U.S. TRUCK☆	Week Ended Aug. 26, 1989	Week Ended Aug. 27, 1988	Week Ended Aug. 19, 1989	Aug. to Date	Jan. 1 to Aug. 26, 1989	Jan. 1 to Aug. 27, 1988
Caravan	1,700	2,401	1,702	5,909	68,335	60,987
Dakota	1,600	2,014	1,975	6,793	63,381	68,323
Caravan C/V	100	46	80	271	4,794	9,019
Ram pickups	1,600	2,020	1,989	6,816	63,506	46,801
Total Dodge	5,000	6,481	5,746	19,789	200,016	185,130
Cherokee	4,100	4,491	4,017	15,592	146,139	116,704
Comanche	500	987	464	1,814	19,531	29,652
Grand Wagoneer	0	332	325	902	7,514	9,159
Wagoneer	100	212	103	331	5,470	6,878
Total Jeep	4,700	6,022	4,909	18,638	178,654	162,393
Voyager	1,600	2,317	1,591	5,386	64,324	57,463
Town & Country	100	0	182	324	2,198	0
Total C-P Div.	1,700	2,317	1,773	5,710	66,522	57,463
CHRYSLER MOTORS	11,400	14,820	12,428	44,137	445,192	404,986
Aerostar	3,560	4,499	3,701	14,461	150,755	131,250
Bronco	1,460	755	1,458	5,421	51,569	36,651
Bronco II	2,327	2,927	2,245	8,356	80,145	84,883
Econoline	4,104	4,585	4,158	15,783	153,731	153,921
Heavy trucks	1,263	1,047	0	3,307	41,124	43,578
Light trucks	10,911	7,882	9,845	36,987	351,806	319,316
Ranger	6,222	7,045	6,070	21,482	210,756	231,357
Total Ford Div.	29,847	28,740	27,477	105,796	1,037,886	1,000,956
FORD MOTOR CO.	29,847	28,740	27,477	105,796	1,037,886	1,000,956
Astro	2,921	3,070	2,044	10,233	109,093	115,587
Blazer	542	366	543	2,044	19,036	17,216
Mediums/Heavies	365	488	348	1,204	7,369	13,163
P-Model	0	886	0	0	20,749	26,821
Pickups	8,009	6,504	8,494	30,332	270,352	227,681
S-10	4,972	5,247	5,208	19,117	179,801	200,841
S-10 Blazer	3,827	1,378	3,475	14,134	130,811	106,665
Sportsvan/Van	1,816	1,816	1,811	6,461	65,547	61,857
Suburban	1,461	962	1,455	5,545	53,084	46,252
Total Chevrolet	23,913	20,737	23,378	89,070	852,123	816,083
Jimmy	162	93	167	612	5,639	4,999
Mediums/Heavies	585	610	561	2,293	12,194	26,099
P-Model	0	124	0	0	2,916	3,611
Pickups	2,591	1,845	2,774	9,312	80,695	70,283
S-15	1,166	1,247	899	4,157	40,704	45,118
S-15 Jimmy	1,133	426	1,354	4,620	36,994	30,229
Safari	839	784	568	2,819	28,451	29,434
Suburban	649	392	673	2,417	20,893	20,413
Vandura/Rally Vans	643	564	645	2,754	18,645	23,211
Total GMC	7,768	6,085	7,641	28,965	241,190	253,397
GENERAL MOTORS	31,681	26,822	31,019	118,054	1,093,313	1,069,480
NAVISTAR	0	1,910	0	3,155	52,130	56,804
NISSAN	2,526	1,413	2,266	8,954	79,633	64,097
AM GENERAL	450	450	450	1,710	14,940	15,210
MISCELLANEOUS	2,300	2,300	3,000	10,700	92,900	77,740
Total Trucks, U.S.	78,204	76,455	76,660	292,508	2,815,994	2,689,273

CANADIAN TRUCK	Week Ended Aug. 26, 1989	Week Ended Aug. 27, 1988	Week Ended Aug. 19, 1989	Aug. to Date	Jan. 1 to Aug. 26, 1989	Jan. 1 to Aug. 27, 1988
Caravan	3,252	3,269	2,726	10,043	92,751	92,282
Caravan C/V	210	199	164	620	7,695	8,645
Ram Wagon	660	562	658	1,749	17,329	15,944
Ram Van	1,690	1,380	1,706	4,791	44,630	42,458
Total Dodge	5,812	5,410	5,254	17,204	162,405	159,329
Voyager	2,682	2,582	2,150	8,445	82,117	81,877
Total Plymouth	2,682	2,582	2,150	8,445	82,117	81,877
Wrangler	1,700	1,302	1,839	6,729	53,129	31,950
Total Jeep	1,700	1,302	1,839	6,729	53,129	31,950
CHRYSLER MOTORS	10,194	9,294	9,243	32,378	297,651	273,156
FORD MTR. (lt. trks.)	3,231	1,754	2,759	10,760	103,521	107,233
Light trucks	3,125	2,987	3,001	6,126	103,572	98,688
Vans	1,051	1,527	173	1,224	37,967	36,931
Total Chevrolet	4,176	4,514	3,174	7,350	141,539	135,619
Light trucks	1,755	1,650	1,723	3,478	45,859	49,844
Vans	555	396	97	652	18,709	19,449
Total GMC	2,310	2,046	1,820	4,130	64,568	69,293
GENERAL MOTORS	6,486	6,560	4,994	11,480	206,107	204,912
NAVISTAR	0	267	0	391	7,584	7,325
Total Trks., Canada	19,911	17,875	16,996	55,008	614,863	592,626
U.S., Canada Trks.	98,115	94,330	93,656	347,517	3,430,857	3,281,899

☆—Includes window van production *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Automotive News®

September 4, 1989

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Chevy group fights GMAC turndowns

Dallas dealers try outside audit

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chevrolet dealers in Dallas have hired an independent firm to investigate the loan practices of General Motors Acceptance Corp., which dealers claim are too restrictive and are costing them sales.

Karl Singer & Associates, a national finance consulting firm in Dallas, will track every loan request made by the Dallas dealers and will examine GMAC's response to those requests for an undetermined time period.

The firm will pay particular attention to GMAC's controversial first-time buyer program and tiered-finance program. In the latter program, the best credit risks receive the most attractive loan rates, and the less credit-worthy are charged the highest rates.

"We, like many GM dealers in the country, think that GMAC's buying practices are hurting our business," said Mike Doran, of Doran Chevrolet. Doran is president of the Dallas Area Chevrolet Dealers Association.

Restrictive loan practices have contributed to the decline of Chevrolet volume in Dallas and across the country, he said.

GMAC had no comment on the Dallas dealers' action.

But in a letter to dealers in May, John Edman, GMAC chairman, acknowledged dealer complaints — particularly about the tiered program. In the letter he said GMAC must maintain a spotless record of profitability or its access to funds loaned to dealers and car buyers would be cut off.

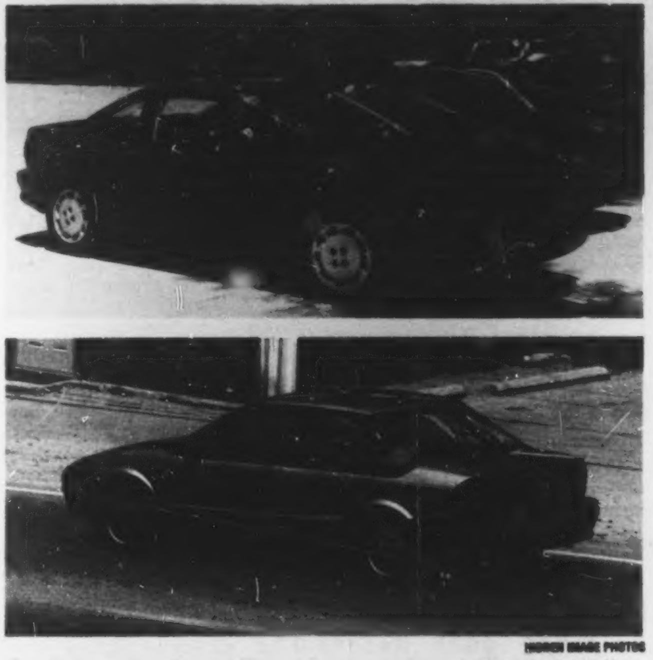
Doran said the association has met with GMAC officials and written letters in an effort to get GMAC to change its policies. The association hired Karl Singer and Associates to come up with the scientific data to support the claims it has made against GMAC.

GM dealers — not only in Dallas — have complained that the first-time buyer program is too restrictive and doesn't provide for low enough monthly payments for the first-time buyer.

"The first-time buyer program has been a failure," said Doran. "The customer has to be gold plated before GMAC will agree to finance his purchase."

Doran said one Dallas dealer turned in 30 applications under the first-time buyer program in July and all were turned down.

see DALLAS, page 52



HIDDEN IMAGE PHOTOS

Spy photos capture General Motors' Saturn prototypes in close-to-production form. Above, the two-door sporty model has a longer nose and concealed headlamps, compared to the sedan version parked next to it. Below, rear wraparound glass gives the sedan a distinct look.

Engineers, designers mixed in early Saturn appraisals

By Arlena Sawyers
AUTOMOTIVE NEWS STAFF REPORTER

Cars that roll off the Saturn assembly line next summer may bear a strong resemblance to the Ford Probe and Pontiac Bonneville already available in dealer showrooms.

That's according to automobile engineers and designers who were asked to analyze the style and design of two- and four-door Saturn models as they appear in photographs obtained by Automotive News.

Several soon-to-be Saturn dealers praised the styling as a hit.

Some independent designers said the new Saturn coupe, with its low-front, high-back, rounded body, its thin, all black pillars, and its wrap-around glass is a dead ringer for the Ford Probe. Some said the four-door model resembles the Pontiac Bonneville.

"That (the two-door model) definitely looks like a Probe," said Scott Johcox, a senior designer at Technical Services, an automobile design house, in Troy, Mich. "The four-door, minus the door handle, looks like the Bonneville."

Gary Krolewski, another senior designer at Technical Services, agreed and added that he hopes the car is not "spoiled" by a small engine.

"I'm impressed; it has nice lines," he said. "The least it should have is a V-6 fuel-injected engine."

Caesar Gonzalas, a senior designer at Technical Services who briefly worked on the Saturn project a few years ago, said he likes the rounded look of Saturn's quarter panel.

Carl Olson, chairman of Transportation Design at the Center for Creative Studies, an art college in Detroit, said the Saturn coupe is "immediately recognizable as a General Motors car" and has sev-

see SATURN, page 52

Porsche cuts back; trims imports, staff

Only 8,970 cars set for U.S. in '90

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

Porsche Cars North America, anticipating a further sales slide, will reorganize the way it sells and distributes cars and parts in the United States.

As part of that reorganization, Porsche last week fired 50 people from all levels of its U.S. operations — from directors to clerical help.

And next year dealers will find themselves selling even lower-volume, higher-priced niche cars whether they like it or not.

A two-page letter sent by Porsche Cars North America to dealers on Aug. 23 told dealers that they will have a total of 8,970 1990-model cars to sell. Some dealers predict that number may be even lower.

In total, Porsche says it will have 11,320 cars for the 1990 calendar year, including 1989 carryover vehicles.

"As you are aware from past experiences our planned production is always subject to variances," wrote Porsche Cars North America President and Chief Executive Officer Brian Bowler to dealers.

"In our opinion, in this model year any revisions to the production plan can only be downward."

Porsche says it will sell 12,000 cars in the United States in 1989. If 1989 sales continue at the current pace, Porsche will sell just 9,552 cars this year. Through July 31 Porsche Cars North America had retail deliveries of 5,722 cars for a 796 car-per-month average, a 39 percent decrease from 1988. That 1989 average does not take into account any new-model start-up delays, including 944 Cabriolet and 911 Carrera 2s. This week, Porsche Cars North America will release August sales results and Porsche AG will release 1988 financial results.

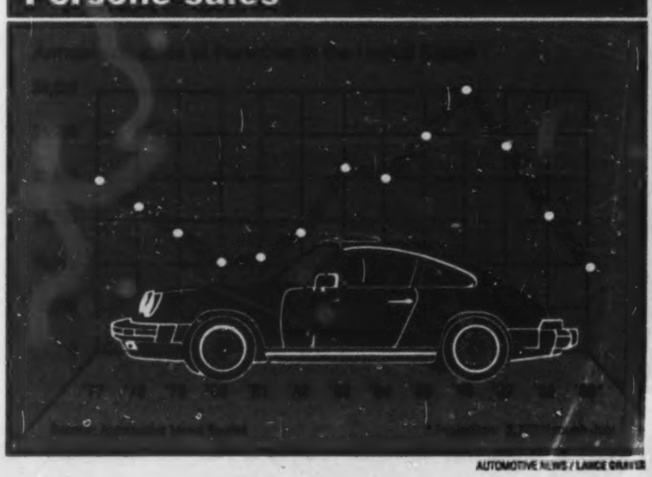
Porsche has suffered serious sales losses since its high mark of 30,471 in 1986. Sales declined to 23,632 in 1987 and 15,737 in 1988.

Porsche Cars North America officials said that 1990 calendar production for worldwide sales would remain flat or increase slightly depending on market conditions, and would tally from 32,000 to 34,000.

Porsche officials said the company implemented the reorganization to reduce costs by eliminating duplication of vehicle and parts

see PORSCHE, page 52

Porsche sales



AUTOMOTIVE NEWS / LANCE GRAVES

Frankfurt show to spotlight new BMW, Accord

BMW's 300-hp 850i, one of the Frankfurt International Motor Show's stars.

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Next week's opening of the Frankfurt International Motor Show will be dominated by a series of flashy sport coupes and purebred sports cars from European makers, while one Japanese maker will be unveiling the next generation of its most important product.

Headliners at the semi-annual German exhibition include BMW's V-12-powered 850i coupe, the new Ferrari 348, Opel's Calibra that marks another European entrant in the Japanese-ruled coupe segment and Porsche's rear-wheel-drive 911 Carrera 2.

Porsche is also readying a potentially explosive design study for

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Engineering replaces pretty cars in Chrysler TV ads

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — In its 1990-model advertising, Chrysler Motors shuns the traditional hallmarks of television car campaigns — strong music and speeding cars on scenic highways.

Techniques used in Chrysler's new television ads include humor, wit and recital of engineering and product details. More often than not, vehicles don't move.

Chrysler will no longer use spokesman Ricardo Montalban, who made "rich, Corinthian leather" part of the nation's vocabulary.

Joseph Campana, vice president of Chrysler-Plymouth, said "Ricardo has been a great friend for 15 years, but the (1990) advertising doesn't lend itself to a spokesman."

Instead, the Chrysler brand campaign focuses on the company's engineering heritage and employs a new theme: "There is no luxury without engineering."

But two celebrity spokesmen will be seen in other campaigns. Chrysler Corp. Chairman Lee Iacocca appears in corporate ads touting the company's customer satisfaction rating. And Tina Turner speaks — but does not sing — for Plymouth.

Dodge has employed another big name, but not on camera.

The Dodge commercials are directed by Joe Pytka, whose credits include the Madonna Pepsi commercials, Bo Jackson Nike commercials, Michael Jackson music videos and the feature film "Let It Ride," starring Richard Dreyfuss.

Chrysler declined to specify how much it will spend on advertising. Advertising Age, a sister trade publication to Automotive News, estimates 1989 spending at $500 million.

Campana said 70 percent of the Chrysler brand's 1990 advertising budget will be spent for print campaigns. Traditionally, the brand has spent about 40 percent of its budget on print.

Chrysler said print dominates the buy because the company believes luxury-car prospects don't watch as much television as the average buyer.

Ninety percent of Plymouth's spending will be television as the company strives to increase brand awareness, Campana said.

John Damoose, vice president of Dodge, said Dodge will spend an estimated 35 percent of its advertising budget in print this year compared to 20-25 percent last year.

Seventy percent of spending for the Jeep and Eagle brands will be in television, according to Joseph Cappy, vice president of Jeep-Eagle.

Chrysler Corp. previewed its advertising campaigns last week.

CHRYSLER: The company's flagship division is unveiling two luxury models, the Imperial and New Yorker Fifth Avenue, in the 1990 model year. Advertising will stress engineering technology and position the cars in the luxury market.

Chrysler combed its corporate archives and found television footage of a 1934 Chrysler Airflow somersaulting off a cliff, landing solidly on a road and continuing its journey. Walter P. Chrysler's original tool box also appears in the ad, underscoring the company's tech-

see ADS, page 53

Singer Tina Turner won't be selling Plymouths with a song.

GENERAL MOTORS

AUTOMOTIVE NEWS/JOE WILSSENS

With GM Building in the background, Tonkin delivers blast at automakers.

Tonkin tells makers, 'Help us, we help you'

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

The National Automobile Dealers Association could withhold its lobbying clout on issues crucial to automakers unless the manufacturers make concessions on fleet subsidies and other practices that reduce dealership profits, NADA President Ron Tonkin warned last week.

"We have some bargaining chips," Tonkin said at a press briefing in Detroit. "We want to know what the trade-off is. If they want help from us on their problems, then we want help from them with ours."

Tonkin's threat comes as the auto industry faces several dramatic new initiatives in Washington: potentially stricter emissions standards, safety regulations and corporate average fuel economy standards.

Tonkin is winding down a whistle-stop tour of 17 major American cities. He is talking to dealers and the news media about the plight of automobile dealers and what he says are the injustices automakers perpetrate against them.

Profits have dipped significantly for auto dealerships in recent months, according to Tonkin, who says half the dealers are either losing money or breaking even.

Since he became NADA's outspoken and controversial chief last February, Tonkin has centered his crusade against automakers on manufacturers' subsidies to fleet buyers. He wants franchised dealers to get the automakers' lowest price.

He has also complained about reductions in payments on warranty work and the 1 percent mandatory dealer advertising fee

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Electronic safety options thrive

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Sales of safety devices and electronic doodads targeted at driver comfort are booming, driven by consumer demand and legislation. For automakers, that means higher profits.

William R. Pochiluk, president of Autofacts Inc. in Paoli, Pa., estimates the automotive electronics market represents a retail value of $8.7 billion this year and will grow to $13.8 billion in five years.

The research firm has just finished an 18-month study on the outlook for automotive electronic systems. It gathers its data from automakers and their suppliers.

According to the study, growth in electronic options has been kindled in part by sales incentives, which have increased option loading and reduced prices.

"The growth of OEM earnings despite continuous incentives for the 1986-88 model years reflected higher option loading with higher profit output," said Pochiluk.

Other influences have been:

- Competition, which has expanded option availability and reduced prices.
- New automotive electronic products and product-cost improvements, which have hiked demand.
- Car buyers have asked for the same creature comforts when they purchase trucks.
- More consumer purchasing power.
- Demand for electronic features moves in one direction — up.

According to the study, Ford Motor Co. is expected to be a leader in headlamp timing, keyless locks, power door locks, power seats and trip computers. Ford will be strong in anti-lock brakes, cruise control and intermittent wipers for trucks.

General Motors is expected to have an edge in automatic air conditioning, anti-lock brakes, anti-theft devices, cruise control, load levelers and power windows for cars and power windows for trucks.

Although Chrysler Motors is expected to lag behind its domestic competitors, it will lead in air-bag sales and intermittent wipers for cars. It is likely to sell more power door locks, rear window defrosters and rear-window wipers on its

see OPTIONS, page 53

AUTOMOTIVE ELECTRONIC OUTLOOK

Feature application rate for total passenger car industry in percent

Feature	1988	1989	1990	1991	1992	1993	1994
Air bag (driver)	0.9	4.9	36.5	44.0	52.2	59.6	65.2
Air conditioning (automatic)	16.3	14.9	17.6	17.9	18.2	18.5	18.7
Anti-lock brakes	2.7	6.1	10.3	20.2	24.5	28.4	32.7
Anti-theft device	2.0	3.0	3.2	3.4	3.7	3.8	3.9
Cruise Control	67.9	69.3	70.5	71.1	71.9	73.2	73.9
Headlamp timing	14.4	16.1	18.0	18.1	18.6	18.7	19.5
Intermittent wipers	83.3	85.0	86.8	87.7	88.6	89.3	90.1
Keyless locks	3.7	4.8	5.4	5.7	5.8	6.1	6.3
Load leveller	9.0	9.8	10.9	11.2	11.6	11.5	11.7
Power door locks	55.6	58.2	60.5	62.1	63.7	65.5	66.7
Power seat (driver)	33.9	34.3	34.8	34.6	35.1	35.5	36.0
Power sunroof	3.0	3.8	4.8	5.7	7.3	8.2	8.8
Power windows	49.4	53.1	55.8	57.8	59.3	61.3	62.6
Rear window defroster	81.1	83.2	85.9	87.4	88.6	89.9	91.0
Rear window wiper	5.1	4.2	5.6	6.3	6.3	6.8	7.6
Trip computer	7.7	11.7	12.8	13.3	13.8	14.1	14.5

SOURCE: Autofacts, Inc.

GM to name Smith successor next spring

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors directors will begin the process of choosing Chairman Roger B. Smith's successor at their October meeting and will announce their selection by late spring.

Smith, who retires in July when he reaches 65, told investment analysts last week that his successor will be named a couple months before he leaves.

Those who attended GM's annual meeting for analysts at its Milford, Mich., proving grounds last week said that most GM officials were in favor of having the financial side and the engineering side represented in the company's top two spots.

In recent history, the chairman generally has risen through the financial ranks while the president generally has been an engineer.

Frontrunners for the chairmanship are President Robert Stempel and Executive Vice President F. Alan Smith. Outside possibilities include Executive Vice Presidents William Hoglund, Lloyd Reuss, Robert O'Connell and John Smith.

GM executives also said the automaker believes it could maintain its present dividend even during an economic downturn. The quarterly common stock dividend is currently 75 cents a share.

Portfolio managers were concerned about GM's ability to maintain the dividend.

GM executives showed analysts that even if car and truck sales fell to 12.5 million units annually from this year's expected 15 million, GM could sustain its present dividend.

Analysts attribute an upturn in GM's stock price to the optimism expressed at the Tuesday meeting. In a market that was flat Thursday, GM's stock rose $1.63, to $48.75, and was among the most actively traded issues. The auto stocks as a group were the most actively traded, led by GM.

Scott Merlis, auto analyst with Morgan Stanley, said the upward movement of GM's stock Thursday increased the automaker's value

see GM, page 53

Analyst sees Japan taking 7 points of Big 3 market by '94

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — Powered by a surge of North American production, Japanese automakers will wrest almost seven points of market share from the U.S. Big 3 by 1994, a J.D. Power analyst predicts.

Japanese car nameplates will take 29.8 percent of the U.S. market in 1994, up from 22.9 percent in 1988, said Christopher Cedergren, senior analyst for J.D. Power and Associates, an Agoura Hills, Calif., market research firm.

In the process, the combined shares of Ford Motor Co., Chrysler Motors and General Motors will shrink to 62.5 percent from 69.2 percent in 1988, he said. The Big 3 figure includes captive imports.

MARKET-SHARE PREDICTIONS, 1994
(Percentage of U.S. car sales)

	1994 Predictions	1988 Share
General Motors	32.7	36.2
Ford Motor Co.	20.4	21.8
Chrysler Motors	9.4	11.2
Big 3 Total	62.5	69.2
Honda	9.1	7.3
Toyota	7.6	6.2
Nissan	6.1	4.4
Mazda	2.9	2.4
Mitsubishi	1.6	0.6
Subaru	1.4	1.6
Isuzu-Suzuki-Daihatsu	1.1	0.4
Japanese Total	29.8	22.9
Hyundai	3.0	2.5
European makes	4.7	5.4
Totals	100.0	100.0

SOURCE: J.D. Power and Associates

Domestic automakers are much more competitive today than they were a decade ago, Cedergren told a meeting of West Coast automotive writers.

But the Japanese are emerging from a "yen-shock era" with their manufacturing costs down and their productivity up. They are preparing to challenge domestics in several new segments, he said.

Cedergren, who prepares private forecasts of future product offerings and sales volume for Power's manufacturing clients, sees GM as the biggest loser among the Big 3.

GM's share of the U.S. car market will slip 3.5 percentage points to 32.7 percent by 1994, compared with 36.2 percent in 1988, he predicted. He expects Ford to shed 1.4 points from last year's 21.8 percent and Chrysler to lose 1.8 points and drop from 11.2 percent to 9.4 percent.

The blow to the Big 3 will be softened somewhat because overall car sales will be higher. Cedergren predicted U.S. car sales will reach 11.17 million units in 1994, compared to 10.53 million in 1988.

Big 3 volume will drop about 300,000 units, to 6.98 million; but for Japanese nameplates as a whole, a larger market will translate into more than 900,000 additional car sales: 3.32 million in 1994 compared to 2.4 million in 1988, Cedergren said.

He sees all Japanese makes except Subaru gaining market share, and he looks for an increase by Hyundai and a dip for the European makes (see accompanying table).

He said Japanese automakers are even tougher than before and more firmly entrenched in the U.S. market with North American production capabilities. Asian automakers now build cars at 11 operations in the United States and Canada.

Cedergren said Big 3 manufacturers have improved quality and reliability; introduced more contemporary, world-class styling; increased distinction between product lines; cut reaction time to emerging trends; become better attuned to customer needs; and improved value-for-the-money ratios.

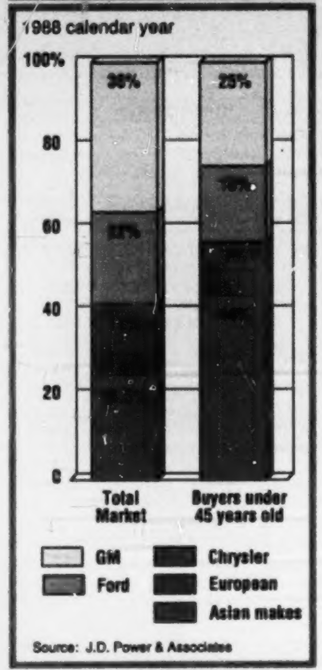
"But the Japanese are a moving target," he said. "They were slowed by the yen-shock era (the appreciation of the yen against the dollar from late 1985 to 1987, which pushed U.S. prices of Japanese vehicles sharply higher), but they have emerged from it with greatly improved productivity and production costs."

Between 1986 and 1989, Japanese automakers increased productivity 45 percent and reduced cost structures 25 percent, he said.

While the exchange rate has stabilized around 140 yen to the dollar compared to 240 yen per dollar in 1985, Japanese manufacturers had prepared for a greater challenge.

"The new break-even point for vehicle exports is 105 yen per dollar and for transplants 95 yen per dollar," Cedergren said.

Share of new car market



Source: J.D. Power & Associates

AUTOMOTIVE NEWS / CHARLOTTE WINTER

He said new Japanese cars are being designed and engineered with lower cost bases. His figures show break-even points are targeted at 110 yen per dollar for the 1990 Nissan 300ZX and Mazda Miata, 100 yen per dollar for the 1990 Honda Accord and 95 yen per dollar for the 1991 Toyota Camry and 1992 Honda City.

Other Japanese strategies for the U.S. market will be challenging for the Big 3, he said. They include:

- Bigger cars loaded with more features. Between 1981 and this fall's new 1990 model, the Honda Accord has grown by a foot, from 172 to 184 inches, and its engine has gone from 1.8 liters to a 2.2-liter 16-valve version.
- Increased distribution. Japanese makes intend to add almost 2,000 new dealer points during the next four years, mostly in the Central and Southeastern United States.
- Expansion into the fleet market.
- Riding the crest of the postwar generation. Big 3 automakers are losing the battle for the hearts and pocketbooks of baby boomers, Cedergren said.

In 1988, Asian and European makes captured three out of 10 car buyers for the whole market, but half the buyers were under 45 years old, Cedergren said. Put another way, GM outsold all imports combined, but import makes sold twice as many cars as GM in the under-45 age group.

- Targeting new territory. Japanese automakers are entering — or considering entering — new segments, including what Power designates the upper-middle and luxury range, mid-priced sports coupes and sedans as well as the intermediate pickup category.

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U.S. AUTOMOTIVE TRADE BY QUANTITY

Passenger cars

Country	Trade	May 1988	May 1989	June 1987-May 1988	June 1988-May 1989
Japan	Export	1,151	845	9,049	22,517
	Import	170,218	169,737	2,319,721	2,154,328
Canada	Export	64,079	28,287	598,552	494,119
	Import	114,948	109,489	1,055,198	1,158,147
West Germany	Import	13,664	16,705	309,021	255,544
South Korea	Import	40,933	19,182	461,080	397,504
Sweden	Import	11,256	8,490	118,033	116,016
Mexico	Import	14,184	18,766	149,599	149,380
Yugoslavia	Import	1,623	1	53,009	8,038
United Kingdom	Import	2,491	2,638	46,017	30,228
Italy	Import	155	857	7,679	6,446
France	Import	1,813	1,355	16,351	12,268
Brazil	Import	6,600	3,070	67,141	42,971
Others	Export	10,669	12,205	91,305	15[illegible],474
	Import	1,004	2,476	17,686	24,768
Car total	Export	75,899	41,337	698,906	668,44[illegible]
	Import	378,889	352,766	4,6[illegible]5,535	4,353,638
TRADE BALANCE		(302,990)	(311,429)	(3,9[illegible]6,629)	(3,685,196)

Light trucks (up to 10,000 lbs. GVW)

Country	Trade	May 1988	May 1989	June 1987-May 1988	June 1988-May 1989
Canada	Export	16,117	11,783	174,982	145,184
	Import	26,221	40,098	230,016	366,380
Japan	Import	45,633	39,721	624,411	493,316
Mexico	Import	2	0	5,[illegible]19	16
Others	Export	2,967	1,317	22,813	26,674
	Import	229	10	1,712	1,527
Truck total	Export	19,084	13,100	197,795	171,858
	Import	72,085	79,829	861,258	861,239
Trade balance		(53,001)	(66,729)	(663,463)	(689,381)
Car and truck total	Export	94,983	54,437	896,701	840,300
	Import	450,974	432,625	5,496,793	5,214,877
TRADE BALANCE		(355,991)	(378,188)	(4,600,092)	(4,374,577)

Compiled by Automotive News from official statistics of the U.S. Commerce Department, as reported by the U.S. International Trade Commission. Because of rounding, figures may not add to the totals shown.

U.S. AUTOMOTIVE TRADE BY VALUE

(x $1,000)

Passenger cars

Country	Trade	May 1988	May 1989	June 1987-May 1988	June 1988-May 1989
Japan	Export	$ 12,904	$ 15,008	$ 122,033	$ 295,951
	Import	1,608,671	1,620,241	20,918,282	20,393,642
Canada	Export	645,689	357,510	6,179,240	5,343,215
	Import	1,266,749	1,231,381	11,650,211	12,965,173
West Germany	Import	418,918	404,241	7,654,327	6,071,553
South Korea	Import	221,869	118,414	2,531,126	2,262,391
Sweden	Import	175,217	134,572	1,690,918	1,850,971
Mexico	Import	121,835	160,816	1,319,786	1,298,079
Yugoslavia	Import	4,623	3	136,222	21,814
United Kingdom	Import	68,857	84,613	1,176,580	968,132
Italy	Import	8,004	24,372	175,141	181,861
France	Import	16,683	16,129	172,355	137,401
Brazil	Import	38,398	18,835	357,692	255,247
Others	Export	131,143	163,028	1,198,103	1,928,254
	Import	17,471	40,510	277,818	387,267
Car total	Export	789,736	535,546	7,500,377	7,567,420
	Import	3,967,295	3,854,130	48,060,457	46,793,532
Trade balance		(3,177,559)	(3,318,584)	(40,560,080)	(39,226,112)

Light trucks (up to 10,000 lbs. GVW)

Country	Trade	May 1988	May 1989	June 1987-May 1988	June 1988-May 1989
Canada	Export	$ 161,280	$ 133,862	$ 1,752,464	$ 1,562,934
	Import	294,730	507,103	2,427,238	4,331,480
Japan	Import	280,237	243,311	3,496,424	3,101,157
Mexico	Import	617	129	43,811	8,802
Others	Export	36,409	15,628	287,208	327,187
	Import	21,132	2,148	130,268	89,225
Truck total	Export	197,669	149,490	2,039,752	1,890,121
	Import	576,715	752,691	6,097,741	7,530,664
Trade balance		(379,046)	(603,201)	(4,057,989)	(5,640,543)
Car and truck total	Export	987,405	685,036	9,540,129	9,457,541
	Import	4,544,010	4,606,821	54,158,198	54,324,196
VEHICLE TRADE BALANCE		(3,556,605)	(3,921,785)	(44,618,069)	(44,866,655
TOTAL U.S. Merchandise trade (customs value)	Export	27,446,900	30,472,500	285,785,600	341,781,000
	Import	36,137,200	40,709,800	424,143,200	457,028,400
TRADE BALANCE		(8,690,300)	(10,237,300)	(138,357,600)	(115,247,400)

Auto trade deficit up 10%; imports rise, exports drop

WASHINGTON — The U.S. trade deficit for passenger cars and light trucks increased 10.1 percent in May, lead by a sharp fall in exports. The annualized automotive trade deficit also rose in May, the first increase since January 1988.

The latest figures from the U.S. Commerce Department show the automotive deficit in May was $3.92 billion compared with a deficit of $3.56 billion in May 1988. The value of exports fell 30.6 percent, while import value increased 1.5 percent.

The annualized U.S. automotive trade deficit increased 0.6 percent to $44.87 billion in May. The deficit for the 12-month period ended May 1988 was $44.62 billion.

Much of the increase in the annualized U.S. automotive trade deficit is attributable to trade between the United States and Canada. In the most recent 12 month-period, exports dropped and imports increased.

Total car and truck imports for May had a value of $4.61 billion, while monthly car and truck exports were valued at $685.0 million.

Passenger-car exports reached 41,337 vehicles in May with an estimated value of $535.5 million. Light-truck exports for the month totaled 13,724 vehicles with an estimated value of $149.5 million.

The value of passenger-car exports rose 16.3 percent to Japan and were up 24.3 percent to nations labeled "others" by the Commerce Department. Exports of passenger cars to Canada were down 44.6 percent for the month.

Total passenger-car imports totaled 352,766 vehicles in May with a value of $3.85 billion. Imports of light trucks totaled 79,829 vehicles for the month with a value of $752.7 million.

Imports of passenger cars from Japan were down a scant 0.3 percent, while imports of Japanese light trucks fell 13 percent for the month.

Imports of cars from Canada were down 4.7 percent, while Canada's truck shipments jumped 52.9 percent.

West German passenger-car imports surged 22.3 percent in May. Mexico sent 32.3 percent more cars to the United States, and British passenger-car imports were up 5.2 percent for the month.

Also posting increases in passenger-car imports were, Italy, which sent 857 cars in May, and nations labeled "others" by the Commerce Department, which sent 2,476 vehicles to the United States for the month.

South Korean imports dropped 53.1 percent for the month to 19,182 passenger cars. Swedish shipments fell 24.6 percent, and France shipped 25.3 percent fewer cars than a year ago. Brazilian imports were down nearly 50 percent to 3,070 passenger cars, and Yugoslavia sent only one car to the United States in May with an estimated value of $4,623.

St. Louis ASSEMBLY PLANT I
PRESENTS ITS 100,000™
CHRYSLER LEBARON Convertible
Aug. 4. 1989

100,000th Chrysler LeBaron ragtop

Al Schell, left, plant manager at Chrysler Motors St. Louis Assembly Plant No. 1, and Ed Boyer, UAW Local 136 president, stand by the 100,000th Chrysler LeBaron convertible.

Doctors earn GM trauma award

DETROIT — General Motors has awarded prizes in its fourth annual Trauma Research Awards competition to four surgical residents whose research will help advance the understanding and treatment of injury and shock.

The awards, totaling $10,000, are part of a series of three annual Trauma Research Awards given by GM.

The honorees are:

Dr. David K. Magnuson, University of Washington Department of Surgery, Seattle, a $3,000 first-place award in the category of basic laboratory research, for research on a specific enzyme, Protein Kinase C, and its role in relation to inflammation.

Dr. Matthew L. Cooper, University of California Medical Center, San Diego, a $2,000 second-place award in basic laboratory research for his study on the use of antimicrobial agent to prevent infection of skin grafts in the care of burn patients.

Dr. Bradley Reeves, University of Mississippi Medical Center, Jackson, Miss., a $2,500 award in a tie for first place in the category of clinical research for a paper on the treatment options of adolescent fractures of the femur.

Dr. Danielle Desloges, Hospital du Sacre-Coeur, Universite de Montreal, a $2,500 award in a tie for first place in clinical research for a paper on the treatment of hip fractures in elderly patients.

ADS

FROM PAGE 3

nological heritage.

Product features such as Chrysler's four-speed automatic transmission, air bags and anti-lock brakes are compared to similar offerings from Jaguar, BMW and Mercedes-Benz.

PLYMOUTH: Company officials concede that the Plymouth brand has a high level of familiarity in the market but that its image needs polishing.

"Today's Plymouth product is far better than Plymouth's image," Campana said.

Advertising will feature Tina Turner and stress Plymouth products as "smart buys."

Plymouth has dropped its 1989 themeline "Satisfy the Customer. Satisfy the Customer. Satisfy the Customer." Instead, 1990 ads close with "From Plymouth. That's right. Plymouth."

In addition, a new signature/themeline will appear for Chrysler-Plymouth dealer advertising.

The themeline is "Chrysler-Plymouth — America's way to go" and uses the visual image of "thumbs up." The signature is designed for long-term use by individual dealers or dealer associations, Campana said.

Television spots end with Iacocca giving thumbs up to America.

DODGE: Chrysler's performance division continues "The New Spirit of Dodge" theme begun in 1989 but employs humor in its television and print campaigns.

A Pytka-directed television spot for Caravan is filled with the frenetic activity of children and uses the song "Kids, what's the matter with kids today." Dodge Caravan will be promoted heavily, and some ads use ownership testimonials. Print ads suggest: "Ask the Mom who owns one," "Ask the dog who vacations in one" and "Ask the guy who just bought his second one."

Dodge will also promote the Spirit, Shadow, Daytona and mid-sized Monaco sedan, which bows at mid-year.

Dodge truck advertising relies on "realism," Damoose said. "What you will see are Dodge trucks in their normal settings."

JEEP: A new themeline "There's only one Jeep" replaces the 1989 theme "Only in a Jeep." Jeep's successful Cherokee sport-utility will receive new competition in 1990 so the advertising stresses product features exclusive to Jeep such as a four-wheel anti-lock brake system and full-time four-wheel drive.

In a follow-up to last year's Clio award-winning campaign built around classic American songs, a 30-second Cherokee spot features a little girl camping out with her family and singing "Twinkle, twinkle little star."

Chrysler ads will focus on product features, such as anti-lock brakes.

EAGLE: The brand will emphasize the new all-wheel-drive Eagle Talon. Sixteen new 15-second television spots, three print spreads, a four-page insert and a special single-page ad feature Talon. Talon has competed in showroom stock car racing and leaders of the two race teams — Tommy Archer and Paul Rossi — appear on camera to stress the car's performance.

CORPORATE CAMPAIGN: Iacocca will be featured in print and television ads. Campaigns in the last quarter of 1989 will stress Chrysler's customer satisfaction ranking.

Leaning against a 1990 Chrysler LeBaron convertible, Iacocca says, "GM is bigger. Ford is richer. But neither of them beats Chrysler when it comes to satisfying the customer."

In the first quarter of 1990, ads will focus on the company's leadership in minivan sales.

The corporate ads begin this week. Brand advertising breaks in October.

TONKIN

FROM PAGE 3

charged by some manufacturers.

In the past, Tonkin has held out the specter of lawsuits and legislation to deal with those issues. He is now touting a more "cordial, sensible but firm" strategy.

"We have loaned our lobbying expertise in the past to the automakers on such issues as CAFE and clean air," he said. "Every time they have asked us for assistance, we have responded with no strings attached."

But in today's factory-dealer partnership, Tonkin said, "One partner is getting fat and going to the bank while the other is starving and going to the poorhouse."

Tonkin criticized dealers who specialize in fleet sales — who make their money by processing paperwork without selling or seeing a vehicle.

But he conceded that if an automaker offered him $9 per vehicle to do the paperwork for 5,000 fleet cars, he would do it.

"We shouldn't subsidize fleets," he emphasized. "But if the factory comes to me and says it wants to deliver 5,000 Chevrolets — and you might not even see the vehicles but will still be paid for the paperwork, you'll never see the cars, you'll never have to touch them, feel them or smell them — hell, I'd be a whore, too."

Tonkin has added to his list of injustices the mandatory 1 percent per vehicle advertising fee dealers are charged by some divisions of General Motors. He says it should be voluntary.

Tonkin has shaken up NADA and the automakers with his city-by-city crusade. Shortly after taking office, he formed the "Rough Riders" — a group of 1,000 dealers within the association who will carry on the crusade after his term ends next winter.

But apart from raising dealer issues with automakers, what has he accomplished in the seven months of his presidency?

Tonkin says he has at least kindled some dialogue with the automakers.

He has even spoken to the members of the Big 3 boards of directors about dealer concerns. He said the response has been positive.

When pressed, he concedes that little real progress has been made on any of his issues.

But he promises that by the end of his term, he will have brought a change in at least one of the issues.

GM

FROM PAGE 3

$1.2 billion, to $29 billion.

Analysts said they were particularly impressed with the broad array of GM products for the 1990 and 1991 model years, which they were able to test-drive at Milford. The products should boost GM's market share, analysts said.

GM executives have said they expect to gain a point of market share in both cars and trucks in the 1990 model year. They also said they expect Chevrolet to gain market share. Ford is beating Chevrolet in both car and truck sales for the third consecutive year.

Sales from Chevrolet's Geo line, predicted to rise from 200,000 this year to 300,000 next year, will give the division a boost, they said.

Smith told analysts a top priority of the company is "to profitably increase North American market share."

At the same time, GM will continue to lower its break-even point in North America, improve its fundamental earning power and maximize shareholder value, he said.

In the 12 months ended June 30, GM achieved a 15.4 percent return on equity, achieving GM's goal of a minimum return of 15 percent by 1990.

GM executives said the automaker will substantially exceed its target of $12.5 billion to $13 billion in annual cost savings by 1990, based on 1986 costs. They didn't specify by how much.

GM executives said two primary strategies — product simplification and improved capacity utilization — should contribute to a further improvement in GM's earning power.

Analysts said that GM executives admitted more plants will be closed to lower the company's break-even point. Analysts have predicted for some time that GM would be forced to close as many as four more assembly plants in the next few years.

GM officials further told analysts the company will replace 90 percent of its products in the next five years. After building new plants and refurbishing most old ones in the past decade, GM has put most of its capital spending money into new product development. It plans to continue spending on product rather than plants in the 1990s.

ZR-1

FROM PAGE 2

lectible as those cars are today because of the volume and design. The most collectible automobiles are those made in quantities of only a few hundred.

Chevrolet's Perkins disputes critics who say GM will produce too many ZR-1s to make it valuable in the future. He points to Chevrolets from the mid-1950s that were built in quantities of 200,000 a year yet are collectible.

In addition, Stauffer noted that the ZR-1, with the exception of wider tires and a slightly different shaped rear, is virtually identical to the standard Corvette that costs half the price.

"To the average man on the street, the car doesn't look any different than the $30,000 Corvette," Stauffer said.

The GM plant in Bowling Green, Ky., began ZR-1 production last week. Charlotte, N.C., businessman Rick Hendrick, who owns and operates 30 auto dealerships including City Chevrolet and fields three Chevrolet teams in NASCAR's Winston Cup competition, took delivery of the first retail ZR-1. Three-time Indianapolis driver Rick Mears received one of the first, a Pennzoil-yellow version. Mears was given the car in recognition of his contributions to Chevrolet motorsports.

DIAMOND

FROM PAGE 6

ments for the people and they will not be laid off," Walter said.

Big 3-UAW contracts allow automakers to lay off production workers for "valid volume declines," and the layoffs usually are based on seniority.

They also provide that workers will continue to receive a portion of their pay for a specific period during the layoff.

In the event of a layoff at Diamond-Star, workers will receive 80 percent of their wages for one year, Walter said.

Diamond-Star employees agreed to most of the Mitsubishi-conceived work rules already in use.

Left in place are such practices as job rotation and regular "production standards" meetings where line speed and quality improvement are addressed.

The contract calls for only three job classifications, compared with 20 to 40 at a typical Big 3 plant. In addition to the production associate and general maintenance associate job classifications, which existed prior to the contract, the plant will add a die maintenance associate class.

Walter said the new class consists of tool and die makers who will have some exemption from general plant production work responsibility.

Negotiators left intact the company's relationship with an outside firm that performs contracted maintenance services around the plant. Several of the transplant automakers have similar arrangements, and UAW officials have voiced concern that the practice might spread to the Big 3.

A controversial class of temporary employees, which exists at Mazda, was not created at Diamond-Star.

Effective immediately, base pay of production associates will increase from $11.71 an hour to $12.79. The rate will reach $15.04 an hour by 1992. General maintenance workers and die maintenance associates will begin at $14.89 an hour and rise to $17.52 an hour by 1992.

The immediate increase was achieved by folding a cost of living allowance into the base pay, Walter said.

Diamond-Star, which began production in summer 1988, builds the Mitsubishi Eclipse/Plymouth Laser/Eagle Talon and the Mitsubishi Mirage/Eagle Summit.

The plant recognized the UAW last December after a majority of eligible workers signed cards calling for a union election.

Nissan officials noted that, rather than laying off workers during a sluggish sales period in 1988, the company used the time to conduct refresher training courses. The officials contended that such commitment would not necessarily be guaranteed under a union contract.

UAW dissidents plan convention

ST. LOUIS — Leaders of the UAW's New Directions caucus will meet here Sept. 9 to plan their first national convention, scheduled for Oct. 21-22.

Support for New Directions, a dissident group within the union, has grown since the UAW convention in June, several New Directions members said.

At the New Directions convention in October the dissidents plan to establish a national structure for a second political party within the UAW and formulate bargaining demands.

At the June convention, delegates defeated New Directions candidates and platforms in what was seen as a sweeping political victory for UAW President Owen Bieber and the administration.

New Directions leader Jerry Tucker, who lost his bid for re-election as UAW Region 5 director at the convention, said he expects about 35 people from Big 3 plants nationwide to attend the Sept. 9 meeting. Supporters said they expect between 500-600 people in October.

Tucker has protested his defeat to the Department of Labor, which is investigating his claim that the UAW illegally influenced the election.

OPTIONS

FROM PAGE 3

light trucks than its competitors.

Transplants will retain a lead in power sunroofs, rear-window defrosters and rear-window wipers.

"GM has been a key player in automotive electronics but because Ford has put so much effort in the truck side, we predict it will edge out GM," Pochiluk said.

The model mix offered by Japanese transplants — usually low-end vehicles — is the reason Pochiluk cites for transplants trailing in sales of comfort/safety features.

The study also categorizes automotive electronics. Air bags, anti-lock brakes, power door locks and power windows are in the rapid-growth category.

Cruise control, headlamp timing, intermittent wipers, power sunroofs, rear-window defrosters and trip computers are in the moderate-growth group. Anti-theft devices, automatic air conditioning, keyless locks, load levelers, power seats and rear window wipers are in the slow-growth category.

Appeals court kills claims on GM diesel resale value

By Helen Kahn
SENIOR CORRESPONDENT

WASHINGTON — A federal appellate court in Richmond, Va., has denied claims for "diminished resale value" to owners of 1981-85 General Motors diesel vehicles that had no engine problems during the warranty period.

But the court sent the case back to the lower court to decide if the owners were entitled to compensation for engine repairs that occurred after their warranties expired.

The ruling has implications for several other major class-action suits charging lost resale value, including a Chicago suit involving unintended acceleration in Audi 5000s and a Washington case involving alleged brake problems on GM X-cars.

The diesel class action was filed in Charleston, S.C., in October, 1986 by Beverly C. Moore Jr., of the Washington-based law firm of Moore and Brown.

It sought unspecified compensatory and punitive damages and charged that the GM 5.7-liter diesel engine was "inherently defective" and needed "extensive and expensive repairs."

Approximately 500,000 GM cars and light trucks were equipped with the engine.

The suit claimed GM's failure to correct the alleged defects violated the Magnuson-Moss Act because it breached the implied warranty of merchantability and because GM had limited the implied warranties to the length of the written warranties.

The unique feature of the suit was the claim for loss of resale value. The Center for Auto Safety estimated the loss may be as high as $3 billion.

The suit was not part of an earlier New York class action involving 1978-80 GM diesel cars that was settled for $22.5 million in 1984, nor was it part of the 1980 Federal Trade Commission complaint involving defective fuel injection pumps on the diesel engine. The FTC action was settled with GM agreeing to submit warranty claims to arbitration administered by the Council of Better Business Bureaus.

But the claim for loss of resale value is a central part of the Audi suit still in litigation in Chicago and a similar action involving early-production 1980 X-cars in U.S. District Court. Both allege that unfavorable publicity caused loss of resale value.

In the South Carolina case, U.S. District Judge Falcon B. Hawkins dismissed the claims of 130 plaintiffs who had engine problems with the GM diesels after the warranty period had expired. He also threw out the claims for lost resale value because of the alleged "poor reputation" of the diesel engine.

The appellate court called the resale value case a "novel" theory and said the plaintiffs cited no specific case where a court "held the implied warranty of merchantability protects against unanticipated losses in resale value."

While Moore argued that one of the ordinary purposes for which a vehicle is used is to be able to resell it in the future, the court disagreed saying the main purpose was to be able to drive the car in a "safe condition" and "substantially free of defects."

But the appellate court said the lower court should not have ruled on the question of the "unconscionability" of GM's action in limiting the implied warranty to the duration of the express warranty merely on the basis of "bare-bones pleadings."

Instead, said the court, the parties must be allowed to develop an "adequate record" and this may involve such procedures as affidavits, interrogatories and depositions.

The lower court, in finding for GM, ignored Moore's additional arguments that diesel engines were supposed to last much longer than gasoline engines and thus the express warranties were "unreasonable" for diesel engines.

The lower court cited an earlier opinion saying that a 12/12 warranty, shorter than either of these, was reasonable. It said the "time/mileage limitation on the warranty which Congress expressly permits would be rendered meaningless" if it agreed to Moore's arguments that plaintiffs need only show that a "manufacturer knew a product would fail after the expiration of the implied warranty in order to recover for unmerchantability."

GM's warranty documents given consumers purported to limit the implied warranty to the same length as the express warranty, which was 24 months/24,000 miles for 1981-82 models and 36 months/50,000 miles for 1983-85 models.

The federal appellate court said the lower court should not have ruled at all until it had allowed more evidence, such as whether buyers of the GM diesel vehicle had any "meaningful choice" in accepting the limits set by GM on their implied warranties.

INCENTIVE WATCH

	Customer Incentives						Dealer Incentives	
	Rebates	Finance Rates (Pct.) — Months —				Expiration Date	Type	Expiration Date
		24	36	48	60			
Chrysler Motors								
Chrysler	$500 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15		
Dodge Cars	$300 - $1,500	0.0*	5.9	6.9	10.9	Sept. 15	$500 on Daytona	Sept. 15
Dodge Trucks	$500 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15	$500 on Dakota, full-sized trucks	Sept. 15
Eagle	$1,000 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15		
Jeep	$500 - $1,000	0.0*	5.9	6.9	10.9	Sept. 15		
Plymouth	$300 - $1,500	2.9	5.9	6.9	10.9	Sept. 15		
*2.9 percent on some models								
Ford Motor Co.								
Ford Cars	$500 - $1,500	2.9	6.9	7.9	10.9	None		
Ford Trucks	$500 - $1,250	2.9	6.9	7.9	10.9	None		
Lincoln	$1,000 - $1,500	2.9	6.9	7.9	10.9	None		
Mercury	$1,000 - $1,500	2.9	6.9	7.9	10.9	None		
Merkur	$2,000 - $4,000	2.9	6.9	7.9	10.9	None		
General Motors								
Buick	$500 - $1,500	2.9	5.9	6.9	10.9	None	All GM divisions: Zero to $1,000 per sale based on performance against quota. $150 per sale if dealer elects not to participate in quota program.	Sept. 27
Cadillac	$1,000 - $1,500					Sept. 27		
Chevrolet Cars	$400 - $1,000	2.9	5.9	6.9	10.9	Sept. 27*		
Chevrolet Trucks	$400 - $750	2.9	5.9	6.9	10.9	Sept. 27*		
GMC	$500 - $750	2.9	5.9	6.9	10.9	None		
Oldsmobile	$1,000 - $2,500	2.9	5.9	6.9	10.9	None		
Pontiac	$700 - $1,250	2.9	5.9	6.9	10.9	None		
Cadillac does not have a finance-rate incentive. *Chevrolet's rebate program has no expiration date.								
Audi							$1,800 - $5,000, some based on quota	Sept. 30
BMW 325i			9.6	9.6	9.6	Sept. 30		
Daihatsu							$300 if meet sales quota	Sept. 5
Hyundai	$300 - $1,000					Sept. 5	$300 - $800, some based on quota	Sept. 5
Isuzu Impulse							$2,000	Sept. 5
Other Cars, Trucks							$300 - $1,000, based on quota	Sept. 5
Jaguar	$5,000					Sept. 18		
*To owners of 1986 Jaguar Sedans								
Mitsubishi Cars							$800 - $2,500, based on number sold	Sept. 30
Trucks							$300 - $2,500, based on number sold	Sept. 30
Nissan Cars							$100 - $1,500, based on quota	Sept. 5
Trucks							$100 - $2,000, based on quota	Sept. 5
Peugeot							$1,000 - $2,000	Sept. 16
Porsche							$3,000 - $6,000 on 40 percent of cars sold	Sept. 30
Sterling	$3,000 - $5,000					Nov. 30		
Subaru	$1,000 - $3,000*					Sept. 4	$1,000 - $3,000*	Sept. 4
*Rebates go to the customer in some regions and to the dealer in other regions.								
Toyota Cressida							$1,500	Nov. 2
Other Cars							$100 - $2,000, some based on quota	Sept. 5
Trucks							$200 - $2,500, some based on quota	Sept. 5
Volkswagen	$200 - $2,000	4.9	6.9	7.9	9.9	Sept. 4		

Sterling adds $5,000 rebate; Toyota Cressida gets $1,500

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Sterling Motor Cars has announced a $5,000 rebate on its 1989 827SL sedan, 827SLi hatchback and the 827SL Limited Edition, plus a $3,500 rebate on the less luxurious 827S. The rebate expires Nov. 30 and there is no dealer participation required.

Meanwhile, Toyota Motor Sales U.S.A. announced a $1,500 incentive on Cressida and Ford Motor Co. boosted its cash rebates and added some truck models to a program which began Aug. 1.

At week's end, General Motors officials considered increasing, even doubling, the cash rebate currently available on Oldsmobiles.

"Nothing is official," one source said at presstime Friday afternoon. "The corporation has not approved it."

Less than two weeks ago, Oldsmobile increased the consumer cash incentive on its 1989 Toronado from $1,500 to $2,500.

Several automakers this week are likely to extend or replace expiring programs.

Sterling President Graham J. Morris said last week the company has sold virtually all its leftover 1988s, so Sterling is placing a heavier emphasis on selling the 1989s before the 1990 launch.

Through July, Sterling's U.S. sales were 3,821, compared to 5,652 for the same period last year.

At the start of the 1989 model year last fall, Sterling was saddled with high inventories of 1988 models, and even some leftover 1987s, so the company launched its 1989 models only last spring.

The new rebates replace all other previous incentive programs and expire Nov. 30.

Toyota announced a $1,500 dealer incentive on its Cressida. The offer begins Sept. 1 and extends through Nov. 2. The current $100 to $2,000 dealer incentive on other Toyota cars and $200 to $2,500 incentive on Toyota trucks expire Sept. 5.

Also, Ford announced revisions to its buyer incentive programs which started Aug. 1. Customer rebates on Ford Festiva L-Plus and LX models have been increased from $600 to 800. Festiva L models remain at $600.

Ford Aerostar cash is increased from $300 to $500; Bronco II cash is increased from $750 to $1,250; Econoline E-150 van (non-conversion) cash is increased from $500 to $750. Econoline E-150 conversion vans remain at $1,000.

Some conventional pickup truck models not previously included in buyer incentive programs have been added. Ford F-150 manual and automatic 4X4 and automatic 4X2 pickup trucks are added with a $500 cash incentive. Ford F-250 manual and automatic 4X4 models are added at $750 cash.

Low-rate financing alternatives will continue for Festiva and Bronco II models at the percentages and periods of 2.9 for 24 months, 6.9 for 36 months, 7.9 for 48 months and 10.9 for 60 months. Truck products other than Bronco II in this program are cash-only. This incentive program runs indefinitely.

PRODUCTION

Downtime cuts build of cars, trucks

By Karen Detkowski
SPECIAL CORRESPONDENT

With several car and truck plants closed due to slow sales and model changeovers, last week's production fell below the previous week's total.

U.S. truckmakers scheduled 72,452 units last week, 10.89 percent below the prior week's 81,307 and 8.92 percent below the year-ago week's 79,546.

Car output was estimated at 121,326 units last week, 7.37 percent below the previous week's 130,980 and 11.29 percent below the year-ago week's 136,771.

So far this year, 4,661,817 cars have been built, 0.93 percent above last year's 4,619,062 at this time.

Companies split last week's estimated production as follows: General Motors, 50.93 percent; Ford Motor Co., 17.32 percent; Chrysler Motors, 13.93 percent; Honda of America Manufacturing, 5.13 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.58 percent; Toyota Motor Manufacturing U.S.A., 2.82 percent; Nissan Motor Manufacturing Corp. U.S.A., 2.25 percent; Diamond-Star Motors, 2.14 percent; and New United Motor Manufacturing Inc., 1.90 percent.

Chrysler's Jefferson Avenue plant in Detroit closed last week for model changeover. The plant, which builds the Dodge Omni and Plymouth Horizon, will resume production Sept. 11.

GM light-duty truck plants in Moraine, Ohio; Shreveport, La; and Pontiac (West), Mich., are expected to resume production tomorrow. They were closed to adjust high inventories.

GM's Allante line at the Detroit-Hamtramck plant returns Wednesday from a two-week break for model changeover. GM's Oldsmobile 88 line in Wentzville, Mo., is expected to resume this week after two weeks of downtime due to a material shortage.

Ford's Lorain, Ohio, plant, which closed for a week due to lack of dealer orders for 1989 Ford Thunderbird and Mercury Cougar models, returns tomorrow.

The Jeep Grand Wagoneer line at Chrysler's Toledo, Ohio, plant resumes output tomorrow after being down two weeks to adjust inventories.

All car and truck assembly plants are closed today for Labor Day.

Car output up 26% in Canada

Last week's scheduled Canadian auto production totaled 19,354, 26.73 percent more than the prior week's 15,272 and 7.44 percent above the year-ago week's 18,013.

Truckmakers planned to build 19,476 units last week, 1.72 percent below the previous week's 19,817 but 8.33 percent above the year-ago week's 17,978.

Chrysler's Bramalea, Ontario, plant closed last week to adjust inventories of the Eagle Premier, which had a 97-day supply at the end of July. The plant will resume operations Sept. 11.

U.S. CAR

U.S. CAR	Week Ended Sept. 2, 1989	Week Ended Sept. 3, 1988	Week Ended Aug. 26, 1989	Aug. Est.	Jan. 1 to Sept. 2, 1989	Jan. 1 to Sept. 3, 1988
Horizon	0	1,246	1,258	4,807	21,175	54,789
Sundance	1,700	1,665	1,593	5,702	70,620	68,709
Reliant	0	1,651	0	0	0	57,560
Acclaim	2,900	0	2,859	12,394	84,498	0
Caravelle	0	0	0	0	0	9,087
Gran Fury	0	249	0	0	0	15,875
Total Plymouth	4,600	4,811	5,710	22,703	176,293	206,020
LeBaron K	0	0	0	0	0	7,912
LeBaron J	2,600	1,896	2,520	10,868	69,702	50,331
LeBaron GTS	0	158	0	0	2,946	6,261
N. Yorker C-Class	800	1,922	829	3,458	61,511	70,113
Fifth Avenue	1,900	994	1,904	6,571	6,951	19,384
Total Chrysler	5,300	4,970	5,253	20,897	141,110	154,001
Omni	0	1,234	1,118	4,261	22,229	53,502
Daytona	1,800	1,919	1,704	7,278	56,262	49,542
Shadow	1,800	1,886	1,738	5,871	67,664	67,909
Aries	0	1,895	0	0	0	58,170
Dodge 600	0	0	0	0	0	8,549
Dynasty	1,700	2,384	1,808	7,901	92,354	68,406
Lancer	0	154	0	0	1,528	6,016
Spirit	1,700	0	1,756	7,486	66,703	0
Diplomat	0	303	0	0	0	13,520
Total Dodge	7,000	9,775	8,124	32,796	308,740	323,814
CHRYSLER MOTORS	16,900	19,556	19,087	76,396	626,143	683,635
Escort	6,307	8,506	8,689	32,597	217,764	262,343
Mustang	2,447	4,212	4,415	18,566	144,551	135,310
Tempo	2,910	3,187	2,952	13,419	100,875	125,115
Taurus	5,132	7,621	8,105	28,794	244,482	265,279
Thunderbird	0	0	2,653	9,711	104,099	90,243
Total Ford Div.	16,796	23,526	26,814	103,086	811,771	878,293
Topaz	1,431	1,187	1,448	6,351	47,453	47,244
Cougar	0	0	2,622	9,719	89,789	69,686
Sable	1,526	2,319	2,472	9,110	78,783	90,430
Total Mercury	2,957	3,506	6,542	25,181	216,025	207,360
Continental	378	1,458	437	3,672	43,745	31,021
Mark VII	127	724	0	102	14,105	16,795
Lincoln	759	2,186	1,016	7,575	82,628	87,010
Total Lincoln	1,264	4,368	1,453	11,348	140,478	134,826
Total L-M Division	4,221	7,874	7,995	36,529	356,503	342,186
FORD MOTOR CO.	21,017	31,400	34,809	139,617	1,168,274	1,220,479
Skyhawk	0	483	0	0	6,913	11,435
Skylark/Somerset	1,730	1,410	1,709	4,216	39,435	32,645
Century	2,878	4,292	2,824	12,204	87,781	76,454
Riviera	513	287	378	1,169	12,620	3,985
Electra	1,977	1,217	1,827	7,901	51,890	56,943
LeSabre (fwd)	3,195	216	3,587	11,246	101,892	88,389
LeSabre (rwd)	218	2,925	272	446	4,592	6,802
Reatta	195	239	146	466	3,645	6,243
Total Buick	10,706	11,069	10,743	37,649	308,788	282,906
Cimarron	0	0	0	0	0	3,693
Eldorado	414	321	308	953	20,139	24,195
Seville	341	232	304	821	14,886	15,048
Brougham (rwd)	630	798	625	1,990	24,049	21,537
Deville (fwd)	3,845	1,392	3,865	16,744	134,393	99,125
Allante	0	12	0	138	2,077	1,147
Total Cadillac	5,230	2,755	5,102	20,646	195,544	164,745
Cavalier	4,354	6,645	3,005	18,482	243,048	241,905
Camaro	1,445	2,055	1,366	3,247	68,127	59,036
Celebrity	0	3,514	0	0	70,349	122,590
Corsica/Beretta	8,358	9,195	7,635	25,616	256,314	278,859
Caprice	4,203	3,713	4,077	11,356	124,957	141,131
Corvette	458	451	320	1,050	17,181	14,990
Total Chevrolet	18,818	25,574	16,393	59,750	779,976	858,601
Calais	1,870	2,367	1,848	4,570	61,425	72,858
Firenza	0	0	0	0	0	5,230
Cutlass Ciera	1,348	794	1,412	5,492	61,445	14,865
Cutlass Supreme	3,453	3,432	2,891	10,134	63,347	97,868
Toronado	157	130	66	206	5,082	10,663
88 (fwd)	3,061	2,754	2	5,866	92,381	104,098
88 (rwd)	145	200	113	381	5,475	8,318
Olds 98	1,355	1,099	1,363	5,816	49,254	50,135
Total Oldsmobile	11,389	10,776	7,695	32,464	338,409	364,031
Sunbird	2,366	2,508	1,903	7,987	96,668	71,410
Grand Am	4,800	4,827	4,906	17,851	162,675	154,828
Firebird	1,163	1,349	922	2,446	38,031	40,966
Grand Prix	3,548	4,052	3,115	12,020	84,516	85,770
Pontiac 6000	1,615	2,305	1,646	6,966	56,264	52,563
Bonneville	2,167	2,546	2,226	9,633	62,111	75,152
Safari/Parisienne	0	147	0	0	2,691	5,447
Fiero	0	0	0	0	0	13,260
Total Pontiac	15,659	17,734	14,718	56,903	502,956	499,396
GENERAL MOTORS	61,802	67,908	54,651	207,413	2,125,653	2,169,679
DIAMOND-STAR	2,593	0	2,856	12,099	44,671	0
HONDA	6,230	7,318	5,179	30,710	253,011	247,902
Civic	3,436	2,621	1,806	10,439	86,781	71,405
Accord	2,794	4,697	3,373	20,271	166,230	176,497
MAZDA	4,340	4,404	3,900	16,783	136,950	81,405
NISSAN	2,724	2,898	2,628	11,222	79,505	73,104
NUMMI	2,300	3,287	4,079	17,610	137,915	107,263
Corolla	900	1,173	1,779	7,333	55,934	39,188
Geo Prizm/Nova	1,400	2,114	2,300	10,277	81,981	68,075
TOYOTA	3,420	0	3,791	16,955	89,695	0
VOLKSWAGEN	0	0	0	0	0	35,595
Golf/GTI	0	0	0	0	0	30,042
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	121,326	136,771	130,980	526,804	4,661,817	4,619,062
Total Cars, Canada	19,354	18,013	15,272	69,324	645,948	725,264
U.S., Canada Cars	140,680	154,784	146,252	596,129	5,307,765	5,344,326
U.S., Canada Cars and Trucks	232,608	252,308	247,376	1,022,197	8,833,559	8,717,802

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe

CANADIAN CAR

CANADIAN CAR	Week Ended Sept. 2, 1989	Week Ended Sept. 3, 1988	Week Ended Aug. 26, 1989	Aug. Est.	Jan. 1 to Sept. 2, 1989	Jan. 1 to Sept. 3, 1988
Premier	0	966	0	3,360	25,966	41,299
CHRYSLER MOTORS	0	966	0	3,360	25,966	41,299
Tempo	3,360	2,360	3,002	14,067	68,064	120,069
Topaz	1,440	1,053	1,359	6,046	37,435	44,575
Crown Victoria	2,520	2,484	967	9,759	81,646	86,146
Grand Marquis	2,638	2,632	1,093	10,040	87,587	86,686
FORD MOTOR CO.	9,958	8,529	6,421	39,912	294,732	337,476
Celebrity	55	161	0	44	15,286	14,708
Cutlass Ciera	181	3,362	0	145	96,157	164,860
Lumina	4,096	0	4,535	11,806	94,267	0
Pontiac 6000	0	0	0	0	0	29,675
Regal	2,704	3,793	2,187	4,630	48,633	104,751
GENERAL MOTORS	7,036	7,316	6,722	16,627	254,343	314,014
HONDA	1,880	1,202	1,636	7,673	55,823	27,962
TOYOTA	500	0	493	1,753	9,897	0
VOLVO	0	0	0	0	5,187	4,513
Total Cars, Canada	19,354	18,013	15,272	69,324	645,948	725,264

U.S. TRUCK☆

U.S. TRUCK☆	Week Ended Sept. 2, 1989	Week Ended Sept. 3, 1988	Week Ended Aug. 26, 1989	Aug. Est.	Jan. 1 to Sept. 2, 1989	Jan. 1 to Sept. 3, 1988
Caravan	1,700	1,961	1,716	7,265	70,051	63,066
Dakota	1,900	2,106	1,809	8,522	65,490	70,537
Caravan C/V	50	111	81	292	4,825	9,086
Ram pickups	1,900	2,108	1,812	8,548	65,618	49,021
Total Dodge	5,550	6,286	5,418	24,647	205,984	191,711
Cherokee	4,100	3,582	4,182	18,954	150,321	120,586
Comanche	500	780	480	2,194	20,011	30,439
Grand Wagoneer	0	0	0	902	7,514	9,191
Wagoneer	50	200	88	359	5,508	7,090
Total Jeep	4,650	4,562	4,750	22,408	183,354	167,315
Voyager	1,600	1,888	1,604	6,670	65,928	59,480
Town & Country	100	0	179	483	2,377	0
Total C-P Div.	1,700	1,888	1,783	7,153	68,305	59,480
CHRYSLER MOTORS	11,900	12,736	11,951	54,208	457,643	418,506
Aerostar	3,973	4,688	3,324	17,403	154,492	135,713
Bronco	1,206	878	1,457	6,384	52,774	37,482
Bronco II	2,362	2,916	2,262	10,201	82,462	67,287
Econoline	4,158	4,732	4,158	19,162	157,941	158,883
Heavy trucks	1,285	1,323	1,198	4,254	42,324	44,845
Light trucks	12,868	9,779	10,924	47,294	364,687	328,844
Ranger	6,201	6,768	6,242	26,463	216,977	237,040
Total Ford Div.	32,033	31,082	29,585	131,162	1,069,657	1,029,713
FORD MOTOR CO.	32,033	31,082	29,585	131,162	1,069,657	1,029,713
Astro	2,922	3,111	2,790	12,439	111,884	118,770
Blazer	542	460	551	2,487	19,587	17,498
Mediums/Heavies	365	613	480	1,591	7,829	13,651
P-Model	597	888	298	777	21,645	27,891
Pickups	8,007	6,447	8,046	36,774	278,396	234,250
S-10	0	5,255	4,822	18,967	179,651	204,798
S-10 Blazer	0	3,362	4,193	14,500	131,177	108,863
Sportsvan/Van	1,816	1,830	1,800	7,808	67,347	63,676
Suburban	1,459	1,236	1,502	6,753	54,584	47,034
Total Chevrolet	15,708	23,188	24,483	102,186	888,381	837,221
Jimmy	161	148	167	746	5,805	5,042
Mediums/Heavies	565	495	483	2,659	12,677	26,709
P-Model	69	102	47	102	3,032	3,728
Pickups	2,593	2,003	2,902	11,607	83,590	72,053
S-15	0	1,240	1,244	4,236	40,782	46,335
S-15 Jimmy	0	931	858	4,345	36,719	31,160
Safari	838	892	714	3,364	29,164	30,200
Suburban	651	628	659	2,948	21,554	20,598
Vandura/Rally Vans	642	564	650	3,275	19,294	23,775
Total GMC	5,539	7,003	7,724	33,372	246,685	259,598
GENERAL MOTORS	21,247	30,191	32,187	135,558	1,115,066	1,096,819
NAVISTAR	1,400	1,411	1,656	5,931	55,186	58,199
NISSAN	2,422	1,376	2,478	10,844	82,007	65,470
AM GENERAL	450	450	450	2,070	15,390	15,860
MISCELLANEOUS	3,000	2,300	3,000	13,800	96,600	80,040
Total Trucks, U.S.	72,452	79,546	81,307	353,573	2,891,549	2,764,407

CANADIAN TRUCK

CANADIAN TRUCK	Week Ended Sept. 2, 1989	Week Ended Sept. 3, 1988	Week Ended Aug. 26, 1989	Aug. Est.	Jan. 1 to Sept. 2, 1989	Jan. 1 to Sept. 3, 1988
Caravan	2,746	2,717	3,407	12,395	95,652	94,803
Caravan C/V	164	138	201	742	7,850	8,821
Ram Wagon	660	552	663	2,280	17,992	16,542
Ram Van	1,690	1,736	1,727	6,180	46,357	44,148
Total Dodge	5,260	5,143	5,998	21,598	167,851	164,314
Voyager	2,210	2,171	2,636	10,167	84,281	84,206
Total Plymouth	2,210	2,171	2,636	10,167	84,281	84,206
Wrangler	1,700	1,072	1,826	8,215	54,955	33,252
Total Jeep	1,700	1,072	1,826	8,215	54,955	33,252
CHRYSLER MOTORS	9,170	8,386	10,460	39,980	307,087	281,772
FORD MTR (lt. trks.)	3,231	2,867	3,014	13,127	106,535	108,237
Light trucks	3,203	3,083	3,404	8,967	107,054	101,643
Vans	1,287	1,341	1,070	2,273	39,273	38,474
Total Chevrolet	4,490	4,424	4,474	11,240	146,327	140,117
Light trucks	1,677	1,540	1,341	4,406	47,122	51,526
Vans	663	491	528	1,155	19,345	19,829
Total GMC	2,340	2,031	1,869	5,561	66,467	71,355
GENERAL MOTORS	6,830	6,455	6,343	16,801	212,794	211,472
NAVISTAR	245	270	0	587	7,829	7,588
Total Trks., Canada	19,476	17,978	19,817	70,495	634,245	609,060
U.S., Canada Trks.	91,928	97,524	101,124	424,068	3,525,794	3,373,476

☆—Includes window van production *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Big 3 join refiners in pact to supplant methanol

AUTOMOTIVE NEWS/JOE WILSSENS

Deborah Bielski, an EPA technician, measures gasoline volatility.

New gasoline burns cleaner

By Jack Keebler
AUTOMOTIVE NEWS STAFF REPORTER
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Big 3 automakers and major oil refiners are cooperating to kill the methanol-fuel initiative and substitute reformulated gasoline.

Even before President George Bush proposed his clean air bill to Congress, the Big 3 and oil companies "vowed to work with the same intensity and finances that America used to put a man on the moon," a government source said.

General Motors Chairman Roger B. Smith, Ford Motor Co. President Harold Poling and Chrysler Corp. Vice Chairman Gerald Greenwald already have signed documents committing their companies' resources to a joint program with the top oil companies to prove reformulated gasoline can meet Bush Administration clean-air goals.

ARCO recently began marketing a more environmentally benign fuel in California, where it does two-thirds of its business, for cars and trucks that use leaded gasoline. And ARCO says it is working on a version of the new fuel (called EC-2) for newer, unleaded-fuel vehicles. Sunoco and other oil companies also are working on the sweeping change.

The advantage to automakers would be the elimination of a costly methanol-vehicles program.

According to an auto-industry fuels expert, the auto companies have all signed a commitment to the concept of less-polluting gasoline. But signatures are still needed from representatives of several oil companies.

After the remaining oil executives sign, there will be another summit meeting of top auto and gasoline executives, now tentatively scheduled for January 1990.

"Getting the major auto companies and the gasoline makers together on the emissions problem is a bit like getting two elephants to dance," said Kelly Brown, an executive engineer for fuel economy and emissions control at Ford. "It takes time. Inevitably, toes are going to get stepped on and there's going to be loud protests. The interests of these two groups are frequently at odds."

Gasoline would have to change radically to meet the same emissions cleanup goals as even a limited number of alternative-fuel vehicles powered by hydrogen, methanol, propane, ethanol, or electricity.

Oil companies would need several years to make these new gasolines widely available. The new fuel would likely be more expensive than current gasoline, might get fewer miles per gallon, and might cause cold-start problems.

With reformulated gasoline, the oil companies would not have to provide an expensive parallel methanol refining and distribution system. Also, gasoline would remain unchallenged by what could eventually have been a competitive fuel with a lower and possibly more stable price.

Reformulated gasoline has not

see GASOLINE, page 48

4th-quarter car build to be lowest since '82

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Fourth-quarter auto production in the United States is scheduled to be the lowest for that period since recession-decimated 1982. The total also will be 9 percent below last year's.

The decline from 1988 is due to cutbacks by the Big 3. The transplant/joint-venture makers expect to produce more cars in the fourth quarter than they did last year.

Car production for the fourth quarter is scheduled at 1,723,609, the lowest total for that quarter since 1982 when the recession slashed auto output to 1,203,660. The fourth-quarter forecast is 9.20 percent below the 1,898,220 cars built in the fourth quarter of 1988.

Company forecasts indicate total calendar year production will be 6,965,750 cars, also the lowest total since 1982 when 4,973,870 cars were built.

The calendar year auto produc-

see FORECAST, page 45

Mazda Credit steps toward independence

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

Mazda American Credit has taken steps to become a finance company independent of its partner, Marine Midland Automotive Financial Corp.

Mazda Credit is losing share of retail and lease financing at Mazda dealers because Marine, the fourth largest U.S. auto financer, is tightening its loan policies, said finance industry sources.

Marine's contract to fund credit programs and service loans for Mazda American Credit will expire in 1992, and Mazda is interviewing candidates for a top job that might involve creation of an independent captive finance company. At the same time, Marine's parent bank is moving away from automotive business.

Kazutomo (Ted) Tsuchiya, Mazda Credit executive vice president, said in an interview that an independent credit operation is "obviously kind of a longterm view I have in mind personally. Our mission is to satisfy dealers, in terms of service and required funding." Pursuing those goals, Mazda Credit could become independent, he said.

A finance company executive who was a candidate for the job at Mazda Credit was stronger: "They are looking for someone to fully develop their own captive," he said. "They'll probably open their own branches in a year."

Mazda Credit's share of its dealers' retail and lease business eroded to 13 percent from 19 percent in fiscal 1988. Mazda dealers have complained that in the last year Mazda Credit rates and service were not competitive.

Captive finance companies of the Big 3 get 30 percent of their

see MAZDA, page 48

Nissan UV-X bows at Frankfurt

Nissan Motor Co. built its UV-X prototype expressly for the Frankfurt auto show, which opens this week. In addition to the UV-X and the new BMW 850i, another hit at the show is expected to be Opel's Calibra coupe. Details about the Calibra appear on Page 3.

GM dealer faces prison for role in laundering drug money

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Delmus "Bunt" Gross, a General Motors dealer in Irvine, Ky., faces the prospect of 90 years in prison and fines of $4.5 million when he is sentenced Oct. 18 for his role in laundering illegal drug money.

Gross

mobile-Geo dealer, was convicted Aug. 24 of 18 counts of laundering money through his dealership from 1983 to 1986 and conspiracy in U.S. District Court in Lexington, Ky.

He was acquitted of the more serious charge of continuing criminal conspiracy.

A leading citizen of tiny Irvine, population 3,500, Gross also faces loss of his dealership because felony convictions are grounds for franchise revocation, according to a GM spokesman.

Gross was indicted last December by the U.S. attorney's office. He is free on a $100,000 bond.

Two other defendants were convicted on money laundering and drug conspiracy charges involving the importation of cocaine into northern Kentucky and southern Ohio. They will forfeit nearly $1.2 million in property in addition to other punishments.

"Gross failed to report currency transactions," said an Internal Revenue Service agent who headed the investigation. "He disguised his loans in financial records, laundering $1.6 million through his dealership."

New-car dealers and other businesses are required to report cash

see DRUGS, page 45

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Ford's joint adventures:
Ford Motor Co. talks with Saab-Scania could involve trucks or cars; the joint venture with Nissan for a minivan to be built in Ohio is running four months late. Page 3.

DOT chief a mystery to most auto leaders

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

Skinner will meet with auto executives in Detroit next month.

WASHINGTON — Samuel K. Skinner is one of the most visible and yet — to Detroit — elusive cabinet members in the Bush administration.

Since taking over seven months ago as transportation secretary, he has been a staple on the evening news, from the Exxon Valdez oil spill in Alaska to the labor dispute at Eastern Airlines.

Because so many other issues have occupied the 50-year-old attorney from Chicago, auto lobbyists — who analyze every move by the administration and Congress — said Skinner's priorities for NHTSA are still unclear.

"We're not sure he's gotten around to automobiles yet, but he sure loves to talk cars," one lobbyist said. In fact, Skinner recently gave the command for racers to start their engines at a 500-mile Indy car race at Michigan International Speedway.

Skinner said his primary concern is safety and that his philosophy on regulating the auto industry will unfold further as work progresses on a national transportation policy. He expects to present his master plan for unclogging the nation's transportation system to the White House by year's end.

That policy, which will set goals into the 21st century, will most certainly have implications for the auto industry. While the plan could propose funding for futuristic programs such as smart highways and intelligent vehicles, the most pressing matter is Skinner's commitment to decide which passenger-car safety standards NHTSA will propose for light trucks, vans and sport-utility vehicles.

He isn't ready to discuss what safety features he'll recommend, despite pressure from the Senate Commerce Committee, which is pushing for the standards.

Domestic manufacturers have argued that more regulation is unnecessary because automobile safety features for light trucks and multipurpose vehicles already are being phased in. The Big 3 will have ample opportunity to lobby their concerns in mid-October when Skinner journeys to Detroit to meet separately with each automaker.

Skinner views his trip as a prerequisite to understanding the industry.

"I can learn a lot from the automotive industry on clean air, engines, safety, competition and productivity," he said. "Those are all areas I'm looking forward to going up there and learning about."

Detroit has had limited opportunities to judge Skinner. In one of his first decisions affecting the auto industry, he set 1990-model-year corporate average fuel economy at 27.5 mpg. General Motors and Ford Motor Co. had lobbied for the standard to be rolled back to the 1989 level of 26.5 mpg.

For the three prior years, GM had asked for a reduction in CAFE and Skinner's predecessors had reduced it. But Skinner decided he would not automatically grant the rollback petition.

"I started with a clean slate," he said, adding that he weighed GM's arguments against the Bush administration's broader national policy of boosting fuel economy and minimizing dependence on foreign oil.

The same approach — almost a businesslike management-by-ob-

see SKINNER, page 48

A thousand scenarios as Ford and Saab talk

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — The long-rumored, now-confirmed partnership talks between Ford Motor Co. and Saab-Scania could lead to several possible forms of cooperation, industry analysts say.

But though Saab-Scania President Georg Karnsund denies that Ford will take over Saab's car division, some analysts view that as the most likely outcome, with a Scania-Ford truck linkup thrown in as a sweetener.

The two companies last week confirmed they have been holding talks, which had been rumored for several months.

"The purpose," the automakers said in a joint statement, "is to explore whether there are any possibilities of closer cooperation in various areas of the automotive business."

One intriguing aspect of such a venture is how it might affect bidding for another upscale automaker, Jaguar, which loses its government protection against a takeover next year. A Ford-Saab link could raise the stakes for the British luxury-car company.

Analysts in Europe point to several possible Ford-Saab alignments, including:

- Joint development of a mid-range model that would replace the aging Saab 900.
- Collaboration on a six-cylinder engine that is much-needed by Saab, or cooperation on other components.
- Ford distribution of Saab cars in the United States as well as Saab distribution of Ford products in Sweden.
- Ford use of extra capacity at a new Saab plant about to open in Malmo, Sweden.
- Merger of Ford's U.S. heavy-truck operations with Scania, the world's fourth-largest producer of heavy trucks.
- Ford's acquisition of a majority interest in the Saab car division.

Ford's interest in Saab is not expected to start a bidding war — Saab's talks with Volvo, Mazda and, reportedly, Fiat have already fizzled. Still, Ford's courtship of Alfa Romeo three years ago sparked an unexpected and successful countermove by Fiat.

"I think the queue would stretch from Nykoping to Linkoping if only Sweden were a member of the European Community," said John Lawson, European auto analyst at Nomura Securities in London.

see SAAB-FORD, page 48

Delays hit Ford-Nissan minivan venture

By Louise Kertesz and Laura Clark
AUTOMOTIVE NEWS STAFF REPORTERS

Almost one year after signing an agreement to design and produce a front-wheel-drive minivan for the North American market, Ford Motor Co. and Nissan Motor Corp. in U.S.A. face a production delay and labor conflicts at Ford's Avon Lake, Ohio, assembly plant.

The companies said recently that because of development delays, production of the minivan will begin early in the second quarter of 1992 — almost four months after the scheduled December 1991 launch.

The vehicle was scheduled to debut as a 1992 model, but a Ford spokesman said it may go on sale as a 1993 model.

Duane Miller, vice president for design engineering at Nissan Research and Development, in Plymouth, Mich., said the fact that Ford and Nissan have not worked together on a project in the United States before has contributed to the delays.

Though Ford said the delay was caused by a design change Nissan made on the vehicle, Miller said, "There have been no significant design changes made up to this time." He added that Nissan research and development has begun its prototype build, and design changes could become necessary.

Sources close to the Nissan/Ford project said the two companies have not always seen eye to eye on development and manufacturing issues. Corporate disagreements and a commitment to making the minivan "recall proof" also could have contributed to the delay, project sources said.

Meanwhile, some local union officials are opposing implementation of the Japanese-style "team concept" Ford wants.

When Nissan and Ford agreed to the project, Ford and UAW Local 2000 at Avon Lake came to a "con-

see FORD-NISSAN, page 47

Toyota's new Celica

An all-new Celica, slated for an October debut in the United States, has gone on sale in Japan. The new line includes a GT-R model with a four-wheel-steering system that allows the driver to switch to a two-wheel-steer mode.

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GM Europe's new Calibra coupe bows at Frankfurt show

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

Calibra is the spiritual successor to the Opel GT.

FRANKFURT, West Germany — General Motors Europe's wedgy new Opel/Vauxhall Calibra coupe is shaping up as the smash hit of this week's Frankfurt auto show.

GM, which has released the first technical details, is seeking to upstage BMW's 850i coupe with its low-drag, two-door version of the mid-sized Opel Vectra/Vauxhall Cavalier that was introduced a year ago.

The Calibra, which goes on sale next summer, is being positioned by GM Europe as a spiritual successor to the Opel GT. That car went out of production in 1973 after becoming the German make's best-known model in the United States.

Indeed, the Calibra is viewed by some industry observers as a candidate for the U.S. market if Opel's long-delayed American import program is ever revived. But a GM spokesman said European production volume probably will not be high enough.

In Europe, GM aims to polish up the somewhat stodgy Opel and Vauxhall brands with a high-profile model that has more individual character than sporty derivatives of mainstream offerings.

GM claims the super-sleek Calibra's 0.26 drag coefficient is the lowest ever recorded on a four-seat production car. The low-nosed coupe is distinguished by wrap-around headlights — with ellipsoidal lamps only 2.8 inches high — and shallow air intakes above and below the bumper line.

It has a sharply raked, 64-degree windshield; frameless door glass; and semi-flush side glass that fully covers the B-pillars.

The Calibra will be built in Ruesselsheim, West Germany. GM insiders project 1990-calendar-year sales of 25,000 units after next summer's introduction in Europe.

Europe's coupe sector is loosely defined, but GM said sales last year amounted to about 185,000 units — down from about 270,000 in the early 1980s. About two-thirds of last year's coupe market belonged to such Japanese cars as Toyota Celica and Honda Prelude.

"The Europeans had virtually abandoned the coupe sector to the Japanese," said Peter Schmidt of Automotive Industry Data in London. "But suddenly the market is becoming very interesting again, and the Europeans are doing something about it."

Volkswagen burst through last year with the Corrado coupe to go with Audi's 80/90-based coupe. They will likely be joined by the rumored Pininfarina-designed Peugeot 405 coupe and a sporty, two-door version of the next-generation Mercedes 190.

Pricing has not been announced, but GM sources say it will be priced below the VW Corrado, which sells in Germany for 42,500 marks ($21,573).

Calibra engine choices include a 16-valve 2-liter with 150 horsepower and an eight-valve version of that engine.

PHILOSOPHY

Ads feature chairman explaining 'what makes a Porsche a Porsche'

By Arlena Sawyers
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — In an effort to clarify "what makes a Porsche a Porsche," Porsche Cars North America has begun a television and print advertising campaign highlighting the automaker's chairman and his philosophies.

"We want to tell the world why Porsche is unique — both the product and the company itself," said Brian Bowler, Porsche Cars North America president and chief executive officer. "We make every Porsche a real Porsche. We think that's a little misunderstood. We want to communicate what makes a Porsche a Porsche."

Wager

David Wager, Porsche vice president and director of marketing, said such a campaign is necessary because some prospective buyers seem to believe that some late model Porsches are not "real" Porsches.

According to Wager, Ferdinand "Ferry" Porsche, Porsche AG chairman, is the ideal person to dispel that notion. "He's credible, he's believable and he comes across so well," said Wager.

The campaign explores three specific Porsche principles: independence of spirit, timelessness of design and the value of motorsports.

The television segment features two-minute and 90-second commercials. The somewhat somber commercials cut back and forth from scenes of early- and late-model Porsches zooming down a race track to 80-year-old Ferdinand Porsche.

The campaign breaks today with a 90-second spot during the pregame show saluting the 20th anniversary season of ABC's Monday Night Football.

It will be followed by airings on the American League and National League baseball championships, Monday Night Football and other televised sporting events. The campaign will extend through mid-November and will resume next spring, Bowler said.

Porsche's print campaign includes three special "tear-out" inserts that will appear in several magazines with upscale readership. Readers will find an envelope with a philosophical quote from Ferdinand Porsche on the outside. Inside are pictures of past and present Porsches and a message that expounds the company's philosophy.

The print campaign will begin in the Sept. 25 issue of New Yorker magazine. The insert will run only once in various magazines.

In the first eight months of this year, Porsche sold 6,677 cars in the United States, down 41.4 percent from 11,389 in the same period of 1988.

Porsche's ad campaign will use Chairman Ferdinand "Ferry" Porsche to connect new models with old.

Olds offers road service, swap program for buyers

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

BRIGHTON, Mich. — Under a customer satisfaction program unveiled last week, buyers of 1990 Oldsmobiles will receive 24-hour roadside service and the option to return their vehicle if they are unhappy with it.

Oldsmobile officials said the Oldsmobile Edge is the most comprehensive customer satisfaction program in General Motors history.

J. Michael Losh, who ranked improving customer satisfaction at the top of his list when he took over as division general manager June 1, said the program is part of a long-term strategy. Other "customer satisfiers" may be added under the Oldsmobile Edge umbrella, he said.

Oldsmobile will bear the total expense of the program and will advertise it aggressively, beginning in October, Losh said.

The Guaranteed Satisfaction part of the program allows an Oldsmobile buyer who is not completely satisfied with a vehicle to return it after 30 days or 1,500 miles, for credit toward the purchase of another Oldsmobile.

The vehicle cannot be returned if it has more than $300 worth of damage.

The Roadside Assistance part of the program is good for 36 months/50,000 miles. Oldsmobile buyers receive, at no charge, 24-hour toll-free phone assistance and roadside dispatch, emergency roadside service and lost-key or lock-out service.

In addition, Oldsmobile will pay up to $500 for meals and accommodations if the vehicle must be repaired overnight when the driver is 150 miles or more away from home.

Oldsmobile has contracted with the Cross Country Motor Club of Boston to provide the roadside service. The club has nearly 13,000 outlets in the 50 states.

The third part of the program is GM's bumper-to-bumper warranty, which was introduced in the 1989 model year. The warranty covers the entire vehicle for three years/50,000 miles with a $100 deductible for each repair visit after the first year or 12,000 miles.

Guaranteed Satisfaction was first tried by Pontiac with the Grand Am in Southern California. In the 1989 model year, it was expanded nationwide to the Pontiac Grand Prix and Oldsmobile Cutlass Supreme.

McCabe named to high Mazda job

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

IRVINE, Calif. — A year after creating a unified sales organization, Mazda Motors of America has put U.S. operations under the control of one executive.

McCabe

George McCabe, previously one of two group vice presidents and deputy general managers, becomes group vice president of operations and will head a newly formed operations group. He is responsible for sales operations, dealer development, advertising and Mazda's five regional offices.

James Seidel, who had been the other group vice president as well as deputy general manager in charge of dealer development, becomes vice president and Pacific region manager. He had been vice president and Gulf region manager before taking on the task of integrating Mazda's Eastern and Western operational units 14 months ago.

In addition, Mazda formally appointed Richard Colliver to head a task force looking into a second U.S. retail channel. The men who headed similar teams for Nissan's Infiniti and Toyota's Lexus became general managers when the luxury-car divisions were formed.

Colliver, formerly senior vice president of Western-area operations, has headed the task force for months, but this is Mazda's first indication that his old post has been eliminated.

Mazda's restructuring stopped short of naming a general manager the company has been seeking, although it did not rule out other changes in the future.

"This is a fine tuning of what we did a year ago," a spokesman said. "We plan to continue to review Mazda Motors of America's organization. If a decision is made to adda general manager, that would be announced at the appropriate time."

McCabe clearly has a stronger hand than before, but he did not pick up all of Seidel's duties and gave up some responsibilities.

Yoshi Taura, president of Mazda Motors of America, adds five additional American vice presidents to the eight Japanese and American executives already reporting to him. He now has much more of a hand in day-to-day operations than is typical of the top Japanese official in other U.S. arms of Japan-based automakers.

Seidel

Two officials who previously reported to McCabe — William Hackett, vice president of marketing (at Mazda, duties include product planning, product development and research but not promotions and advertising), and Duane Bowen, vice president of public relations — now report to Taura.

Also reporting to Taura directly are David Watson, vice president of logistics; James Harcum, vice president of service; and Charles Riech, vice president of parts.

The restructuring ends a transitional East-West division of Mazda Motors of America by eliminating a layer of management between McCabe and the regional heads.

James Wiesner, previously senior vice president, Eastern area operations, becomes assistant group vice president of sales, responsible for sales planning, sales promotion and dealer development.

James Richardson, previously Pacific region vice president, becomes vice president of sales promotion. Lowell Smith, who headed the Northeast region, becomes director of sales planning.

Janet Thompson, vice president of advertising, will continue to report directly to McCabe.

Besides Seidel, the other new regional managers are William Goetze, who moves from Southeast regional manager to Northeast region vice president, and Robert Parker, who moves from vice president of sales support to Southeast regional manager.

Joseph Nalley and Peter Lassen remain as managers of the Northwest and Gulf regions, respectively.

Mazda Distributors Great Lakes remains Mazda's only independent distributor, serving five Midwestern states.

Iacocca promotes reading

AUTOMOTIVE NEWS/JOE WILSSENS

Chrysler Corp. Chairman Lee Iacocca launches Running Start, a $2.1 million program that gives special reading incentives to first-graders in 10 U.S. school districts in which Chrysler has facilities. To kick off the program, funded by the Chrysler Corp. Fund, Iacocca met with 130 first-graders from two Highland Park, Mich., elementary schools.

August sales strong; cars, trucks up 9%

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Rebates, dealer discounts and news of 1990-model price hikes pushed August sales of cars and light trucks 9.65 percent ahead of last year's total.

Deliveries climbed to 1,416,728, compared to 1,292,055 in 1988.

Dealers, analysts and automakers said sales were a good deal better than anticipated. August records were posted by Ford Motor Co., GMC Truck, Chevrolet, Jeep-Eagle, Mitsubishi Motor Sales of America, Toyota Motor Sales U.S.A. and Volvo Cars of North America.

More-confident consumers and shoppers who needed to replace older vehicles helped swell the delivery rate in August, according to Wendy Beale Needham, an analyst with Smith Barney, Harris Upham & Co. in New York.

Although incentives are a permanent fixture, Needham said she thinks the car companies will begin to ease back a little on rebates.

"At an annualized rate, General Motors is currently spending $6 billion," and other companies are spending heavily, too, Needham said.

Dealers and a company analyst agreed that bargain-hunting buyers taking advantage of rebates hiked August sales.

Chevrolet's inventory clearance program helped pull sales 50 percent above the previous month for Warnock Chevrolet in Morristown, N.J., according to Edward J. Bu-

see SALES, page 46

Lexus deliveries: 1,742 through early Sept.

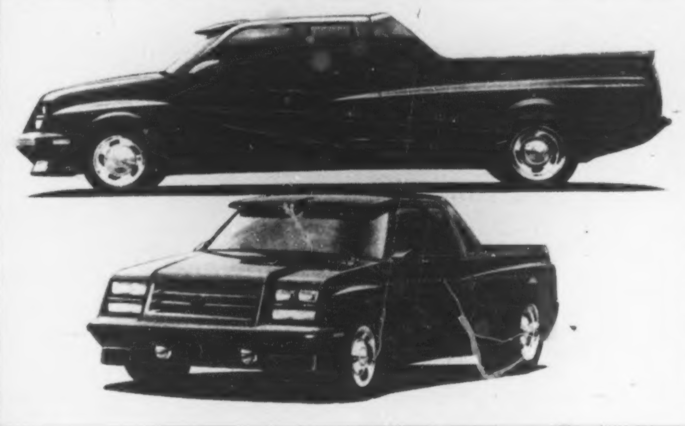
TORRANCE, Calif. — In its first sales announcement, Lexus Division said it delivered 1,742 cars through early September.

The 68 dealers handling Toyota's fledgling luxury car sold 1,448 of the flagship LS400 models and 294 ES250 sedans from early August to Sept. 6. Though the first cars were shipped to dealers more than a month ago, Lexus' official introduction was Sept. 1.

In addition, Lexus reported it has cash deposits from about 1,000 customers who are waiting for specific color and option mixes.

Lexus, which boasted in prelaunch advertising that it "has never had a dissatisfied customer," is trying hard to justify the claim.

— Jesse Snyder



Knudsen's conversion
Knudsen Automotive of Omaha, Neb., is offering the Tridon STT, an exotic conversion of a Chevrolet/GMC C3500-series pickup. The conversion is built on an extended-cab model with an eight-foot bed and dual rear wheels, and designed for special transportation or towing needs. It retails in the high-$20,000 to low-$30,000 range. The Tridon Sport, not pictured, is priced in the low- to mid-$20,000 range.

Study profiles buyers of compact trucks

Buyers of compact trucks are a very satisfied group.

Some 61 percent actually bought the model they had in mind when they began the purchase process and 79 percent would buy the same make and model if they could do it over again, according to a Newsweek Market Research study.

The study, "1989 Buyers of New Compact Trucks," documents the importance of pre-selling those models. It represents the most recent effort in an independent marketing research program the magazine has conducted for more than 30 years on behalf of, and in conjunction with, the auto industry, according to Jim Schwartz, Newsweek Market Research manager.

Many people influence the purchase decision, including the principal driver, spouse, auto dealer and friends.

The purchase process is lengthy. Sport-utility buyers spend a median of eight weeks gathering information, four weeks deciding to buy, three weeks visiting dealers and one week deciding on the exact model. The parallel weeks for pickup buyers are four, three, two and one, respectively, according to the study.

Trucks are bought by Americans of all ages, and half of all new compact truck buyers are first-time truck buyers.

The median price of a sport-utility is $17,500, significantly higher than the pickup's $11,500 median price.

More than half the buyers of compact trucks are professional/managerial people and 60 percent are college-educated.

The median household income for a sport-utility buyer is $59,099. For the pickup buyer, it is $38,524.

Eighty-eight percent of pickup buyers and 73 percent of sport-utility buyers are male. The median chronological age of new compact truck buyers is 38; while the median psychological age — the age they actually feel — is 30.

Some 60 percent of sport-utilities and 53 percent of pickups are the principal vehicles in the household. The primary reason pickup buyers chose a new truck instead of a car is that they need the truck's cargo capacity/roominess. Sport-utility buyers primarily chose their new truck over a car because of its four-wheel-drive.

Some 99 percent of new private-sector compact trucks are used for personal transportation, the study found. The primary specific uses cited include commuting to and from work, running errands/shopping and pleasure driving. Only 28 percent of pickups and 16 percent of sport-utilities are used for business.

The median daily commute for pickup owners is 25 miles in 55 minutes, while the commute for sport-utility owners is 20 miles in 45 minutes.

Market Facts, Chicago, conducted the study from Feb. 24 to April 14, 1989. About 8,000 questionnaires were mailed, and 3,000 replies were received.

TRUCK BRIEFS

Pool accounts expanded

DETROIT — Ford and Dodge are adding a small number of converters to their pool accounts.

Such accounts are highly prized and sought. Last year when Chevrolet opened its consignment pool system to all qualified converters for the first time, it promptly tripled its number of pool companies to over 180.

Ford now seeks to replace about a half dozen companies that it lost over the past year, according to Jerome Mittman, Ford Division RV sales manager.

Historically, Ford has had 60 companies in its pool system, but the pool is currently down to 54.

Mittman said Ford has over 200 applicants vying for an account. It is sorting out 20 of the best qualified prospects for evaluation.

Mittman said it is difficult for Ford to ignore a high-volume firm like Mark III Industries, Ocala, Fla. But, large and smaller companies have an equal chance of being admitted.

Separately, Dodge has added a few pool accounts in markets where it hasn't been well-represented.

One company official said Dodge hasn't lost any, but has merely been seeking to improve its overall market coverage.

Dodge is reluctant to talk about any of the changes. However, further word is likely to come at the national meeting of its pool accounts on Oct. 26-27 in Nashville, Tenn.

Meanwhile, Chevrolet's pool is still open, according to James Green, assistant RV manager.

"We've changed a few accounts and added a few," he said.

Unfortunately, the shakeout in the van conversion industry still isn't over, and there are likely to be more changes in store for Detroit's pool accounts.

Holiday Rambler deal

MILWAUKEE — Harley-Davidson Inc. signed an agreement to sell Parkway Distributors, the aftermarket recreational vehicle parts and accessories distribution division of its Holiday Rambler Corp. subsidiary, to Stag Trailer Supply, Atlanta.

The agreement calls for a cash settlement. Officials declined to disclose the amount.

Holiday Rambler has been focusing its resources and efforts on building up its core businesses, the manufacture of recreational and specialized vehicles, and feels that Parkway no longer fits into its strategic plan, according to H. Wayne Dahl, chief operation officer of Holiday Rambler.

Parkway represents nearly 500 manufacturers and distributes over 7,500 RV products, while serving 3,000 dealers and retailers.

New Goshen Coach

ELKHART, Ind. — New Goshen Coach was awarded a 112-unit contract by Southeastern Michigan's Suburban Mobility Authority for Regional Transportation.

Goshen Coach was able to underbid competitors because its vehicles already came with certain features that were specified by the SMART system so that "we didn't have to raise our bid to meet their special needs," said Russ Gilpin, Goshen's sales coordinator.

The units Goshen Coach is producing for SMART seat 15 people and also have two forward facing wheelchair spaces and a hydraulic wheelchair lift.

Ontario bus contract

MISSISSAUGA, Ontario — Ontario Bus Industries has recently won contracts to build buses for 28 North American cities, including San Francisco, Milwaukee and Salt Lake City.

Most of the $39 million worth of business is for ORION transit buses; but the deal with Salt Lake is for 36 ORION II vehicles, which are specially designed for the transportation of the physically disabled.

Mississauga — Ontario Bus Industries' home city just west of Toronto — purchased 20 air-conditioned ORION V buses, the new 102-inch-wide bus newly designed this year.

Ontario Bus Industries is the only Canadian-owned transit bus manufacturer in North America.

Van conversions mark a strong model year

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Although some converters were hurt in this year's highly competitive market, the 1989 model year will go down as a good one for van conversion sales.

James Green, Chevrolet assistant RV manager, said his division increased its sales of vans to the upfit market by about 10 percent in the 1989 model year.

Green declined to provide specific numbers, but added that "Our retail sales are better than anticipated. We have some incentives out there. But basically the customers are still there."

James Lynch, Chrysler manager of special vehicles, said sales of Dodge chassis by conversion companies will be up about 15 percent for model year from a year ago.

Ford's conversion sales were off by about 8 percent for the model year through July, the latest period for which data is available, according to Jerome Mittman, Ford Division RV sales manager. He noted the beginning of an upturn in July, though.

Chevrolet and Dodge both appear to have increased their sales at least partly at Ford's expense for different reasons.

Chevrolet with its new-for-1989 program changed the focus of many converters. Not only did it triple the number of companies in its consignment pool to over 180, but the program also involves paying interest charges on chassis after a certain period of time, which makes converters more sensitive to selling them quickly.

For its part, Dodge has been more aggressive in incentivizing vans and van conversion chassis than either Ford or Chevrolet.

Meanwhile, the current incentives have done a good job of clearing out inventories.

Chevrolet, for example, had less than 30 days' supply of chassis in its pool inventory, including all vans in upfitter inventory, as of Sept. 1, Green said.

"We feel very comfortable with that," Green said.

However, Chevrolet will take a more conservative posture heading into the first quarter of the 1990 model year.

It will carry "skinnier inventories" to control costs and maintain better grip on the market.

This includes helping converters maintain better control of their inventories through new computer technology.

"Our goal is to provide a flow of chassis in line with a converter's sales rate," Green said. "Granted, he needs inventory to draw from, but our intent is to replace those orders at his selling rate and maintain the flexibility for a spring buildup."

Chevrolet is anticipating a 10 percent decline in market demand for the full 1990 model year, though it feels the October through December falloff alone could be steeper than that.

Recreational Vehicle Wholesale Deliveries

	June 1989	June 1988	% change	6 mon. 1989	6 mon. 1988	% change
Travel trailers	4,200	5,600	– 25.0	31,400	34,600	– 9.3
Park Trailers	700	500	+ 40.0	4,000	3,800	+ 5.3
Travel trailers—fifth wheel	2,500	2,900	– 13.8	16,000	17,100	– 6.4
Folding camping trailers	2,300	3,800	– 39.5	17,600	23,100	–23.8
Truck campers	1,000	1,200	–16.7	5,700	6,200	– 8.1
Towable RV total	10,700	14,000	– 23.6	74,700	84,800	– 11.9
Conventional (type A)	2,500	3,300	– 24.2	19,500	21,400	– 8.9
Van Campers (type B)	700	600	+ 16.7	2,900	2,800	+3.6
Chopped vans (all)	1,700	2,400	– 29.2	13,000	14,200	– 8.5
Motor home total	4,900	6,300	– 22.2	35,400	38,400	– 7.8
Van conversions	19,000	17,900	– 10.6	107,300	104,600	+ 2.6
TOTAL ALL RVs	35,400	38,200	– 7.3	217,400	227,600	– 4.6

Source: Recreation Vehicle Industry Association

Supreme's new landscape body
Supreme Corp. of Goshen, Ind., has a new line of landscape bodies for standard truck chassis. The bodies have 128 square feet of platform area, space for tools and supplies and a drive-up tailgate and ramp for mowers, tractors and other equipment.

Government crackdown on drugs touches new-car dealers

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — U.S. government efforts to stem the flow of drugs and drug money mean more red tape and potential jeopardy for new-car dealers.

Although new-car dealers generally believe they understand what the U.S. government requires, a study by the Internal Revenue Service suggests otherwise.

As part of the war against drugs, drug dealers and their illicit cash profits, new-car dealers and other businesses are required to report transactions over $10,000 in cash to the IRS on Form 8300 within 15 days of the deal.

The dealers must also notify the buyer that they have reported the transaction, but they don't have to tell the customer that they will report the deal before it is completed.

A July IRS survey of 111 dealers in the IRS's Jacksonville district, encompassing northern and central Florida, turned up 68 dealers — or 61 percent — who had not filled out the appropriate forms at one time or another. In a survey earlier this year, 55 of 158 dealers, were found to be improperly reporting cash sales to the IRS.

In the July survey, a Jacksonville district IRS spokesman said, "We found 147 delinquent forms and assessed $13,800 in penalties to 68 dealers. We did not find unwillingness to file (but the dealers were not aware of their responsibilities). All the dealers were very interested in compliance."

In some cases, dealership management was unaware of the requirements to file the forms and in others, management was aware of its responsibilities but the employees were not well versed, the spokesman said.

Although the 8300 form has been in existence since 1985, the Jacksonville IRS spokesman said a match of records between banks and auto dealers indicated that not all forms were being filed. The surveys, said the spokesman, are intended to educate dealers of their responsibilities.

The Jacksonville IRS, said the spokesman, plans to re-visit the dealers to see if they are indeed willing to file the form.

The IRS charges a penalty of $50 for each failure to file with the agency and $50 for neglecting to inform the customer that the business filed. The IRS can fine an auto dealer up to $50,000 for failure to file with the agency and $50,000 for failing to inform the customer.

If the failure to file is intentional, then the fine doubles with no upward limit and criminal charges become a possibility.

Dealers, however, say they are aware of their responsibilities and file the appropriate forms.

Law enforcement agencies are increasing their efforts to curtail businesses that knowingly receive money from criminal activities — notably from drug dealers — and franchised auto dealers say they are willing to comply with the laws. But they differ with law officials who say they have a moral, if not legal, obligation to report suspicious customers.

A Drug Enforcement Administration spokesman said, "From a law enforcement point of view, there is no law restricting a businessman from accepting money. But dealers should question the source of large sums of cash, at least tipping off law enforcement official that a large transaction has occurred."

The law allows police authorities to seize the assets of a business that knowingly accepts criminally gained money.

Auto dealers say they are all for the fight against drug dealers, but it is not their job to be policemen. Many dealers also say they are aware of the IRS requirements to file a form for cash sales, though the recent IRS survey in Florida indicates that may not be the case at all dealerships.

NADA President Ron Tonkin said NADA doesn't want dealers jeopardizing themselves in the fight against drug dealers.

"If their assumption that the buyer is a criminal is correct, then retribution is a possibility," Tonkin said. "If it is incorrect, there is the possibility of legal action (for discriminating against a potential customer)."

Other dealers also say customers aren't always what they appear to be. Morton Zetlin, general partner of American Service Center, an Arlington, Va., Mercedes-Benz, Ferrari and Rolls-Royce dealer, said the firm recently sold a Ferrari to a customer with a business, established credit and a check for the down payment. The car was seized by the authorities in less than a month as a result of drug charges.

Richard Broughton, supervisor of the Washington, D.C.-area financial investigations group of the Drug Enforcement Administration, said there are situations that suggest a dealer knows the source of illegally gained money.

"For example, if a 17-year-old rolls up to a dealership and wants to buy a Nissan Pathfinder, says he's got crack and $9,000 and the dealer says, 'Go sell the crack then come back,' that is laundering money," Broughton said.

"Or if a 17-year-old kid with $17,000 in his pocket comes in and says, 'I'll give you the money, but don't fill out any forms,' and you tell him, 'Give me $9,500 in cash and get a cashiers check,' then you have instructed him how to commit a crime."

Flashy autos top list in drug-raid seizures

Popular lore suggests that drug dealers favor flashy cars, and a recent list of 245 cars and light trucks seized by the U.S. Drug Enforcement Administration seems to confirm the notion.

Corvettes, Cadillacs, Lincolns and European status cars dominate the list.

Corvettes accounted for only 0.2 percent of U.S. sales in 1988, but the 14 seized by drug agents represent 8 percent of the 175 cars on the list. Of the 92 Big 3 cars seized, 18 were Cadillacs and 10 were Lincolns. European imports accounted for only 5.5 percent of 1988 sales, but they made up 32.6 percent of the seizures, topped by Mercedes with 23.

U.S.-built sport-utility vehicles and pickup trucks accounted for most of the 70 trucks seized, led by eight Chevy Blazers. Nameplate leaders were Ford, 22; Chevrolet, 20; and Nissan, 8.

"For some drug dealers, status is a gold chain or a nice car," said Joe Keefe, public affairs spokesman for the Drug Enforcement Administration. "Others are low key. We would never say any particular kind of vehicle is associated with drug dealers."

Vehicles are seized either because they were being used to smuggle drugs, or because they were bought with drug profits.

The cars listed in a legal advertisement in the Aug. 30 USA Today newspaper were seized over a period of more than a year. Confiscated cars are usually sold at auction and the money goes to the Federal Asset Forfeiture Fund, which is used for law enforcement purposes.

DRUGS

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transactions of $10,000 or more to the IRS on Form 8300.

Gross maintains his innocence, saying the jury did not understand the situation. His attorney has filed a motion for a new trial on grounds that the money laundering charges date to before 1986 when only banks were required to file currency transaction reports.

"This is as much a surprise to me as anybody," he said. "I did business with these fellas but it was nothing like what it sounds.

"I loaned money to them. I had done business with these people since 1977, but they had never done anything out of the ordinary,"

He warned other car dealers to know their customers. "I would say that a dealer should know his big customers," said Gross. "I sold these people as many as 30 vehicles at a time. They owned a replacement window business in Lexington."

Gross said he never tried to hide his transactions at Union Bank & Trust in Irvine.

"Eleven of those convictions involved the purchase of my home," he said. "It was the bank that told me to break it into $9,500 payments. It was their responsibility to report it to the government."

Under federal law, financial institutions and other businesses have to report cash transactions of more than $10,000.

Gross maintains he never owned a dollar's worth of drugs or sold a dollar's worth.

"I don't even drink," he said. "This is all a real blow to me. The jury just didn't understand the situation."

Since 1977, Gross said, he has sold the other defendants hundreds of vehicles. "I loaned them money and they paid it back, but I guess I just didn't know what it all meant."

He said the first time he noticed "something wasn't right," he stopped doing business with them He declined to elaborate.

But he said he ceased doing business with them in 1986.

In 1986, Gross' dealership had sales of $20 million. He said sales were soft earlier this year but have rebounded since the verdict.

He has been a dealer for 18 years.

Irvine residents were stunned by the verdict.

"He has a heart as big as a mountain," said Estill County Clerk Dora Henry.

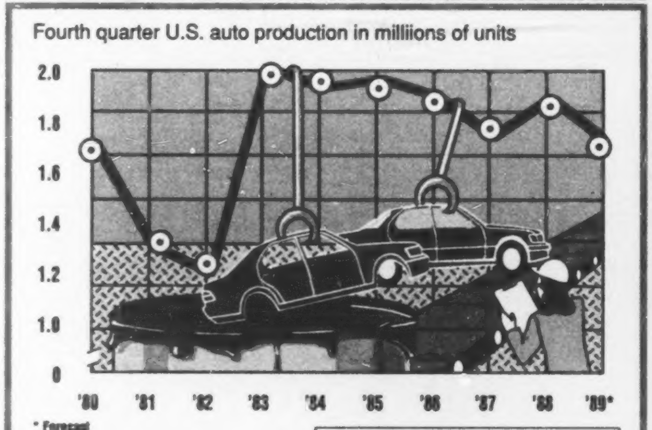
She said if someone had to attend a funeral — even if it was out of state — and no transportation, Gross would lend them a car without hesitation and without a fee.

He was an avid supporter of the town's Little League and its charities, she said. One resident characterized Gross as a "regular Robin Hood."

At one time, customers could cash their paychecks at his dealership if the banks were closed. And if they were denied financing, "they could still buy a car and just pay Bunt."

Said one longtime resident: "I don't think he's guilty. He's already got enough money. Why would he risk it? He sponsors the baseball teams, helps the schools and anything else that comes along. He got framed."

A decade of fourth quarters



Source: Automotive News figures

AUTOMOTIVE NEWS / CHARLOTTE WINTER

FORECAST

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tion estimate is almost 164,000 units, or 2.30 percent, below the 7,129,420 cars built in 1988.

"For the first time this year, I think the automakers have come up with a production forecast that is realistic," said analyst Scott Merlis of Morgan Stanley in New York.

Merlis said he thinks the fourth-quarter schedule is about what it should be to keep the year-end inventory at a 65- to 70-day supply. Domestic-car sales for the calendar year are estimated at 7.4 million, Merlis said.

Bernard Campbell, an analyst with Data Resources in Lexington, Mass., was on the same wave length. He said, "The fourth quarter U.S. car forecast is a very realistic plan. The actual build may end up about 39,000 units lower, but that would still be within 2 or 3 percent of the schedule."

Analyst Arvid Jouppi of Arvid Jouppi Associates in Grosse Pointe Woods, Mich., said dealers will not be able to continue carrying their present heavy inventories, and the makers may have to offer sweeter incentives or cut production in order to reduce dealers' stocks. He said he does not believe any production cuts will be extreme.

Merlis and Campbell agree that the Big 3's fourth-quarter schedules are fairly conservative. All three have scheduled considerably fewer cars than they built in 1988.

General Motors expects to assemble 780,000 cars in the final three months of this year, 17.45 percent below last year's 944,880.

Ford Motor Co. said it plans to produce 394,000 cars in the fourth quarter, 11.89 percent below the 447,161 built in the comparable period of 1988.

Chrysler Motors' schedule of 237,000 cars is 19.96 percent below its 1988 total of 296,120.

Big 3 fourth-quarter production estimates total 1,411,000 cars, 16.42 percent below the 1,688,161 built in the fourth quarter of 1988.

On the other hand, transplant and joint-venture output for the final quarter is scheduled to increase 48.82 percent to 312,609, compared to the 1988 total of 210,059.

Newcomer Diamond-Star Motors, the Chrysler-Mitsubishi joint venture, forecasts fourth-quarter production at 56,078. The company began reporting production last January.

Toyota had not yet reached peak line speed at its Georgetown, Ky., plant in last year's fourth quarter. This year's estimated output of 47,000 units is 2½ times the year-ago quarter's 18,527.

New United Motor Manufacturing Inc. scheduled fourth quarter output at 43,300 units, substantially above last year's total of 16,239. Model changeover to the Chevrolet Geo Prizm affected the plant's fourth-quarter output in 1988.

Nissan Motor Manufacturing Corp. U.S.A. scheduled 2.10 percent more cars this year, but Honda of America Manufacturing's forecast shows a dip of 3.54 percent, and the projection by Mazda Motor Manufacturing (U.S.A.) Corp. is down 10.93 percent.

Subaru Isuzu Automotive in Lafayette, Ind., said it could not supply a fourth-quarter auto production forecast at this time.

FOURTH QUARTER AUTO PRODUCTION

1989 forecast vs. 1988 actual

	1989	1988	% change
GM	780,000	944,880	−17.45
Ford	394,000	447,161	−11.89
Chrysler	237,000	296,120	−19.96
Diamond-Star	56,078	0	—
Honda	85,185	88,310	− 3.54
Mazda	55,000	61,473	−10.53
Nissan	26,046	25,510	+ 2.10
NUMMI	43,300	16,239	—
Toyota	47,000	18,527	—
Industry	1,723,609	1,898,220	−9.20

DOMESTIC CAR SALES

	Aug. 21, to Aug. 31, 1989	Same Period, 1988	August 1989	Same Month, 1988	Jan. 1, to Aug. 31, 1989	Same Period, 1988
Alliance	0	39	0	114	0	3,921
Eagle	0	0	0	0	0	1,392
Talon	366	0	783	0	783	0
Premier	2,115	1,289	5,024	3,347	31,878	25,640
Total Eagle	2,481	1,328	5,807	3,461	32,661	30,953
Horizon	3,897	3,378	8,763	8,651	28,731	43,594
Laser	843	0	2,132	0	13,047	0
Sundance	5,540	2,712	12,411	7,697	59,221	59,923
Turismo	0	0	0	0	0	1,115
Reliant	1,586	2,810	3,396	7,024	25,864	79,150
Acclaim	3,328	0	6,757	0	57,843	0
Caravelle	0	284	0	650	733	11,479
Gran Fury	0	285	0	745	1,443	9,783
Total Plymouth	15,194	9,469	33,459	24,767	186,882	205,044
LeBaron K	0	682	0	1,703	787	17,667
LeBaron J	2,796	2,821	6,093	7,530	60,247	72,931
LeBaron GTS	179	674	389	1,624	3,502	11,764
Fifth Avenue	625	709	1,297	1,483	10,000	29,240
New Yorker C	2,176	2,896	4,847	6,630	61,206	47,960
New Yorker E	0	31	0	69	237	14,334
Total Chrysler	5,776	7,813	12,626	19,039	135,979	193,896
Omni	3,947	3,085	9,051	7,938	29,144	41,836
Shadow	4,064	2,565	10,222	7,156	56,886	63,069
Charger	0	0	0	0	0	1,022
Daytona	2,211	2,287	5,185	6,030	50,027	53,795
Aries	1,475	2,442	2,988	6,478	25,522	70,689
Lancer	152	463	322	1,013	2,382	7,656
Spirit	2,209	0	4,472	0	47,519	0
Diplomat	0	566	0	1,305	2,551	14,901
Dynasty	2,831	1,922	6,213	4,588	78,036	47,740
Dodge 600	0	274	0	591	808	10,528
Total Dodge	16,889	13,604	38,453	35,099	292,875	311,236
CHRYSLER MOTORS	40,340	32,214	90,345	82,366	648,397	741,129
Escort	15,249	13,742	34,522	34,962	240,840	260,850
Mustang	6,646	4,084	14,187	11,511	125,782	122,882
Tempo	8,902	8,783	19,831	24,193	156,667	195,061
Taurus	13,941	8,432	30,957	25,912	245,786	266,901
Thunderbird	6,228	3,819	14,236	10,288	86,624	89,295
Probe	5,522	3,467	13,331	8,812	97,077	35,096
Crown Victoria	7,726	3,149	14,587	7,760	79,691	80,460
Total Ford Div.	64,214	45,476	141,651	123,438	1,032,447	1,050,545
Lynx/Tracer	2,573	1,841	6,417	4,875	45,521	40,790
Topaz	3,123	3,156	7,492	7,950	61,890	60,921
Sable	4,164	2,634	10,628	9,510	81,098	86,500
Cougar	5,322	3,449	12,205	9,890	73,154	79,754
Grand Marquis	6,926	3,247	14,992	8,477	80,931	78,880
Total Mercury	22,108	14,327	51,734	40,702	342,594	346,845
Continental	1,820	1,353	4,116	3,164	38,411	26,714
Lincoln	4,713	3,789	10,967	9,111	80,545	82,422
Mark VII	646	655	1,483	1,608	19,394	14,403
Total Lincoln	7,179	5,797	16,566	13,883	138,350	123,539
Total L-M Division	29,287	20,124	68,300	54,585	480,944	470,384
FORD MOTOR CO.	93,501	65,600	209,951	178,023	1,513,391	1,520,929
Skyhawk	660	771	1,482	1,771	13,962	18,689
Somerset/Skylark	1,388	1,991	3,367	5,525	45,220	43,413
Century	5,044	5,521	11,809	12,374	89,010	81,097
Regal	2,649	4,995	6,581	11,206	55,319	83,019
LeSabre	7,706	4,448	18,736	9,996	101,167	97,748
Reatta	253	149	598	380	5,509	2,337
Electra	3,379	3,932	7,827	8,644	54,213	57,150
Riviera	691	171	1,618	455	13,391	6,130
Total Buick	21,770	21,978	52,018	50,351	377,791	389,583
Cimarron	0	162	0	484	232	4,750
Allante	134	122	307	250	2,341	2,413
Seville	477	611	1,076	1,571	15,874	14,360
DeVille	8,771	5,272	17,963	12,498	113,145	102,546
Brougham	1,164	1,782	2,417	4,499	23,522	28,607
Eldorado	1,225	1,249	2,573	3,000	21,811	20,558
Total Cadillac	11,771	9,198	24,336	22,302	176,925	173,234
Chevette	0	0	0	0	0	205
Geo Prizm/Nova	3,679	3,231	8,856	7,920	52,159	76,324
Cavalier	11,490	8,845	25,825	25,417	204,365	209,893
Camaro	3,290	2,671	7,795	7,797	76,916	68,893
Celebrity	3,056	6,480	7,561	17,727	128,870	174,357
Corsica/Beretta	10,382	9,337	24,260	28,040	255,478	288,341
Lumina/Monte Carlo	4,929	556	11,781	1,744	47,687	25,459
Caprice	6,605	4,148	15,697	12,349	112,884	117,410
Corvette	1,736	572	3,613	1,741	16,236	17,089
Total Chevrolet	45,167	35,840	105,388	102,735	894,595	977,951
Firenza	0	153	0	437	12	7,517
Calais	4,684	3,319	9,901	9,351	66,800	74,063
Cutlass Ciera	10,396	8,839	19,713	23,688	138,858	165,288
Cutlass Supreme	4,628	4,314	8,122	9,834	66,386	72,965
Olds 88	6,665	3,648	14,656	9,136	101,929	113,500
Olds 98	2,782	2,414	6,228	6,444	48,613	51,019
Toronado	559	450	870	1,165	5,474	11,314
Total Oldsmobile	29,716	23,137	59,490	60,055	428,072	495,666
Fiero	0	767	0	2,026	1,961	19,621
Pontiac 1000	0	0	0	0	0	154
Sunbird	4,136	2,194	9,036	5,986	67,633	56,892
Firebird	1,786	1,591	4,457	4,539	44,989	42,558
Grand Am	8,570	5,368	18,486	14,396	140,020	157,617
Pontiac 6000	2,907	2,612	5,685	6,482	49,264	68,096
Grand Prix	4,493	3,746	9,449	9,054	60,797	62,681
Bonneville H	3,681	2,319	7,752	5,578	81,653	75,913
Paris./Safari	162	236	386	553	3,275	4,809
Total Pontiac	25,735	18,833	55,250	48,613	449,592	488,341
GENERAL MOTORS	134,159	108,986	296,482	284,056	2,326,975	2,524,775
HONDA	18,245	14,699	36,979	33,486	263,887	247,487
Civic	6,315	6,399	15,206	13,677	117,150	73,690
Accord	11,930	8,300	21,773	19,809	146,737	173,797
MAZDA	2,064	1,508	3,795	3,232	29,752	20,280
MITSUBISHI	1,656	0	3,656	0	17,769	0
NISSAN	8,267	6,651	14,221	13,794	74,844	73,912
TOYOTA	18,418	2,778	29,936	5,089	134,594	39,074
VOLKSWAGEN	0	0	0	0	0	24,939
DOMESTIC TOTAL	316,650	232,436	685,365	600,026	5,009,609	5,192,505
IMPORT TOTAL			287,978	281,988	1,938,675	2,073,828
INDUSTRY TOTAL			973,343	882,014	6,948,284	7,266,333

U.S.-built Volkswagen models sold after June 30, 1988, are included in import totals.

SALES

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tera, general manager.

Close-out time is always pretty good but "we had a much better month because most people knew about the price increases and expected pretty big savings," said Steve Fish, general manager of Freeway Dodge in Minneapolis.

Price hikes on 1990 models may have caused some people to shop more actively for 1989 models in August, suggested Joel Pitcoff, research and analysis manager for Ford Motor Co.

Pitcoff added, "These bargain hunters are not the fourth-quarter intro buyers."

In August, sales of U.S.-built and imported cars climbed to 973,343, 10.35 percent ahead of last year's 882,014.

In terms of car market share, Ford was the only member of the Big 3 to gain. Including sales of captive imports, GM lost more than a percentage point and Chrysler Motors lost about half a point.

Among foreign carmakers, the Japanese share including transplants rose more than 3 percentage points.

Domestic car deliveries, without captives, rose 14.22 percent to 685,365 from 600,026 last year.

All eight U.S. automakers reported year-to-year sales gains.

Sales momentum peaked in the final 10 days of August when U.S.-car deliveries rose 36.23 percent.

Ford and two transplants, Toyota and Mazda, reported major domestic-car sales gains compared to August 1988.

Imported-car sales moved ahead 2.12 percent to 287,978, compared to last August's 281,988.

Although the import-car share dropped 2.39 percentage points in August, a third of the foreign carmakers sold more cars this year.

Imports took 29.58 percent of the market, compared to 31.97 percent in 1988.

For the first eight months of 1989, deliveries of U.S.-made and imported cars were 4.38 percent below the 1988 total.

At the end of the first half, this year's sales trailed last year's by 6.55 percent.

Each of the four U.S. car and truck makers sold more cars and light trucks in August than they did last year.

Light-truck sales climbed to 443,385 units, an increase of 8.13 percent over 410,041 in August 1988.

Both Ford and Chevrolet truck sales set records for August.

MARKET SHARES, August 1989

	Total Sales	Pct. of Total
SUBCOMPACT	132,760	13.64
COMPACT	169,304	17.39
INTERMEDIATE	245,279	25.20
STANDARD	133,504	13.72
SPECIALITY	4,518	0.46
IMPORT	287,978	29.59
TOTAL	973,343	100.00

IMPORTED CAR SALES

	August 1989	August 1988	8 Mos., 1989	8 Mos., 1988
Acura	14,871	12,448	96,696	84,815
Alfa Romeo	260	386	2,188	3,433
Audi	1,718	3,220	13,688	16,601
BMW	5,619	6,563	45,486	47,262
Chevrolet	14,223	11,078	81,928	85,918
Chrysler	587	762	5,326	7,442
Daihatsu	1,326	1,152	9,368	7,545
Dodge	2,837	4,656	25,607	37,477
Eagle	2,219	1,473	17,835	10,500
Ford	6,330	6,575	49,757	47,698
Honda	26,362	20,602	168,584	165,842
Hyundai	20,552	25,119	132,440	191,772
Isuzu	2,264	3,197	13,718	17,382
Jaquar	1,563	1,645	12,400	13,081
Maserati*	20	30	200	590
Mazda	23,809	20,872	153,358	156,096
Mercedes-Benz	6,776	6,799	49,444	57,745
Mercury	436	1,756	6,006	10,138
Mitsubishi	8,586	7,606	51,304	48,586
Nissan	39,526	29,986	285,381	245,668
Peugeot	660	573	4,242	4,589
Plymouth	2,513	4,270	23,602	33,933
Pontiac	4,401	4,642	37,175	40,803
Porsche	955	1,247	6,677	11,389
Saab	3,779	4,019	23,634	26,876
Sterling	305	930	4,126	6,583
Subaru	14,023	14,515	101,111	101,710
Suzuki	761	0	4,000	0
Toyota	58,090	58,486	336,645	401,546
Volkswagen	11,117	14,272	94,632	99,297
Volvo	10,553	9,625	72,769	68,015
Yugo	937	3,504	7,348	23,496
TOTAL	287,978	281,988	1,938,675	2,073,828

*—estimate

U.S. CAR SALES BY MARKETING UNITS

	August 1989	Percent Share	August 1988	Percent Share	8 Mos., 1989	Percent Share	8 Mos., 1988	Percent Share
Alfa Romeo	260	0.03	386	0.04	2,188	0.03	3,433	0.05
American Honda	78,212	8.04	66,536	7.54	531,167	7.64	408,144	6.86
BMW	5,619	0.58	6,563	0.74	45,486	0.65	47,262	0.65
Buick	52,018	5.34	50,351	5.71	377,791	5.44	389,583	5.36
Cadillac	24,336	2.50	22,302	2.53	176,925	2.55	173,234	2.38
Chevrolet	119,611	12.29	113,813	12.90	976,523	14.05	1,063,869	14.64
Chrysler	13,213	1.36	19,801	2.24	141,305	2.03	201,338	2.77
Daihatsu	1,326	0.14	1,152	0.13	9,368	0.13	7,545	0.10
Dodge	41,290	4.24	39,755	4.51	318,482	4.58	348,713	4.80
Eagle	12,137	1.25	10,036	1.14	82,418	1.19	78,651	1.08
Ford	143,870	14.78	124,911	14.16	1,050,282	15.12	1,061,045	14.60
Hyundai	20,552	2.11	25,119	2.85	132,440	1.91	191,772	2.64
Isuzu	2,264	0.23	3,197	0.36	13,718	0.20	17,382	0.24
Jaguar	1,563	0.16	1,645	0.19	12,400	0.18	13,081	0.18
Lincoln	16,566	1.70	13,883	1.57	138,350	1.99	123,539	1.70
Maserati*	20	0.00	30	0.00	200	0.00	590	0.01
Mazda	27,604	2.84	24,104	2.73	183,110	2.64	176,356	2.43
Mercedes	6,776	0.70	6,799	0.77	49,444	0.71	57,745	0.79
Mercury	52,170	5.36	42,458	4.81	348,600	5.02	356,983	4.91
Mitsubishi	12,242	1.26	7,606	0.86	69,073	0.99	48,586	0.67
Nissan	53,747	5.52	43,780	4.96	360,225	5.18	319,580	4.40
Oldsmobile	59,490	6.11	60,055	6.81	428,072	6.16	495,666	6.82
Peugeot	660	0.07	573	0.06	4,242	0.06	4,589	0.06
Plymouth	35,972	3.70	29,037	3.29	210,484	3.03	238,977	3.29
Pontiac	59,651	6.13	53,255	6.04	486,767	7.01	529,144	7.28
Porsche	955	0.10	1,247	0.14	6,677	0.10	11,389	0.16
Saab	3,779	0.39	4,019	0.46	23,634	0.34	26,876	0.37
Sterling	305	0.03	930	0.11	4,126	0.06	6,583	0.09
Subaru	14,023	1.44	14,515	1.65	101,111	1.46	101,710	1.40
Suzuki	761	0.08	0	0.00	4,000	0.06	0	0.00
Toyota	88,026	9.04	63,536	7.20	471,239	6.78	440,620	6.06
Volvo	10,553	1.08	9,625	1.09	72,769	1.05	68,015	0.94
VWoA	12,835	1.32	17,492	1.98	106,320	1.56	140,637	1.94
Yugo	937	0.10	3,504	0.40	7,348	0.11	23,496	0.32
TOTAL	973,343	100.00	882,014	100.00	6,948,284	100.00	7,266,333	100.00
TOTAL GM	315,106	32.38	299,776	33.99	2,446,078	35.20	2,651,496	36.48
TOTAL FORD	212,606	21.84	181,252	20.55	1,537,232	22.12	1,541,567	21.22
TOTAL CHRYSLER	102,612	10.54	98,629	11.18	752,689	10.83	867,679	11.94
TOTAL JAPANESE	278,205	28.58	224,425	25.44	1,743,011	25.08	1,609,923	22.16
TOTAL EUROPEAN	44,262	4.55	52,813	5.99	336,634	4.85	403,896	5.56
TOTAL KOREAN	20,552	2.11	25,119	2.85	132,440	1.91	191,772	2.64

*—Estimate Big 3 totals include their captive imports. Percent share may contain error of one or two points due to rounding.
Sales charts compiled by [illegible]

FORD-NISSAN

FROM PAGE 3

ceptual agreement" to discuss alternative production methods. Those include work teams and a reduced number of job classifications.

Signs point to a struggle as Ford details its work demands. Avon Lake is "one of the most militant locals in the UAW, with a very anti-team-concept work force," said John Schmidt, a member of the local bargaining committee.

Schmidt said most members of the bargaining committee are opposed to the new work methods. But a second local committeeman, who wished to remain unidentified, predicted workers would accept the new methods.

In two or three weeks, Ford is expected to spell out to the union what kind of methods it wants, the second local committeeman said. The membership will subsequently vote on the new methods, he said.

A Ford spokesman said that discussions with the union about changing work methods have been going on since the project was announced and that no formal negotiations are planned.

Schmidt said, "We're going to fight it (the team concept) 100 percent, you can count on that. I have 14 years (left). I'm not going to work in a system where they break me before I retire. I have never in my life seen Americans work like they do at NUMMI."

Workers at New United Motor Manufacturing Inc., the General Motors-Toyota joint venture in Fremont, Calif., were among the first to agree to the team concept.

Unlike GM and Chrysler Motors, Ford has been cautious with alternative production methods. It is implementing them at plants that are being upgraded to build new products, including the Wayne, Mich., assembly plant and the new Romeo, Mich., engine plant.

In exchange for Avon Lake workers accepting the new methods, Ford said it would allow union input into the design of the expanded facility and consider adding an on-site day-care center.

Schmidt said, "Just about everything Ford promised, they reneged on."

The second local committeeman said Ford honored its promise to give the union a voice in the facility's design and that union suggestions including three cafeterias and training rooms "are in the blueprints."

About 1,000 new workers will be added, bringing the work force to about 3,000.

LIGHT-DUTY TRUCK SALES

	Aug. 1989	Aug. 1988	8 Mos. 1989	8 Mos. 1988
Vans	15,726	15,427	119,501	129,016
Aerostar	17,122	14,327	136,662	127,621
Club Wagon	1,546	1,149	17,941	17,841
Ranger	26,866	27,925	190,214	211,914
Bronco	6,083	3,751	41,643	35,535
Bronco II	9,819	11,699	73,167	84,475
Pickups	49,271	43,209	403,565	399,300
Ford	**126,433**	**117,487**	**982,693**	**1,005,702**
Vans	13,498	10,082	84,227	90,666
Sportsvan	675	590	7,505	9,401
Geo Tracker	838	0	6,088	0
Astro	16,291	13,559	103,204	115,152
Lumina APV	0	0	68	0
S-10	22,332	23,992	155,246	169,131
S-10 Blazer	18,261	16,962	118,410	115,687
El Camino	0	0	0	420
Blazer	1,958	1,738	14,803	18,264
Suburban	6,095	5,113	43,620	45,074
Pickups	53,029	43,422	372,506	347,904
Chevrolet	**132,877**	**115,458**	**895,677**	**911,898**
Vans	4,870	4,163	51,301	40,938
Ram Wagon	1,296	1,441	17,623	17,518
Voyager	13,731	12,486	129,192	135,863
Caravan	15,134	13,280	139,914	148,411
Mini Ram Van	843	1,607	10,222	14,224
Town & Country	305	0	558	0
Ram 50	2,426	4,192	20,333	40,293
Raider	971	483	5,782	4,451
Ramcharger	1,376	1,684	14,031	13,281
Dakota	7,009	8,207	61,075	66,007
Pickups	5,565	5,613	57,082	58,247
Chrysler	**53,326**	**53,124**	**567,865**	**537,234**
Vans	4,184	4,217	26,279	33,246
Safari	3,088	2,952	22,577	24,185
S-15	4,829	4,910	34,582	35,955
S-15 Jimmy	4,295	3,982	28,595	27,863
Jimmy	539	582	4,301	5,133
Caballero	0	0	0	88
Suburban	2,122	1,733	15,312	15,664
Pickups	14,688	11,188	105,193	97,453
P Model	289	436	2,519	2,914
W-4	97	186	886	1,046
GMC	**34,183**	**33,158**	**243,175**	**243,466**
Wrangler/CJ	4,549	2,466	36,734	27,636
Wagoneer	509	677	4,418	5,744
Cherokee	16,019	13,196	107,500	95,503
Grand Wagoneer	989	1,316	7,336	9,094
Comanche	1,981	3,244	17,983	27,267
J-10/J-20	0	0	0	221
Jeep	**24,167**	**20,899**	**173,971**	**165,465**
Toyota	26,952	23,208	156,556	170,219
Nissan	19,817	16,875	111,829	114,843
Mazda	7,527	7,675	56,122	56,670
Isuzu	11,054	9,689	64,288	66,451
Mitsubishi	3,872	2,874	27,289	30,143
Suzuki	2,589	12,209	17,419	40,756
Subaru	0	1	0	10
Range Rover	365	346	3,148	2,156
Imports	**72,180**	**72,878**	**436,392**	**481,268**
Industry Total	**443,385**	**418,011**	**3,249,881**	**3,283,884**

Compiled by [illegible]

Chevy adds 1990 Lumina to rebate list

By Arlena Sawyers
AUTOMOTIVE NEWS STAFF REPORTER

Several auto companies announced new and/or enhanced incentive programs last week.

Chevrolet added a $750 rebate on all models of its 1990 Lumina sedan, increased the rebate on all 1988 and 1989 S-10 pickups to $1,000 and raised the S-10 Blazer rebate to $1,250.

The GMAC First Time Buyer Program, offering a $600 down payment on eligible Geo vehicles, has been extended to include Geo Trackers and Chevrolet S-10 pickups.

Consumer rebates range from $400 to $1,000 on Chevrolet and Geo cars and from $400 to $1,250 on trucks and vans.

Oldsmobile doubled the consumer rebates on its 1989 Cutlass Ciera to $2,000. Rebates on other Oldsmobiles range from $1,000 to $2,500.

GMAC financing alternatives continue on eligible Oldsmobile, Chevrolet and Geo models: 2.9 percent for 24 months; 5.9 percent for 36 months; 6.9 percent for 48 months; and 10.9 percent for 60 months.

Hyundai announced consumer rebates on the following Excel models: base three-door, $500; base four-door and GL, $750; and GLS, GS and SE, $1,000.

Hyundai also is offering dealer incentives. They are $300 on the three- and four-door Excel models and $500 on the Sonata. Sonata dealer incentives are based on quotas. The Hyundai program expires Oct. 5.

Nissan is offering buyers cash rebates of up to $2,000 on Stanza models or 7.9 percent financing for 48 months or 9.9 percent financing for 60 months.

Nissan dealer incentives range from $100 to $2,000 on Sentra models and from $200 to $2,000 on 1990 Axxess models, Hardbody pickup trucks, two-door Pathfinders and all vans. The Nissan incentive program runs through Dec. 5.

Volkswagen increased the consumer incentive on the Fox from $200 to $500 and extended its current consumer rebate program through Oct. 31. VW's rebates range from $500 to $2,000. Customers may choose special financing rates in lieu of rebates: 4.9 percent for 24 months; 6.9 percent for 36 months; 6.9 percent for 48 months; or 9.9 percent for 60 months.

Subaru is extending its current program through Oct. 3. Its rebates go to the consumer in some geographic areas and to the dealer in others.

INCENTIVE WATCH

	Customer Incentives						Dealer Incentives	
		Finance Rates (Pct.) — Months —						
	Rebates	24	36	48	60	Expiration Date	Type	Expiration Date
Chrysler Motors								
Chrysler	$500 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15		
Dodge Cars	$300 - $1,500	0.0*	5.9	6.9	10.9	Sept. 15	$500 on Daytona	Sept. 15
Dodge Trucks	$500 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15	$500 on Dakota, full-sized trucks	Sept. 15
Eagle	$1,000 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15		
Jeep	$500 - $1,000	0.0*	5.9	6.9	10.9	Sept. 15		
Plymouth	$300 - $1,500	2.9	5.9	6.9	10.9	Sept. 15		
*2.9 percent on some models								
Ford Motor Co.								
Ford Cars	$500 - $1,500	2.9	6.9	7.9	10.9	None		
Ford Trucks	$500 - $1,250	2.9	6.9	7.9	10.9	None		
Lincoln	$1,000 - $1,500	2.9	6.9	7.9	10.9	None		
Mercury	$1,000 - $1,500	2.9	6.9	7.9	10.9	None		
Merkur	$2,000 - $4,000	2.9	6.9	7.9	10.9	None		
General Motors								
Buick	$500 - $1,500	2.9	5.9	6.9	10.9	None	All GM divisions: Zero to $1,000 per sale based on performance against quota. $150 per sale if dealer elects not to participate in quota program.	Sept. 27
Cadillac	$1,000 - $1,500					Sept. 27		
Chevrolet Cars	$400 - $1,000	2.9	5.9	6.9	10.9	Sept. 27*		
Chevrolet Trucks	$400 - $1,250	2.9	5.9	6.9	10.9	Sept. 27*		
GMC	$500 - $750	2.9	5.9	6.9	10.9	None		
Oldsmobile	$1,000 - $2,500	2.9	5.9	6.9	10.9	None		
Pontiac	$700 - $1,250	2.9	5.9	6.9	10.9	None		
Cadillac does not have a finance-rate incentive. *Chevrolet's rebate program has no expiration date.								
Audi							$1,000 - $5,000, some based on quota	Sept. 30
BMW 325i			9.6	9.6	9.6	Sept. 30		
Daihatsu							$300 if meet sales quota	Sept. 5
Hyundai	$500 - $1,000					Oct. 5		
Excel							$300	Oct. 5
Sonata							$500, based on quota	Oct. 5
Jaguar	$5,000					Sept. 18		
*To owners of 1988 Jaguar Sedans								
Mitsubishi Cars							$800 - $2,500, based on number sold	Sept. 30
Trucks							$300 - $2,500, based on number sold	Sept. 30
Nissan								
Stanza	$1,500 - $2,000			7.9	9.9	Dec. 4		
Sentra							$100 - $2,000, based on quota	Dec. 4
Trucks							$200 - $2,000, based on quota	Dec. 4
Peugeot							$1,000 - $2,000	Sept. 18
Porsche							$3,000 - $6,000 on 40 percent of cars sold	Sept. 30
Sterling	$3,500 - $5,000					Nov. 30		
Subaru	$500 - $3,000*					Nov. 2	$500 - $3,000*	Nov. 2
*Rebates go to the consumer in some regions and to the dealer in other regions								
Toyota Cressida							$1,500	Nov. 2
Volkswagen	$500 - $2,000	4.9	6.9	7.9	9.9	Oct. 31		

Car output in August is 4-year high

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

U.S. auto production in August was the highest for that month in four years.

Last month's output of 537,308 cars was the highest August build since the 550,469 units assembled in 1985. The August total was 91.83 percent above July's 280,093 (a model changeover month) and 7.71 percent more than the year-ago month's 498,847.

Last week's scheduled car production of 109,342 dipped 10.12 percent from the prior week's 121,653 and slipped 10.09 percent below the year-ago week's 121,609 due to the Labor Day holiday.

Estimated production last week was split as follows: General Motors, 49.61 percent; Ford Motor Co., 19.73 percent; Chrysler Motors, 13.72 percent; Honda of America Manufacturing, 5.26 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.11 percent; Toyota Motor Manufacturing U.S.A., 2.71 percent; Nissan Motor Manufacturing Corp. U.S.A., 2.04 percent; Diamond-Star Motors, 2.04 percent; and New United Motor Manufacturing Inc., 1.78 percent.

Truck production last month was 353,000 units, 57.04 percent more than July's 224,787 and 5.55 percent above the year-ago month's 334,439.

Targeted output of 68,645 trucks last week declined 1.90 percent from the previous week's 69,975 and dropped 3.74 percent from the year-ago week's 71,314. Truckmakers worked only four days last week because of the holiday.

Year-to-date, 2,957,717 trucks have been completed, 4.21 percent more than the 2,838,281 built last year at this time.

Ford idled its Dearborn, Mich., car facility and Lorain, Ohio, truck plant today. They will be down one week. Dearborn, which assembles about 4,400 cars per week, is closed because of a parts shortage, and Lorain, which builds 4,000 trucks each week, is idle because of slow sales.

Canada cars up 31% for month

Canadian car production for August totaled 67,382 units, 31.33 percent more than July's 51,309 and 200 units more than the year-ago month's 67,182.

Scheduled assembly of cars last week was 15,619 units, 7.33 percent below the prior week's 16,855 and 3.89 percent below the year-ago week's 16,251.

So far this year, 659,068 cars have been built, 11.03 percent lower than the 740,745 completed last year at this point.

Truckmakers built 70,621 units last month, 84.93 percent more than the July total of 38,187 (a model changeover/vacation month) but 2.12 percent below the year-ago month's 72,149.

Chrysler Motors' Bramalea, Ontario, plant resumed output today after a two-week shutdown due to high inventory of its Premier line.

U.S. CAR	Week Ended Sept. 9, 1989	Week Ended Sept. 10, 1988	Week Ended Sept. 2, 1989	Aug. Total	Jan. 1 to Sept. 9, 1989	Jan. 1 to Sept. 10, 1988
Horizon	0	1,147	0	4,619	21,175	56,135
Sundance	1,400	1,581	1,791	5,788	72,111	70,374
Reliant	0	1,665	0	0	0	59,511
Acclaim	2,400	0	2,805	12,276	86,803	0
Caravelle	0	0	0	0	0	9,087
Gran Fury	0	221	0	0	0	16,024
Total Plymouth	3,800	4,614	4,596	22,683	180,089	211,131
LeBaron K	0	0	0	0	0	7,912
LeBaron J	2,100	1,613	2,764	10,999	71,966	52,227
LeBaron GTS	0	177	0	0	2,946	6,419
N. Yorker C-Class	400	1,664	603	3,394	61,714	72,135
Fifth Avenue	1,500	802	1,754	7,969	8,305	20,178
Total Chrysler	4,000	4,256	5,121	22,382	144,931	158,871
Omni	0	1,173	0	4,249	22,229	54,836
Daytona	1,300	1,609	1,819	7,283	57,581	51,461
Shadow	1,500	1,701	1,982	6,051	69,346	69,695
Aries	0	1,723	0	0	0	58,065
Dodge 600	0	0	0	0	0	8,549
Dynasty	1,500	2,096	1,481	8,000	93,735	70,790
Lancer	0	124	0	0	1,528	6,170
Spirit	2,900	0	2,023	7,599	71,826	0
Diplomat	0	215	0	0	0	13,723
Total Dodge	7,200	8,641	7,305	33,182	316,245	333,289
CHRYSLER MOTORS	15,000	17,511	17,022	78,247	641,265	703,291
Escort	6,653	6,450	8,473	34,437	226,583	269,328
Mustang	2,345	3,482	2,446	19,064	146,895	138,960
Tempo	2,418	3,115	2,959	13,571	103,342	127,993
Taurus	2,250	6,378	5,077	29,723	246,677	271,934
Thunderbird	2,081	0	0	9,755	106,180	90,246
Total Ford Div.	15,747	19,425	18,955	106,550	829,677	898,461
Topaz	1,102	1,286	1,382	6,326	48,506	48,372
Cougar	2,087	0	0	9,753	91,876	69,686
Sable	856	2,040	1,539	9,423	79,652	92,436
Total Mercury	4,045	3,326	2,921	25,502	220,034	210,494
Continental	539	1,175	384	3,650	44,290	32,484
Mark VII	175	596	128	100	14,281	17,382
Lincoln	1,071	1,795	768	7,566	83,708	88,740
Total Lincoln	1,785	3,566	1,280	11,316	142,279	138,586
Total L-M Division	5,830	6,892	4,201	36,818	362,313	349,080
FORD MOTOR CO.	21,577	26,317	23,156	143,368	1,191,990	1,247,541
Skyhawk	0	430	0	0	6,913	11,900
Skylark/Somerset	3,704	1,051	1,738	4,245	43,147	33,215
Century	2,312	3,723	2,940	12,489	90,155	80,167
Riviera	342	342	546	1,190	12,995	4,342
Electra	1,864	935	2,387	8,477	54,164	57,910
LeSabre (fwd)	2,556	2,860	3,196	11,247	104,449	85,864
LeSabre (rwd)	160	184	215	443	4,749	12,352
Reatta	164	149	195	436	3,809	6,439
Total Buick	11,102	9,674	11,217	38,527	320,381	292,189
Cimarron	0	0	0	0	0	3,693
Eldorado	379	339	423	955	20,527	24,544
Seville	248	268	400	879	15,193	15,299
Brougham (rwd)	932	864	673	1,976	25,024	22,152
Deville (fwd)	3,076	1,700	3,952	17,389	137,576	100,781
Allante	15	32	0	138	2,092	1,179
Total Cadillac	4,650	3,203	5,448	21,337	200,412	167,648
Cavalier	4,384	6,141	4,351	18,764	247,429	248,536
Camaro	1,564	1,621	1,597	3,325	69,843	60,763
Celebrity	0	3,224	0	0	70,349	125,024
Corsica/Beretta	7,216	9,417	8,392	27,178	263,564	286,348
Caprice	2,844	3,736	4,050	11,280	127,648	144,107
Corvette	448	362	513	1,039	17,684	15,361
Total Chevrolet	16,456	24,501	18,903	61,586	796,517	880,139
Calais	1,496	2,638	1,876	4,585	62,927	75,103
Firenza	0	0	0	0	0	5,230
Cutlass Ciera	1,052	819	1,242	5,560	62,391	15,754
Cutlass Supreme	2,952	2,804	3,467	10,155	66,313	101,218
Toronado	339	104	111	148	5,375	10,769
88 (fwd)	1,828	2,126	1,415	4,423	92,563	106,277
88 (rwd)	148	146	109	356	5,587	8,383
Olds 98	1,084	912	1,487	6,135	50,470	51,013
Total Oldsmobile	8,899	9,549	9,707	31,362	345,626	373,747
Sunbird	2,160	2,097	2,352	7,946	98,814	73,345
Grand Am	3,840	4,223	4,925	17,891	166,640	159,055
Firebird	992	1,173	1,141	2,429	39,001	42,024
Grand Prix	2,820	3,038	3,684	12,076	87,472	89,110
Pontiac 6000	1,264	2,744	1,679	7,140	57,592	54,790
Bonneville	2,056	2,112	2,515	10,265	64,515	77,213
Safari/Parisienne	0	116	0	0	2,691	5,583
Fiero	0	0	0	0	0	13,260
Total Pontiac	13,132	15,503	16,296	57,747	516,725	514,380
GENERAL MOTORS	54,239	62,430	61,571	210,559	2,179,661	2,228,103
DIAMOND-STAR	2,232	0	2,276	11,734	46,586	0
HONDA	5,750	5,886	6,421	30,820	258,952	253,730
Civic	2,771	1,875	3,608	10,709	89,724	73,536
Accord	2,979	4,011	2,813	20,111	169,228	180,194
MAZDA†	3,396	4,513	3,998	16,512	140,004	86,093
NISSAN	2,232	2,302	2,724	11,041	81,737	75,428
NUMMI	1,950	2,650	1,145	17,793	138,710	110,550
Corolla	750	949	434	7,308	56,218	40,361
Geo Prizm/Nova	1,200	1,701	711	10,485	82,492	70,189
TOYOTA	2,966	0	3,340	17,234	92,581	0
VOLKSWAGEN	0	0	0	0	0	35,595
Golf/GTI	0	0	0	0	0	30,042
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	109,342	121,609	121,653	537,308	4,771,486	4,740,331
Total Cars, Canada	15,619	16,251	16,855	67,382	659,068	740,745
U.S., Canada Cars	124,961	137,860	138,508	604,690	5,430,554	5,481,076
U.S., Canada Cars and Trucks	210,828	225,893	227,916	1,028,311	9,039,695	8,944,807

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe

CANADIAN CAR	Week Ended Sept. 9, 1989	Week Ended Sept. 10, 1988	Week Ended Sept. 2, 1989	Aug. Total	Jan. 1 to Sept. 9, 1989	Jan. 1 to Sept. 10, 1988
Premier	0	1,275	0	3,387	25,966	42,064
CHRYSLER MOTORS	0	1,275	0	3,387	25,966	42,064
Tempo	2,695	2,227	3,119	13,859	90,518	122,432
Topaz	1,141	1,108	1,327	5,956	38,463	45,728
Crown Victoria	1,718	2,086	1,688	9,038	82,532	88,053
Grand Marquis	1,918	2,200	1,737	9,300	88,604	88,695
FORD MOTOR CO.	7,472	7,621	7,871	38,153	300,117	344,908
Celebrity	149	198	61	44	15,441	14,940
Cutlass Ciera	276	2,680	185	150	96,437	167,567
Lumina	3,488	0	4,360	12,076	98,019	0
Pontiac 6000	0	0	0	0	0	29,675
Regal	2,320	3,388	2,387	4,380	50,636	108,144
GENERAL MOTORS	6,233	6,266	6,993	16,650	260,533	320,226
HONDA	1,520	1,089	1,665	7,534	57,148	29,034
TOYOTA	250	0	146	1,478	9,793	0
VOLVO	144	0	180	180	5,511	4,513
Total Cars, Canada	15,619	16,251	16,855	67,382	659,068	740,745

U.S. TRUCK☆	Week Ended Sept. 9, 1989	Week Ended Sept. 10, 1988	Week Ended Sept. 2, 1989	Aug. Total	Jan. 1 to Sept. 9, 1989	Jan. 1 to Sept. 10, 1988
Caravan	1,900	1,943	1,785	7,470	72,036	64,949
Dakota	1,600	1,681	2,011	8,632	67,201	72,243
Caravan C/V	50	176	81	320	4,906	9,276
Ram pickups	1,600	1,665	2,009	8,651	67,327	50,729
Total Dodge	5,150	5,465	5,886	25,073	211,470	197,197
Cherokee	3,300	3,673	3,923	18,977	153,444	124,277
Comanche	400	834	465	2,223	20,376	31,219
Grand Wagoneer	200	280	0	904	7,714	9,391
Wagoneer	50	192	74	369	5,582	7,190
Total Jeep	3,950	4,979	4,462	22,473	187,116	172,077
Voyager	1,800	1,841	1,592	6,773	67,720	61,268
Town & Country	100	0	175	544	2,552	0
Total C-P Div.	1,900	1,841	1,767	7,317	70,272	61,268
CHRYSLER MOTORS	11,000	12,285	12,115	54,863	468,858	430,542
Aerostar	3,183	3,948	3,891	17,378	157,593	139,663
Bronco	971	720	1,191	6,379	53,728	38,194
Bronco II	1,870	2,049	2,303	10,187	84,273	89,642
Econoline	3,147	4,102	4,126	19,205	161,058	162,930
Heavy trucks	1,030	1,056	1,266	4,220	43,355	45,903
Light trucks	8,977	8,136	10,296	45,135	371,092	337,041
Ranger	5,390	5,013	6,198	26,573	222,364	243,011
Total Ford Div.	24,568	25,024	29,271	129,077	1,091,463	1,056,384
FORD MOTOR CO.	24,568	25,024	29,271	129,077	1,091,463	1,056,384
Astro	2,471	2,554	3,066	12,574	114,499	121,522
Blazer	430	449	547	2,492	20,022	18,016
Mediums/Heavies	300	468	355	1,611	8,119	14,264
P-Model	627	686	596	760	22,271	28,400
Pickups	6,568	6,638	7,853	36,569	284,810	240,752
S-10	3,666	5,421	0	19,282	183,317	209,865
S-10 Blazer	3,058	3,094	0	14,542	134,235	113,157
Sportsvan/Van	1,437	1,580	1,794	8,016	68,762	65,272
Suburban	1,143	1,104	1,460	6,750	55,728	48,663
Total Chevrolet	19,700	22,003	15,671	102,596	888,044	859,911
Jimmy	130	101	158	743	5,932	5,227
Mediums/Heavies	460	429	575	2,648	13,127	27,204
P-Model	77	106	41	82	3,081	3,806
Pickups	2,052	1,805	2,594	11,749	85,652	74,195
S-15	928	1,280	0	4,266	41,710	47,470
S-15 Jimmy	910	1,025	0	4,318	37,629	32,180
Safari	786	777	819	3,333	29,931	31,032
Suburban	538	540	644	2,949	22,085	21,377
Vandura/Rally Vans	535	696	635	3,300	19,822	24,274
Total GMC	6,416	6,759	5,466	33,388	253,028	266,765
GENERAL MOTORS	26,116	28,762	21,137	135,984	1,141,072	1,126,676
NAVISTAR	1,400	1,365	1,413	6,223	56,599	59,621
NISSAN	2,111	1,128	2,589	10,983	84,285	66,608
AM GENERAL	450	450	450	2,070	15,840	16,110
MISCELLANEOUS	3,000	2,300	3,000	13,800	99,600	82,340
Total Trucks, U.S.	68,645	71,314	69,975	353,000	2,957,717	2,838,281

CANADIAN TRUCK	Week Ended Sept. 9, 1989	Week Ended Sept. 10, 1988	Week Ended Sept. 2, 1989	Aug. Total	Jan. 1 to Sept. 9, 1989	Jan. 1 to Sept. 10, 1988
Caravan	2,805	2,436	2,779	12,435	98,490	97,316
Caravan C/V	170	184	171	770	8,027	8,948
Ram Wagon	528	515	665	2,286	[illegible]	17,006
Ram Van	1,352	1,441	1,731	6,261	47,759	45,564
Total Dodge	4,855	4,576	5,346	21,752	172,792	168,834
Voyager	2,145	2,573	2,206	10,188	86,422	86,592
Total Plymouth	2,145	2,573	2,206	10,188	86,422	86,592
Wrangler	1,360	1,147	1,768	8,258	56,383	34,064
Total Jeep	1,360	1,147	1,768	8,258	56,383	34,064
CHRYSLER MOTORS	8,360	8,296	9,320	40,198	315,597	289,490
FORD MTR. (lt. trks.)	2,847	2,486	3,194	13,089	109,345	110,905
Light trucks	2,975	2,866	3,305	9,098	110,131	104,526
Vans	1,128	1,074	1,299	2,260	40,413	39,699
Total Chevrolet	4,103	3,940	4,604	11,358	150,544	144,225
Light trucks	1,295	1,147	1,657	4,425	48,397	52,786
Vans	432	642	406	945	19,520	20,241
Total GMC	1,727	1,789	2,063	5,370	67,917	73,027
GENERAL MOTORS	5,830	5,729	6,667	16,728	218,461	217,252
NAVISTAR	185	208	252	806	8,021	7,803
Total Trks., Canada	17,222	16,719	19,433	70,621	651,424	625,450
U.S., Canada Trks.	85,867	88,033	89,408	423,621	3,609,141	3,463,731

☆—Includes window van production *—Estimated
Jeep includes commercial only. AM General includes government-[illegible]
Miscellaneous includes estimates for Mack, Volvo-White, Ken[illegible]
Monthly estimates may contain error of one or two [illegible]

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The Bush Revolution: tighter rules

'A new balance' after 8 easy years

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Toni Harrington was only half listening to Samuel K. Skinner, the new secretary of transportation, at a March 17 meeting.

"He was talking about things like airline terrorism and the Exxon Valdez oil spill," recalled Harrington, a lobbyist for American Honda Motor Co. "And then, it was just like he was thinking, 'Oh, God, I'd better say something about autos.' Skinner started talking about stricter fuel economy."

The snippet made Harrington sit up and take notice.

"The handwriting was on the wall," she said. "The Reagan administration was almost ready to do away with CAFE — and this administration, so early on, was hinting it was ready to return CAFE to its statutory limit."

Bush

Two months later, Skinner announced that the 1990 corporate average fuel economy would be 27.5 mpg, the statutory figure.

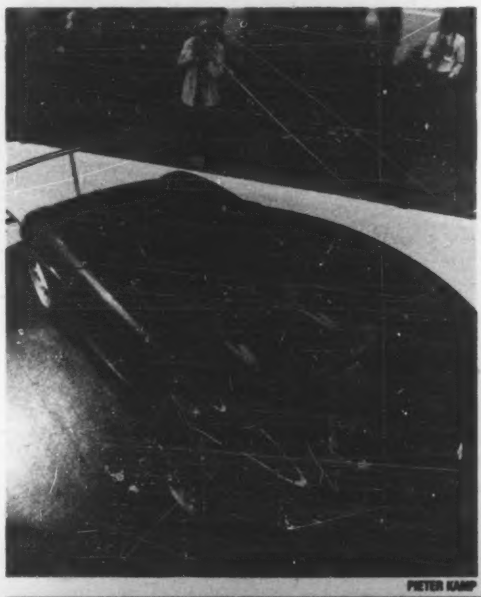
By that point, Harrington knew "we would get hit with a slew of new regulations."

After eight years of little new regulation under the Reagan administration, President Bush is moving society — and the automobile industry — to what several members of the administration have called "a new balance."

see BUSH, page 52

Rude Awakening, Part III

The latest installment of Maryann Keller's book "Rude Awakening" appears on Pages 3[illegible] and 31.



Honda's redesigned Accord, bottom, was unveiled at the Frankfurt show, though reviews were mixed on the conservative styling; Porsche, meanwhile, celebrated Dr. Ferry Porsche's birthday by showing the Panamericana.

PIETER KAMP

FRANKFURT

Germans display flashy prestige cars to counter Japan's brand of pizzazz

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — German carmakers, facing a Japanese threat at the prestige end of the market, showed some unaccustomed flash at the Frankfurt auto show.

BMW's sleek 850i and Opel's much-praised Calibra are coupes bearing minimal resemblance to sedan siblings — a departure from past two-door practice in Europe.

Audi's breezy cabriolet study is likely to go into production. Meanwhile, two other German makers offered adventurous glimpses into a more distant future in the form of Porsche's Panamericana and VW's IRVW 4 Futura concept studies.

But the Japanese made their presence felt. Honda unveiled the fourth-generation Accord; Toyota and Nissan displayed new concept cars and Nissan's new Infiniti luxury division was helicoptering journalists from the show for off-site test drives.

Though it did little to capture the imagination, the redesigned Accord is generally ranked as the most significant introduction here. Visually little-changed, the new model, with which Honda hopes to thrust into the upper-middle market, is 1.18 inches higher at 54.8 and its wheelbase is 4.7 inches longer at 107.2. Honda says the

see FRANKFURT, page 50

Methanol debate gains momentum

Big 3 explain goal of new-gas study

By Jack Keebler
AUTOMOTIVE NEWS STAFF REPORTER

Oil refiners and automakers last week denied a report published Sept. 11 in Automotive News that said they are working to supplant methanol with reformulated gasoline to meet the targets of the Bush Clean Air Bill, but a controversy remains.

Methanol interests, EPA officials and some oil and auto employees remain convinced the objective is to eliminate the mandate for methanol or another alternative fuel by means of a joint multimillion-dollar program to improve gasoline.

The automakers say they have teamed with the oil companies on the reformulated gasoline study as part of an effort to fully examine all alternative fuels. Sources told Automotive News that heads of the Big 3 and major oil companies are working together to kill the methanol initiative.

"The Automotive News conclusion is dead wrong," said Harold A. Poling, Ford Motor Co. vice chairman.

The auto companies say their choice of research partners stems from a long-term relationship with companies involved in the "transportation-fuels" business.

"People in the methanol business know about methanol, but they are not people who know about transportation," said Helen O. Petrauskas, environmental and safety engineering vice president at Ford. Petrauskas said Ford wants a scientific study of all alternative fuels.

"Saying that car companies are trying to prove (the benefits of) reformulated gasoline really anticipates the findings," she said.

"We're proceeding fairly aggressively on our methanol program," said Petrauskas, who believes the methanol engineering issues will be solved.

"The toughest issues are the marketing issues. What incentive is there to buy this car?"

Chrysler Motors said it, too, is examining all alternative-fuels possibilities.

"We support the administration's alternate-fuels program," said Robert G. Liberatore, executive director of public policy and legislative affairs at Chrysler. "But we also suggested reformulated gasoline should be on the list.

"Rather than some tiny percentage of the fleet, we get a big bang in a short time," he said. "There are 170 million cars and trucks out there already. Cleaning up those vehicles is what we can do most quickly.

"As far as talking to the methanol people rather than the petroleum people on research, they're usually one and the same," Liberatore said.

see METHANOL, page 54

Dealers divided on selling cars with new fuels

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

The prospect of selling alternative-fuel vehicles appeals more to new-car dealers in Los Angeles than to dealers in other heavily ozone-polluted U.S. urban areas.

California import and domestic car dealers knew more about alternative fuel legislation and were more certain that they could sell those vehicles, even at higher prices, an Automotive News random telephone survey disclosed.

Los Angeles dealers will be among the first to face the possibility of selling "clean-fuel vehicles" in 1995, since L.A. was tagged the most polluted metro region in the country in President Bush's clean-air proposal.

Anything that's new is difficult to sell, said dealers in four of the most polluted metropolitan regions. Bush's clean air bill, presented July 21, calls for alternative-fuel vehicles to be sold first in the country's most polluted metro regions.

The nine cities tagged dirtiest for

see FUEL, page 54

Foresters warn 4-wheelers: tread lightly

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

DENVER — Four-wheel-drive access to public lands could be severely curtailed — and sales of sport-utility vehicles could suffer — if drivers don't confine themselves to approved roads and trails.

As the popularity of 4wd pickups and sport-utilities has climbed in recent years, so has the damage they inflict on public lands. And though relatively few of the nation's one million 4x4s sold annually venture from paved routes, untold miles of "unwanted" roads are being created each year in the name of adventure.

The U.S. Forest Service believes auto manufacturers share some responsibility. Through a recently expanded program, the agency has been pushing the industry and its advertising agencies to promote enlightened off-highway driving.

"It's time the industry showed some responsibility and commitment. If they don't, then we're all going to go under, and we will continue to clamp down on off-highway vehicles," said Cliff Blake, national education coordinator for the program, called "Tread Lightly," headquartered in Ogden, Utah.

see 4x4, page 54

"Tread Lightly" advises the sticker on this Ranger Rover as it slogs through Colorado during an expedition along the Continental Divide.

AUTOMOTIVE NEWS/JIM HENRY

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Inventor of 'blinking' wiper to have his day in court

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

For Robert W. Kearns, mechanical engineering has been a lifelong passion. He holds 35 patents in disciplines from guided missile navigational systems to automotive electronics.

Yet, the 62-year-old basement inventor with a doctorate in engineering says he has never made a dime from any of them.

Kearns

That may change in November when Kearns goes to the U.S. District Court for Eastern Michigan against Ford Motor Co., which he says stole one of his most successful commercial inventions — intermittent windshield wipers.

Kearns, who now resides in Gaithersburg, Md., began suits in 1978 against virtually every foreign and domestic automaker, charging infringing on his windshield wiper patents.

He has refused settlements from many of them and is seeking $50 for every vehicle produced with intermittent wipers going back to 1972. A favorable judgment could net him billions.

"There have been attempts to settle but the offers have been totally inadequate," said his attorney, Bill Durkee of Houston.

Until several months ago, the lawsuits were consolidated into one, but U.S. District Judge Avern Cohn ruled that was too unwieldly. He picked Ford Motor Co. as the bellwether to begin disposal.

For Kearns, that was a logical choice. In 1963, he showed Ford a year-old Galaxie on which he had installed electronic-based intermittent wipers.

Ford told him it was working on its own version of pneumatic-based intermittent wipers. A year later, says Kearns, Ford again asked to see his invention.

Kearns says he got the idea for a "windshield wiper that blinks" after losing the sight in one eye.

"You begin focusing on your eyes when you've been blinded," he said. "Your eyelids blink. I developed controls that make windshield wipers blink."

Kearns says the automakers seized upon an incident involving him to delay trial of the lawsuits.

In 1983, Kearns asked for a summary judgment and produced some highly confidential documents obtained from lawyers representing Porsche, Mercedes-Benz and another German automotive company. Some of them discussed the validity of Kearns' patents.

But his son, Dennis, received them illegally from a paralegal he dated for eight months who worked for the defense counsel's law firm.

A federal judge ruled against Kearns, fined him $10,000 and awarded attorney fees to the defendants for his actions.

As a result, many of the records are suppressed by the court. Durkee said he and his client also are under a gag order not to discuss certain aspects of the case.

The last of the seven patents Kearns held on intermittent wipers expired in 1988. Still, Durkee says his client is entitled to royalties for the years of alleged infringement.

Six of the patents are involved in the Ford litigation. "Ford may have patents on intermittent wipers, but they don't cover what is being used commercially," said Durkee.

Ford declined to comment in advance of the trial.

Kearns said there has been an emotional toll on him and his family. At one point, he had a nervous breakdown. And Durkee is not the first attorney to handle the suit.

With a divorce pending, Kearns spends much of his time in Houston working on the lawsuit.

"I was 35 years old when it started," he said. "I had stars in my eyes. I wanted to be the owner of a small plant . . . employ people and contribute to the economy."

He still wants to be a supplier to the automakers. "I devoted my life to this," he said.

Kearns also has hopes of changing patent law to better protect inventors.

"If I settled with the automakers, there would be no advance in the law," he said.

He wants courts to have the power to extend patents if holders are involved in lengthy litigation but have pursued patent-infringements diligently.

"A patent is presumed valid when an inventor gets it," he said. "Then the inventor has to go to court, and the process takes a lot of years without a decision on whether it is valid.

"One arm of the government gives you a piece of paper but before the judicial system decides if it is valid, it expires and the government takes it away."

Critics also ask why it took him so long to file the lawsuits. Said Durkee: "It's hard on an individual going up against a big company. He was trying to get a supply contract. He went around for years showing his designs, and litigation is expensive. It just took a while."

Mexico's Beetle boom spurs huge output hike

By Stephen Downer
STAFF CORRESPONDENT

MEXICO CITY — Demand in Mexico for the newly discounted VW Beetle has surged to the point that Volkswagen de Mexico is planning a fivefold increase in production next year.

Last month, VW slashed the price of the car 20 percent in response to a government tax-cut plan.

The company had expected more demand for the Bug — which now sells for $5,500 — but nothing like the demand it has seen so far.

"There has been an incredible rush," said President Martin Josephi in an interview. "Our dealers have told me that they have never had a situation like this."

VW built 21,000 Beetles last year at its plant in Puebla, the world's only remaining production site of the no-frills vehicle. Through the first half of this year, it built 13,341. The company plans to turn out 100,000 next year.

When VW announced the Beetle's new price in early August, it had less than a three-week stock. It ran newspaper ads apologizing for its inability to satisfy demand.

But starting today, VW will add a second shift for the Beetle, and it will add a third shift early next year, Josephi said.

The firm will invest $20 million in the "rejuvenated Beetle" project. "We need to retool some of our suppliers and make some adaptations to the plant," said Josephi.

That's a big investment, he added, "when you consider that the Beetle has been produced in Mexico since 1964."

As a result of the increased output, the VW plant will work at full capacity for next year for the first time in a decade, Josephi said.

The Puebla plant also produces the Golf, Jetta and the Type 2 van and minibus.

The plant is expected to turn out 220,000 vehicles in 1990, compared with 60,000 last year and 38,579 through the first half of 1989.

VW began exporting the Golf to the United States and Canada in January and had shipped about 12,000 by early September.

Mexico's Beetle is little changed from this 1972 model.

Jetta exports to the same markets started in June. More than 4,000 have been shipped.

Total exports of the two models are expected to reach 30,000 this year and 70,000 next year, divided almost equally between Golfs and Jettas, Josephi said.

Volkswagen of America had built the cars until last year, when it closed its plant in Westmoreland, Pa.

Josephi said one reason VW can sell the Beetle at a reduced price is the government's decision to waive sale taxes and import duties on parts for certain vehicles.

The move was aimed at stimulating the economy and promoting demand for cars that will displace heavily polluting older vehicles.

VW's move has not been matched by any of its domestic competitors — Ford, Nissan, Chrysler and General Motors.

"Of course we are interested in gaining as large a market share as possible, and I am quite confident that, without mentioning a figure, by the end of next year we will have improved our market share by several points," Josephi said.

According to VW statistics, the company led the market in August with a 30.8 percent share.

Asked how he expects Nissan, the previous market leader, to react, Josephi said: "I don't see that they have many possibilities of recovering lost ground. Their plant in Cuernavaca has no spare capacity. They are talking of building a new plant in Aguascalientes, but that will take them at least two years."

Meissner quits high Hyundai job

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

GARDEN GROVE, Calif. — The top sales executive at Hyundai Motor America resigned last week to become a partner in a Denver dealer group.

Art Meissner, group vice president of sales, distribution and import, is the second senior Hyundai official to resign in two months. Executive Vice President Max Jamiesson left the company in July to become a Hyundai dealer.

A Hyundai spokeswoman said Meissner's resignation was not related to Hyundai's 21 percent sales decline for the first eight months of this year.

Meissner submitted his resignation the week Jamiesson quit, but Hyundai officials convinced Meissner to stay. They promoted him to group vice president from vice president and national manager of sales.

Meissner will join megadealer Mel Nelson in Denver. The group includes a Hyundai store.

Meissner's duties will be assumed by Jack Collins, vice president of marketing, while Hyundai searches for a replacement.

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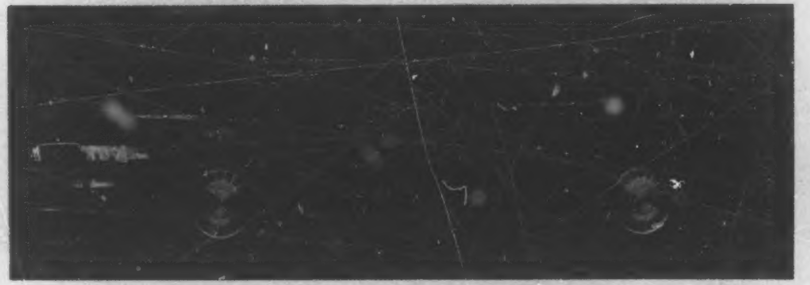
Honda introduces 5-cylinder Accord for home market

TOKYO — While Honda unveiled the new Accord at the Frankfurt auto show, the Japanese company released details of the 5-cylinder version, which it says will be limited to the Japanese market.

The Accord Inspire and Vigor will offer what Honda calls the world's first front-drive/midship layout for a 5-cylinder engine. The 2-liter single-cam engine, north-south mounted, has a 35-degree slant. The transmission, located behind the engine, drives the front wheels. By contrast, the 4-cylinder Accord has transverse engine mounting.

The 5-cylinder's center of gravity is behind the front axle to provide better balance and to avoid the need to put too much weight on the front end, Honda said.


Honda's Accord Inspire adopts a front-drive/midship layout for its 5-cylinder engine.

Honda developed the 5-cylinder specifically for the Japanese market, according to Senior Managing Director Nobuhiko Kawamoto. It is not destined for export, although Honda will consider other possibilities if it is successful in Japan, he said.

Honda developed the 5-cylinders in order to better target the popular upscale 2-liter compact segment, where Toyota and Nissan have been locked in an intense battle for the past year. Until now, Honda had no specific models for that category.

The new engine, according to Kawamoto, is well-balanced, smooth, light, compact and appropriate to the market segment — all at a lower cost to the company.

News reports in Japan have criticized the new Accord, citing it for a lack of distinctive styling.

While other company presidents were attending the Frankfurt show, Honda President Tadashi Kume stayed home to oversee the new-model presentation in Japan, underscoring Honda's need to strengthen its position in the expanding domestic market.

Financially weaker Jaguar aims at domestics for 1990

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

VERGENNES, Vt. — Jaguar has launched its 1990 marketing strategy, aiming it primarily at domestic luxury cars, which it regards as a greater threat than Lexus and Infiniti.

Meanwhile, the parent company in England reported a slim pre-tax profit for the first six months of 1989, citing lower U.S. sales, adverse exchange rates and an earlier strike.

It is now conceivable that Jaguar could record a loss for the full 12 months before bouncing back to a healthy profit in 1990 as it benefits from a weaker U.S. dollar and stronger sales of the new XJ6.

Commenting on the new U.S. marketing strategy, Michael H. Dale, senior vice president for sales and marketing, Jaguar Cars, said, "The price gap against the domestics has been a major source of our growth. The relationship with Cadillac has been an absolutely key thing."

Jaguar's 1990 plan introduces a stripped version of the XJ6 sedan at $39,700, which represents "a dramatically changed relationship with Cadillac," Dale said. The 1989 XJ6 starts at $44,000.

At the same time, Jaguar is adding a 4-liter six-cylinder engine — up from 3.6 liters — to its entire sedan line-up. Other changes include a new transmission and digital engine management.

Two new nameplates, Sovereign and Vanden Plas Majestic, are added for 1990, expanding the sedan line-up from two to four trim levels.

The XJ6 has no sunroof or hydraulic suspension. The $43,000 Sovreign has a level of trim similar to the 1989 XJ6. The Vanden Plas remains unchanged at $48,000. The Vanden Plas Majestic, with a flashy red color scheme, tops the line at $53,000.

Dale said Jaguar's 1989 sales should approach 20,000, which would require a substantial sales increase for the rest of year. Sales through August were 12,400, down 5 percent from the 1988 period.

Dale predicted sales of 23,000 to 24,000 for 1990 provided the factory can build enough cars.

He said 1990 pricing, together with the strength of Jaguar's image for styling, prestige and exclusivity, will be a sufficient temporary defense against the new Japanese entries.

"They already have a good image of quality and a good image of the price/value relationship. There isn't any reason to believe that given time, such companies won't be able to take on some of the other images. But in the short term, image is very much in favor of the Europeans," Dale said.

The Lexus LS4000 is priced from $35,000 to $39,400. The Infiniti Q45, which will be officially launched in November, is expected to run from $37,500 to $40,000.

Jaguar's 1990 pricing strategy will cut dealer gross margins from about 21 percent to 18 percent on the XJ-S coupe and the Sovreign, and to about 20 percent on the other models.

He said dealers have been forced to discount 1989 models, so dealer grosses should improve in 1990. Dale said dealers actually made about $1,000 more per car in 1986, when the margin was 18 percent, than they did at a 21 percent margin in 1989.

Dale said Jaguar has no plans to adopt rebates for 1990, though a $5,000 rebate to Jaguar owners who bought a new Jaguar helped sell out remaining 1989 models in the past few months.

Jaguar sales in the United States had considerable impact on parent company financial results. First half pre-tax profits at Jaguar PLC slumped to £1.4 million ($2.2 million) compared with £22.5 million for first-half 1988.

Stephen Reitman, motor industry analyst with stockbroker Phillips & Drew, has revised downward a forecast for 1989 profits and now expects Jaguar to return a small pre-tax loss of £5 million ($7.7 million).

Reitman predicts a strong earnings recovery in 1990.

"The half year results are of academic interest only but they highlight Jaguar's vulnerability and make it harder to justify the company's independence," he said.

London investors interpreted the figures as improving the chances of a takeover at Jaguar when the government's protection expires at the end of 1990, and shares rose from £3.97 to £4.17.

Automotive News Staff Correspondent Daniel Ward in London contributed to this report.

Rover profits overcome U.S. drag

LONDON — Despite continuing losses at Sterling Motor Cars in the United States, Rover Group improved its operating profit in the first half of the year to £27 million ($43 million), compared with £10 million for the same period in 1988.

George Simpson, group managing director, said the U.S. market did not help the financial results but Sterling's losses have been reduced and the "fundamentals" of the U.S. business are now right. Simpson expects Sterling sales in the United States to reach 5,000 in 1989 compared with 8,899 in 1988. The sales total was 14,171 in 1987.

Commenting on the improvement in profit, Simpson said, "I think we have been pretty successful. The results have to be judged in the context of Rover not having many new models."

He emphasized that Rover is now at the lowest point in its new-model cycle and product launches in the next six months will boost the company. Last week, Land Rover unveiled the Discovery at the Frankfurt auto show, and in October, Rover will debut its version of the Honda Concerto. The high-volume Metro will be replaced early next year.

Sales dip 12%; cars, trucks off in short period

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Following one of the strongest sales months of the year, automakers reported that deliveries of U.S.-built car and light-truck for Sept. 1-10 slumped 12.39 percent below last year's period.

Sales declined for both cars and trucks in early September.

The 1989 period had one less selling day. As a result, the average daily selling rate was up 0.12 percent this year.

In early September, 212,334 U.S.-built cars and light trucks were sold, down from last year's 242,368.

GM reported the smallest drop — 3.07 percent — in combined car and light-truck sales. Chrysler Motors' combined sales slipped 13.00 percent, and Ford Motor Co. sold 19.78 percent fewer U.S.-built vehicles in the period.

Nissan's sales of U.S.-assembled cars and trucks plummeted 78.73 percent. Dealer incentives on Sentras and trucks expired Sept. 5.

Deliveries of U.S.-built cars in early September totaled 132,004, a decline of 14.91 percent from last year's 155,131. The daily selling rate fell only 2.75 percent in this year's shorter period.

The daily selling rate for light trucks rose 5.24 percent, although total sales were down. The four light-truck makers sold 80,330 units, down 7.92 percent from last year's 87,237.

Toyota and Mazda were the only carmakers to report gains.

Toyota's sales of U.S.-built cars more than doubled in this year's 10-day period. Toyota was building only Corollas in this country at this time last year — its Camry plant had not begun production.

Mazda sold three more cars this year than last.

On the other hand, Honda's sales of U.S.-built cars dropped 43.98 percent. Model changeover at Honda's Ohio plant cut its supply of cars. Nissan's sales of U.S.-made Sentras fell 81.73 percent.

Each of the Big 3 sold fewer cars in early September, with Ford down 18.26 percent. But Ford reported the leanest supply of U.S.-built cars on Sept. 1.

Chrysler delivered 6.63 percent fewer domestic cars, although Plymouth deliveries climbed 26.92 percent.

GM sold 10.98 percent fewer cars in the period, but its daily selling rate edged up 1.74 percent because of one less selling day in this year's early-September period.

GM was the only one of the four light-truck makers to report an increase. Its sales rose 14.20 percent. Ford reported a 21.93 percent loss, and Chrysler's light-truck sales dropped 19.79 percent. Nissan sold 75.58 percent fewer trucks this year.

DOMESTIC SALES

CARS	Sept. 1-10, 1989	Sept. 1-10, 1988
Eagle	993	1,008
Chrysler	2,799	4,963
Dodge	8,092	8,777
Plymouth	7,123	5,609
Chrysler Motors	19,007	20,357
Ford	25,166	31,275
Mercury	8,450	9,372
Lincoln	3,428	4,671
Ford Motor Co.	37,044	45,318
Buick	10,747	12,535
Cadillac	5,776	4,557
Chevrolet	22,848	24,254
Oldsmobile	15,068	16,942
Pontiac	11,988	16,352
General Motors	66,445	74,640
Honda	5,412	9,660
Mazda	509	506
Mitsubishi	989	—
Nissan	701	3,836
Toyota	1,917	814
U.S. Car Total	132,004	155,131
TRUCKS		
Chrysler	71	0
Dodge	7,879	10,077
Jeep	4,831	5,591
Plymouth	2,584	3,487
Chrysler Motors	15,365	19,155
Ford Motor Co.	25,024	32,052
Chevrolet	29,798	27,349
GMC	9,254	6,846
General Motors	39,052	34,195
Nissan	889	3,640
U.S. Truck Total	80,330	87,237
U.S. Car-Truck Total	212,334	242,368

Calif. to require diagnostic gear for new cars

The California Air Resources Board has approved regulations requiring new cars to carry sophisticated diagnostic systems that will alert drivers when their cars have pollution problems.

The systems will be phased in on new cars between 1994 and 1996. They will monitor components under the hood that affect tailpipe emissions and fuel vapor emissions. Drivers will be alerted by a dashboard warning light. The system will also measure the level of chlorofluorocarbon coolant in the air conditioner. Leaking coolant is suspected of causing erosion of the earth's ozone layer.

The board said the computers are expected to cut total hydrocarbon and nitrogen-oxide emissions by 222 tons per day by 2010.

The move was supported by the EPA and Porsche Cars North America. EPA wants to establish a national standard, and Porsche is interested in an international standard.

Automakers have already developed many components for a standardized emissions diagnostic system, but the entire package does not yet exist.

Eight Northeastern states that intend to adopt California emissions regulations could also adopt the California requirement.

Jobs One and Two from Subaru-Isuzu
Workers at Subaru-Isuzu Automotive in Lafayette, Ind., celebrated last week's production start of the Subaru Legacy and Isuzu pickup.

Saab idles 45, splits region

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Slumping sales prompted Saab-Scania of America to lay off 45 employees last week and announce the creation of a new regional organization.

Layoffs and jobs lost through a previous early retirement program have reduced Saab's U.S. work force by about 15 percent in the last month.

President Robert J. Sinclair said further cuts were necessary after only 38 of 58 eligible employees signed up for the early retirement offer. Saab-Scania of America now employs about 440 people at its Orange, Conn., headquarters and in regional offices.

Saab sold 23,634 cars through August, down about 12 percent from the same period in 1988.

Under the new structure, which is intended to bolster support to dealers, the company's Eastern region has been split. The territory now will be covered by a Mid-Atlantic region — covering metropolitan New York, New Jersey, Pennsylvania and Virginia — and a Northeast region, including upstate New York and New England. Saab's Southern, Central and Western regions were not changed.

Earlier this month, Volvo North America Corp. offered early retirement to approximately 80 employees. About one-tenth of the company's 800 workers qualify. Most work at Volvo Cars of North America in Rockleigh, N.J.

A spokesman said the program will not reduce Volvo's work force.

Soviets buy LadaCanada, seek parts help

By Alex Law
STAFF CORRESPONDENT

Top Soviet auto industry officials were in Canada last week to announce the purchase of LadaCanada Inc. They also discussed joint ventures with North American industry officials to expand Soviet auto making capacity.

Nikolai Pugin, minister of automotive and farm machinery industries, and Yevgeny Lyubinsky, general manager of Avtoexport, said the purchase of LadaCanada was aimed at expanding sales and dealer representation in the country. The plans center around the Samara sedan and Niva utility.

Current management under John Wright will stay in place.

Pugin confirmed meetings with Magna International and General Motors of Canada.

He said the possibility of shipping Canadian-built automatic transmissions to the Soviet Union was discussed at a meeting with Roger B. Smith, GM chairman.

Any Canadian joint venture would be part of Soviet plans to expand car making capacity from the current 1.3 million to 5 million by the year 2000, Pugin said.

Ig-Lo Products adopts program to lessen CFC-12 problem

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

CHICAGO — A five-point program to promote responsible and conservative use of automotive air-conditioning chlorofluorocarbon (CFC-12) refrigerant sold in small cans has been announced by Ig-Lo Products of Lexington, Ky., one of the largest refrigerant marketers.

Speaking at the Automotive Parts and Accessories Association's trade show here, Hoyt B. Wilder, Ig-Lo Products president, said the program is being developed in response to emerging market data concerning can use of CFC-12 and the company's concern and commitment to protecting the environment.

Scientists believe CFC-12, like other CFCs, destroys the ozone layer that protects the earth from ultraviolet radiation, which contributes to a global warming trend or the greenhouse effect.

Wilder said Ig-Lo will no longer package automotive refrigerant in 14-ounce cans, but will package the product in 12-ounce cans as of Oct. 1.

Switching to the 12-ounce can, according to Wilder, will reduce the small residue of CFC-12 remaining in the can and the opportunity for waste or misuse and the risk of overfilling the air conditioning system.

The move is also accelerated by legislation being proposed and, in some states already enacted, to ban sales of the refrigerant in 14-ounce cans.

Under the program, which begins Jan. 1, 1991, Ig-Lo no longer will offer refrigerant in inexpensive kits, and will begin marketing components in deluxe diagnostic kits. The kits, which will cost substantially more than those currently sold, will include refrigerant, gauges, dye and other components that will promote proper usage, according to Wilder.

The program also calls for Ig-Lo, in association with Draf Industries, to begin producing and marketing a line of CFC-12 reclamation and recycling units for service centers. The machine, the Ig-Lo/Draf 1400, is undergoing tests by Underwriters Laboratories.

The fourth point in the program, Wilder said, involves the "application for a patent to develop a line of recycling units that use inexpensive accumulator bags, which are targeted toward do-it-yourselfers and small service station users." The bags would permit the users to capture vented CFCs and transport them to a recycling center, Wilder said. A prototype system is in the development stage, he added.

Finally, Ig-Lo will invest $1 million in a program designed to educate do-it-yourselfers and the service sector about the proper methods of using, reclaiming and recycling CFC-12, Wilder said.

"Ultimately, we hope this program will help move the marketplace toward less dependence upon CFC-12 in particular, and toward a gradual and total phaseout of this harmful chemical," he said.

In undertaking the program, Wilder said there is nothing wrong with the 14-ounce can, and cited an EPA report that showed the can is responsible for less than 2 percent of all CFC-12 emissions.

"What we are concerned about," he said, "is not the can, but the contents and how they are handled."

He mentioned venting of used CFCs into the atmosphere by professionals as a reason for Ig-Lo's educational initiative and development of recycling machines.

As part of the Montreal Protocol, an agreement signed by the United States in partnership with nearly 40 other nations, the EPA has ordered a 50 percent reduction in CFC production by 1998. The United States also has formally agreed with 12 European countries to phase out the production of CFCs completely by 2000.

Companies in the chemical industry are developing and testing non-CFC substitutes, as well as low-CFC blends that may be used as transitional coolants, with alternatives expected to become available within a few years.

Automakers also have begun redesigning their vehicles to accommodate larger air conditioners that will be needed to accept the new blends and substitutes when they become available.

UL approves first CFC recyclers

NORTHBROOK, Ill. — Underwriters Laboratories has approved the first equipment that will recycle the ozone-depleting refrigerant chlorofluorocarbon (CFC-12) found in automotive air conditioners.

The first companies to receive Underwriters Laboratories' listings are Murray Corp., Cockeysville, Md.; White Industries, a division of K-Whit Tools, Indianapolis; and Robinair, a division of SPX Corp., Montpelier, Ohio. The Robinair models 17300 and 17350 also will be distributed through three other SPX units — Kent-Moore, OTC and Bear Automotive.

According to Don Grob, manager of Underwriters Laboratories' heating, air conditioning and refrigeration department, the listings represent a milestone in efforts to prevent the release of CFCs into the atmosphere.

Stephen Andersen, chief of the technology and economics branch of EPA's global division, added, "This is a major breakthrough. Finally, there's something that automobile dealerships, service stations and consumers can do to have a direct and dramatic impact on protecting the earth's ozone layer.

"In fact, use of the Undewrwriters Laboratories listed equipment will provide the greatest single reduction to date of CFC-12 emissions into the atmosphere."

Andersen said almost every vehicle maker in the world has endorsed the use of Underwriters Laboratories' listed recycling equipment, and they are authorizing the use of recycled CFC-12 under new-car warranties.

With the availibilty of these units and the others expected to be listed in the future, analysts predict the industry will be able to contain more than 60 percent of CFC-12 emissions now being released into the atmosphere.

Ford chief visits co-op training school

Donald Petersen, center, chairman of Ford Motor Co., visits Cerritos College in Norwalk, Calif., and hears from Sal Nunez, right, a second-yaar automotive service student. The cooperative program uses Ford training technology and equipment. The program aims to ease the shortage of trained technicians at area dealerships. At left is Tony Baron, chairman of the college's automotive technology department.

FDA claims dealers lose $19.17 per warranty job

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. dealers are losing $19.17 per repair order on warranty work, according to a survey by the Ford Dealers Alliance.

"Our pilot study supports what any good automotive man knows — warranty is a loser," said Ed Mullane, president of the group.

He said the survey revealed that to comply with laws in the five states that require warranty reimbursement at retail levels, Ford would have to increase labor remuneration 52 percent and reimburse dealers $9.32 per repair order for paperwork.

Mike Parris, a spokesman for Ford parts and service division, defended Ford Motor's policy.

"What we try to do is pay for warranty repairs at levels that are fair, reasonable and competitive," Parris said. "We haven't received any complaints from our dealers."

"We're talking about operating profit and loss," Mullane said. "That's Ford Motor's term for what's left of the gross after selling expenses, fixed expenses and dealer salary are taken out.

"Moreover, this loss on warranty work is not offset by profit on retail paid repair orders — far from it," Mullane said. "The dealer operating profit on retail work is barely $2.95 per repair order.

"The fact that retail paid repairs are only marginally profitable backs up the wisdom of state legislation requiring factories to pay at least that much for warranty work."

The survey was based on 11-month figures from 1988 financial statements from 47 Ford and Lincoln-Mercury dealerships in 14 states.

FORD DEALER PROFITABILITY PER REPAIR ORDER

	Parts	Service	Combined
Warranty work			
Average sale	$53.61	$45.90	$99.51
Cost of sales	42.90	19.99	62.89
Gross profit	10.71	25.91	36.62
Selling expenses	4.80	14.63	19.43
Selling profit	5.91	11.28	17.19
Admin. costs	0.99	3.10	4.09
Adjusted selling profit	4.92	8.18	13.10
Share of overhead	6.86	25.41	32.27
PROFIT (LOSS)	(1.94)	(17.23)	(19.17)
Retail work			
Average sale	$49.78	$70.40	$120.18
Cost of sales	31.01	26.82	57.83
Gross profit	18.77	43.58	62.35
Selling expenses	7.96	24.40	32.36
Selling profit	10.81	19.18	29.99
Admin. costs	(1.27)	(3.96)	(5.23)
Adjusted selling profit	12.08	23.14	35.22
Share of overhead	6.86	25.41	32.27
PROFIT (LOSS)	5.22	(2.27)	2.95

SOURCE: Ford Dealers Alliance

SERVICE INDEX
103.7*

	July '89 vs. July '88	Jan.-July '89 vs. Jan.-July '88
Gross Profit on All Labor and P&A Sales	+6.9%	+4.3%
Repair Orders Written	−0.4%	−2.1%
Total Labor Sales (Customer & Warranty)	+1.6%	+3.5%
Shop Parts Sales (Customer & Warranty)	+4.6%	+3.1%
Sales of All P&A	+2.7%	+1.6%

* Survey by Automotive News shows that dealers' service and parts business in July 1989 was 103.7 percent of business in July 1988. Service business in the first 7 months of 1989 was 102.8 percent of business in the corresponding period in 1988.

Dealers' service business grows

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

Service and parts business in the shops of new-car dealerships topped year-ago volume in July and for the first seven months of the year, according to the Automotive News Service Index.

July's shop business rose 3.7 percent over that in July 1988, and January-July volume was 2.8 over the comparable period a year ago.

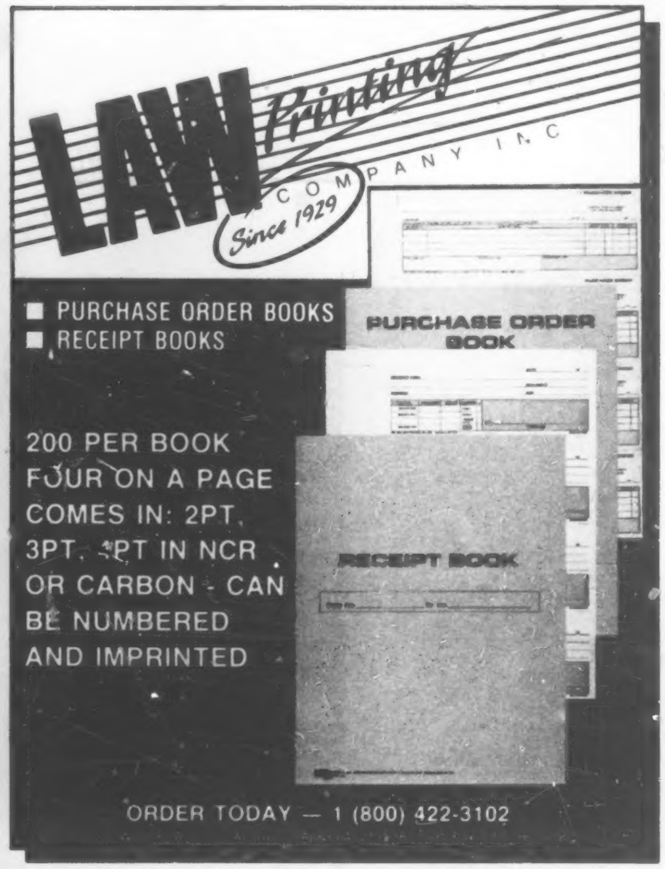
The Service Index is compiled from figures on parts and service business supplied by a cross-section of the nation's dealerships.

All indicators in the index, except repair orders written, were up in July and for the year-to-date. Repair orders in July dipped 0.4 percent from last year's, and year-to-date orders fell 2.1 percent.

Still, gross profit on all labor, parts and accessories sales was up 6.9 percent for July and 4.3 percent for the first seven months, the biggest gains recorded this year.

Total labor sales (customer paid and warranty) were up 1.6 percent in July and 3.5 percent for the year-to-date, while sales of all parts and accessories rose 2.7 percent and 1.6 percent, respectively.

Shop parts sales (customer-paid and warranty) in July were up 4.6 percent over July 1988, and the January-July sales were up 3.1 percent over the year-ago volume.



Strong sales cut stocks; Sept. 1 supply is 56 days

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Stellar August new-car sales, stimulated by record rebates and growing consumer awareness of 1990-model price hikes, pared Sept. 1 inventories to a lean 56-day supply.

Combined U.S.-built and imported car stocks were reduced by about 186,000 units or 8.40 percent during August. The total was 2,034,674 on Sept. 1. A month earlier, there were 2,221,380 unsold cars, equal to a 65-day supply.

Inventories are in excellent shape, according to Michael Luckey of Luckey Consulting Group in Cresskill, N.J. But he cautioned that the August performance pulled sales from the next quarter, which already has a sharply reduced production schedule by the Big 3.

The Sept. 1 stockpile of U.S.-built and import cars was in line with what most dealers planned.

"We try to keep it around or under 60 days now," said Kevin Mizi, general manager of Ridge Motors Pontiac in Des Plaines, Ill., and president of O'Hare Hyundai.

Another dealer who agreed that stocks must be carefully controlled was Craig A. Kapson, president of Jordan Group (Ford-Lincoln-Mercury-Toyota-Volvo-Mitsubishi) in Mishawaka, Ind. "We're getting inventories down lower," he said. "I'm hoping to send a message to the manufacturers. We won't stock what we used to stock unless they come out with different programs for floorplanning."

Opening September with the lowest days' supply in 1989, U.S. carmakers had 1,449,478 unsold cars, representing a slim 57 days. That was almost 116,000, or 7.40 percent, fewer than the 1,565,308 units on hand Aug. 1 when the supply was a nearly ideal 65 days.

Import-car stocks dropped by about 61,000 units or 9.42 percent in August. Stocks fell to 585,196, compared to 646,072 at the beginning of the month. Days' supply dipped to 55 from 67.

All eight U.S. automakers reported reduced inventories and days' supplies on Sept. 1. Each of the Big 3 had lower inventories of captive and U.S.-built cars.

Ford Motor Co. shaved its domestic and captive car stocks to 457,000 to begin September with a 57-day supply. The Aug. 1 total was 485,000, or 62 days.

General Motors deflated its combined car stocks by 9.87 percent to 771,762, a 66-day supply. The Aug. 1 figures were 856,268 and 73 days.

Combined car stocks for Chrysler Motors dropped 6.77 percent to 244,796, for a 67-day supply. A month earlier, the totals were 262,592 and 83 days.

Among the Japanese makers with transplant operations, Honda reported the slimmest stocks. It trimmed its import and transplant supply 21.96 percent to 49,759 cars, a 21-day supply.

Toyota lowered its combined inventory of unsold cars by only 587 units to 90,496, but strong August sales reduced stocks to a 28-day supply from 41 on Aug. 1.

IMPORT DAYS' SUPPLIES

	Sept. 1, 1989	Aug. 1, 1989	Sept. 1, 1988
Chevrolet	53	90	88
Chrysler Motors	167	184	130
Acura	36	48	52
Daihatsu	75	79	83
Honda	23	29	22
Isuzu	27	83	103
Mazda	37	38	46
Mitsubishi	80	108	64
Nissan	79	88	85
Subaru	77	82	79
Suzuki	125	249	—
Toyota	29	43	17
JAPAN	51	64	52
Audi	110	67	89
BMW	67	76	77
Mercedes-Benz	44	50	44
Mercury	68	37	105
Porsche	80	70	82
VW	106	94	98
GERMANY	80	74	82
Alfa Romeo	135	115	91
Ford	113	86	108
Hyundai	36	60	37
Jaguar	29	49	28
Peugeot	91	96	52
Pontiac	98	66	86
Eagle/Chrysler	290	244	310
Saab	64	65	62
Sterling	69	68	60
Volvo	47	74	47
Yugo	134	108	103
Other Countries	58	71	63
Total Import Cars	55	67	58
Geo Tracker	211	107	—
Isuzu	27	112	94
Mazda	55	82	68
Mitsubishi	56	65	130
Nissan*	24	47	51
Range Rover	51	48	53
Suzuki	94	157	15
Toyota	30	50	34
Dodge	166	188	137
Total Imp. Trucks	42	73	56
Total Imp. Vehicles	52	68	58

*[illegible]

DOMESTIC DAYS' SUPPLIES

	Sept. 1, 1989	Aug. 1, 1989	Sept. 1, 1988
Alliance	—	—	143
Talon	124	—	—
Premier	65	97	128
Total Eagle	73	97	129
Horizon	22	71	38
Laser	61	51	—
Sundance	35	90	58
Reliant	73	99	54
Acclaim	86	52	—
Caravelle	—	—	91
Gran Fury	—	—	41
Total Plymouth	47	72	50
LeBaron K	—	—	52
LeBaron J	117	88	46
LeBaron GTS	179	190	73
Fifth Avenue	37	72	118
New Yorker C	69	63	84
New Yorker E	—	—	176
Total Chrysler	92	79	68
Omni	20	78	45
Shadow	30	63	62
Daytona	87	69	46
Aries	71	89	53
Lancer	152	175	106
Spirit	102	63	—
Diplomat	—	—	68
Dynasty	63	53	72
Dodge 600	—	—	102
Total Dodge	53	67	57
CHRYSLER MTRS.	58	72	61
Escort	61	62	63
Mustang	61	53	54
Tempo	68	67	52
Taurus	47	48	47
Thunderbird	63	100	80
Probe	74	77	46
Crown Victoria	35	57	58
Total Ford Div.	58	62	57
Lynx/Tracer	73	68	131
Topaz	68	67	53
Sable	48	55	44
Cougar	57	89	51
Grand Marquis	28	47	37
Total Mercury	50	63	57
Continental	65	56	38
Lincoln	43	49	66
Mark VII	64	50	91
Total Lincoln	50	51	62
Total L-M Division	50	60	58
FORD MOTOR CO.	55	62	57
Skyhawk	60	79	75
Somerset/Skylark	79	43	50
Century	74	83	53
Regal	87	97	90
LeSabre	37	54	73
Reatta	87	74	186
Electra	67	71	80
Riviera	54	63	59
Total Buick	60	66	66
Cimarron	—	—	76
Allante	84	76	85
Seville	84	98	79
DeVille	60	78	47
Brougham	91	91	56
Eldorado	64	95	72
Total Cadillac	65	83	58
Geo Prizm/Nova	137	119	106
Cavalier	59	69	54
Camaro	60	61	74
Celebrity	45	58	77
Corsica/Beretta	78	56	59
Lumina/Monte Carlo	84	82	70
Caprice	54	61	90
Corvette	47	91	80
Total Chevrolet	71	68	70
Firenza	—	—	101
Calais	69	87	57
Cutlass Ciera	58	90	46
Cutlass Supreme	102	93	111
Olds 88	40	66	88
Olds 98	52	54	53
Toronado	92	158	82
Total Oldsmobile	61	81	68
Fiero	—	—	86
Sunbird	54	64	52
Firebird	53	48	62
Grand Am	69	72	51
Pontiac 6000	71	70	65
Grand Prix	99	102	74
Bonneville H	75	78	93
Paris./Safari	60	64	86
Total Pontiac	71	73	65
GENERAL MTRS.	67	72	67
HONDA	20	26	14
MAZDA	58	45	37
MITSUBISHI	37	24	—
NISSAN	51	72	50
TOYOTA*	26	34	28
DOM. TOTAL	57	65	59
Subcompact	39	47	44
Compact	54	62	47
Intermediate	69	39	64
Standard	47	62	67
Specialty	56	66	92

*[illegible]

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NEW ISSUE August 30, 1989

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Laser and Eclipse win industrial design award

MINNEAPOLIS — The Plymouth Laser and Mitsubishi Eclipse have received the 1989 Industrial Design Excellence Award for Transportation from the Industrial Design Society of America.

The coupes share the same body shape and are built by Diamond-Star Motors, a joint venture of Chrysler Motors and Mitsubishi Motors.

"We felt the Plymouth Laser and Mitsubishi Eclipse make a significant contribution to the reputation of U.S. design," said Jack K. Beduhn, chairman of the judging.

The vehicle's initial design development was done at Chrysler Pacifica, Chrysler's advanced design facility in Carlsbad, Calif. Following concept approval, the design work was handled by Chrysler's advance and international studios.

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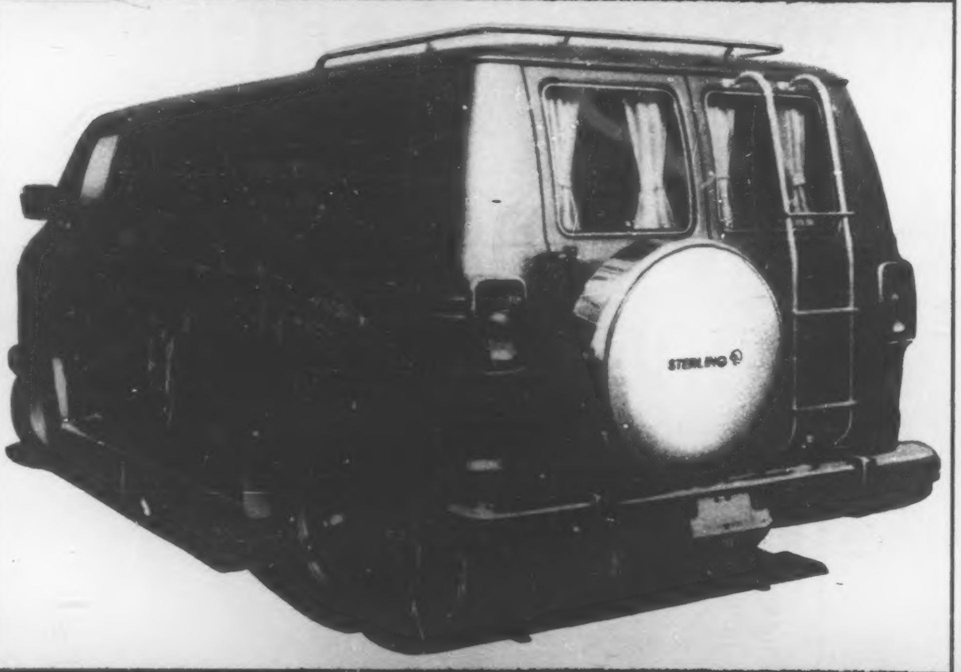

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Vehicles rated by insurance claims

WASHINGTON — The Highway Loss Data Institute has released its projections of the likelihood of injury and vehicle damage insurance claims for the 200 most popular U.S. cars and vans.

The ratings, listed below, are based on an analysis of insurance claims.

LOSS EXPERIENCE

Results from 1986-88 cars involved in collisions. Injury figures are based on frequency of claims; collision figures are based on value of claims. Numbers are relative: 100 is average, figures below that are better than average.

Vehicle	Injury	Collision
STATION WAGONS & VANS		
Large		
Pontiac Safari Wagon	53	55
Oldsmobile Custom Cruiser	54	78
Plymouth Grand Voyager	56	52
Dodge Grand Caravan	57	51
Mercury Grand Marquis	58	56
Ford Crown Victoria	58	[illegible]
Chevrolet Caprice	58	67
Dodge Caravan	62	53
Plymouth Voyager	63	52
Buick Electra	63	73
Chevrolet Astro Van	65	49
GMC Safari Van	68	45
Ford Aerostar	70	61
Midsize		
Toyota Camry	59	62
Volvo 240	60	80
Ford Taurus	67	73
Mercury Sable	67	81
Oldsmobile Cutlass Ciera	70	71
Buick Century	71	66
Pontiac 6000	71	72
Chrysler LeBaron	78	73
Dodge Colt Vista 4wd	82	62
Chevrolet Celebrity	84	72
Plymouth Reliant	92	73
Chevrolet Cavalier	106	82
Plymouth Colt Vista	106	91
Dodge Aries	108	77
Dodge Colt Vista	110	80
Small		
Subaru DL/GL 4wd	80	82
Toyota Van	84	91
Nissan Stanza	89	76
Toyota Tercel 4wd	98	72
Subaru DL/GL	100	79
Nissan Sentra	102	90
FOUR-DOOR MODELS		
Large		
Ford Crown Victoria	63	61
Pontiac Bonneville	63	82
Chevrolet Caprice	64	56
Mercury Grand Marquis	64	60
Buick Electra	67	72
Dodge Diplomat	68	58
Buick LeSabre	68	77
Plymouth Gran Fury	69	71
Oldsmobile 98	71	83
Chrysler New Yorker 5th Ave.	72	66
Oldsmobile Delta 88	79	[illegible]
Midsize		
Chrysler New Yorker (C Body)	67	78
Toyota Camry	84	76
Chrysler New Yorker (E Body)	84	79
Mercury Sable	85	87
Ford Taurus	86	84
Chrysler LeBaron GTS	86	86
Oldsmobile Cutlass Ciera	89	79
Honda Accord	89	100
Toyota Cressida	89	107
Plymouth Caravelle	90	86
Buick Century	90	75
Chrysler LeBaron	90	75
Volvo 240	90	96
Dodge 600	93	73
Pontiac 6000	94	84
Chevrolet Celebrity	95	75
Dodge Lancer	95	79
Mazda 626	95	115
Peugeot 505	96	154
Cadillac Cimarron	97	94
Dodge Aries	100	81
Mitsubishi Galant	104	133
Oldsmobile Calais	105	94
Volkswagen Quantum	105	141
Ford Tempo	106	79
Nissan Maxima	106	120
Plymouth Reliant	110	76
Pontiac Sunbird	111	84
Chevrolet Corsica	111	93
Pontiac Grand Am	114	94
Nissan Stanza	115	107
Buick Skyhawk	120	96
Oldsmobile Firenza	122	98
Chevrolet Cavalier	129	93
Small		
Saab 900	77	143
Volkswagen Golf	109	93
Acura Integra	102	127
Honda Civic	111	97
Plymouth Sundance	112	97
Dodge Shadow	112	90
Subaru GL 4wd	114	112
Toyota Corolla	115	100
Chevrolet Nova	119	88
Mazda 323	119	110
Dodge Omni	120	90
Plymouth Horizon	121	83
Volkswagen Fox	124	124
Volkswagen Jetta G[illegible]	129	132
Subaru DL/GL	138	113
Dodge Colt	143	120
Plymouth Colt	152	123
Nissan Sentra	153	114
Mitsubishi Tredia	154	158
Chevrolet Sprint	164	108
Isuzu I-Mark	164	115
Chevrolet Spectrum	176	113
Hyundai Excel	189	119
TWO-DOOR MODEL		
Large		
Chevrolet Caprice	67	67
Buick LeSabre	92	93
Mid-size		
Oldsmobile Cutlass fwd	79	73
Buick Regal	84	86
Oldsmobile Cutlass rwd	85	84
Pontiac Grand Prix	90	73
Honda Prelude	91	104
Honda Accord	91	110
Merkur XR4Ti	92	173
Buick Century	93	82
Oldsmobile Cutlass Ciera	95	86
Chevrolet Monte Carlo	98	109
Ford Thunderbird	98	116
Chevrolet Celbrity	100	83
Plymouth Reliant	102	76
Dodge Aries	104	77
Mercury Cougar	105	102
Chrysler LeBaron	107	114
Oldsmobile Calais	110	101
Buick Somerset/Skylark	119	96
Pontiac Grand Am	120	99
Buick Skyhawk	129	109
Chevrolet Beretta	133	118
Pontiac Sunbird	135	130
Chevrolet Cavalier	136	122
Oldsmobile Firenza	137	96
Small		
Saab 900	83	178
Volkswagen GTI	95	164
Volkswagen Golf	96	130
Honda Civic	97	113
Acura Integra	102	130
Mazda 323	106	100
Mazda MX-6	112	176
Plymouth Conquest	119	289
Plymouth Sundance	121	102
Nissan 200SX	121	153
Volkswagen Fox	122	116
Toyota Celica	123	141
Toyota Corolla FX	124	99
Dodge Shadow	126	118
Subaru hatchback	129	95
Plymouth Colt	129	112
Dodge Colt	130	114
[illegible]wagen Scirocco	131	305
Toyota Tercel	132	94
Subaru DL/GL	133	129
Dodge Daytona	133	135
Nissan Pulsar	145	134
Ford Festiva	147	118
Nissan Sentra	151	128
Pontiac LeMans	153	140
Hyundai Excel	157	118
Yugo	162	107
Mitsubishi Mirage	162	155
Mitsubishi Cordia	162	208
Chevrolet Spectrum	166	117
Ford Escort	167	137
Chevrolet Sprint	178	125
Isuzu I-Mark	182	131
SPORTS & SPECIALTY MODELS		
Large		
Mercedes SDL/SEL Series	41	100
Jaguar XJ6	54	130
Mercedes 260E/300D/E	55	146
Cadillac Brougham	67	79
Lincoln Town Car	67	88
Cadillac Fleetwood/DeVille 4-dr.	69	87
Cadillac DeVille 2-dr.	85	98
Midsize		
Saab 9000	42	136
BMW 500 Series	55	157
Volvo 740/760 wagon	58	86
Cadillac Seville	61	103
Acura Legend 4-dr.	62	98
Lincoln Mark VII	65	115
Oldsmobile Toronado	68	108
Cadillac Eldorado	71	112
Audi 5000	79	161
Volvo 740/760 4-dr.	80	74
Toyota Supra	84	181
Mercedes 190D/E	87	148
Buick Riviera	89	115
BMW 300 Series 4-dr.	91	157
BMW 300 Series 2-dr.	91	229
Chrysler LeBaron convertible	93	117
Ford Mustang convertible	102	146
Pontiac Firebird	122	190
Ford Mustang	131	153
Chevrolet Camaro	133	154
Small		
Mercedes 560SL	50	129
Porsche 944 coupe	60	251
Chevrolet Corvette convertible	76	174
Chevrolet Corvette	87	[illegible]
Mazda RX-7	91	176
Nissan 300ZX 2+2	92	159
Nissan 300ZX	98	179
Volkswagen Cabriolet	111	142
Pontiac Fiero	127	144
Toyota MR2	132	146
Honda Civic CRX	141	157
Ford EXP	155	148

SOURCE: Highway Loss Data Institute

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Dealers Auto Auction of Oklahoma City, Box 75757, Oklahoma City, OK 73147. Sale every Thurs. 10 A.M. GMAC, Ford Motor Credit, Chrys. Credit weekly. 405-947-2886.

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Clanton's Auto Auction, P.O. Box 51, Darlington, South Carolina, 803-393-2861. Sale every Thurs., Regular Consignment, 11 a.m. & Early Bird, 9 a.m. (repos & lease units).

Memphis Auto Auction, 2850 Mt. Moriah Rd, Memphis, Tenn. 38115. 901-794-7700. Every Tues., 11 AM; every Thurs., 7 PM; Salvage Sale, 1st & 3rd Weds., 9 AM.

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San Antonio Auto Auction (div. of GECAA), 1500 Ackerman Rd., San Antonio, Texas 78219. Sale every Weds. Contact: Frank Post or Michael Millikan, 512-661-4200.

Fort Worth Auto Auction (div. of GECAA), 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Tuesday. Contact: George Horton, 817-626-5494.

Metro Milwaukee Auto Auction. Sale every Wednesday. FMC, GMAC, all leasing. 414-835-4436, Caledonia, Wisconsin.

Auction Ads Get RESULTS

GE Capital names McNeely president

GE Capital Auto Financial Services, Barrington, Ill., has named Stephan A. McNeely president of its auto auction division, succeeding Mike Zafirovski, who was promoted to the company's fleet services division last month.

McNeely was previously president and chief operating officer of Tenneco's Automotive Retail Services, where he led the company's retail and franchise operations in the United States and Canada.

"GE Capital's expertise in financial and distribution systems are a natural fit with the auction industry," said McNeely. "It's our plan to improve the economic vigor of the wholesale market."

Zafirovski built the company into 18 auctions nationwide beginning in 1986. It now remarkets more than 15,000 vehicles weekly.

Tenneco Automotive, Lincolnshire, Ill., is a supplier of shock absorbers, exhaust systems and brake products.

AUCTION BRIEFS

CHARLES THOMAS

Consultant hired

ServNet has hired Donald B. Fowler of Performance Remarketing Specialists as a consultant to develop the sales and marketing activities of the one-year-old independent auto auction network.

He was formerly vice president of national sales for GE Capital Auto Auctions, Barrington, Ill.

"I'm approaching ServNet's sales and marketing efforts with the idea of familiarizing the major remarketing accounts with the strategic advantages of the ServNet auctions," he said.

Performance Remarketing Specialists is also in Barrington.

ServNet was formed in 1988 as a cooperative marketing network of independent auto auctions.

It promotes independent ownership and operation of auctions — as opposed to chain auctions — on a national level.

Ten auctions participate in the organization.

GM picks Columbus

General Motors has selected Columbus Fair Auto Auction, Columbus, Ohio, for a regular closed factory sale for its dealers. The auction will offer more than 500 units at each sale.

Wanted: managers

Because qualified auction managers are in short supply, Anglo American Auto Auctions has launched its own training program.

"The auto auction industry has grown dramatically," said Michael Richardson, president of Anglo American. "The surge is expected to continue with total sales increasing to eight million cars in 1989, up from six million in 1988."

He said the industry needs managers with experience in attracting cars from diverse industry segments, providing security, reconditioning vehicles, supervising auctioneers, servicing dealer needs, directing vehicle transport and managing up to 200 employees.

"In-house training is the only way to get the quality managerial talent we need," said Richardson.

Anglo's program consists of recruiting and screening applicants, selecting candidates, training and evaluating their progress and placing them where needed within the national network.

The company's first management class will complete its training in mid-1990. At that time, each trainee will have logged 3,700 hours of training over a two-year period.

They will have worked on-site in every phase of auction operations including vehicle registration, security, reconditioning, sale-day lot management, auctioneering, vehicle transportation, dealer relations, manufacturer and fleet-lease relations, clerical and administrative and overall auction management.

The company says it has spent nearly $1 million to recruit, train and graduate its first class.

Dealers in the fast lane

Brasher's Sacramento Auto Auction, Rio Linda, Calif., has started a dealer express lane that accommodates up to 250 vehicles, running in blocks of eight or more vehicles for each consigning dealer.

"We geared the express lane for dealers who don't have the time to spend all day long at the auction selling cars," said Rex Roden, general manager of the auction.

"A dealer with a number of cars to sell can call the auction in advance to reserve a block of numbers," he added. "That way, he knows when his cars are being sold, and once they have sold, he's free to buy other cars at the auction or get back to his business."

The auction now has seven lanes, including the dealer express.

AUCTION DATES

Chrysler Motors

Sept. 19 — Clanton's Auto Auction, Darlington, S.C.; Southern Auto Auction, East Windsor, Conn.; Golden Gate Auto Auction, Fremont, Calif.; and Dallas Auto Auction, Grand Prairie, Texas.

Sept. 20 — Columbus Fair Auto Auction, Columbus, Ohio; Denver Auto Auction, Aurora, Colo.; and Minneapolis Auto Auction, Plymouth, Minn.

Sept. 21 — Fredericksburg Auto Auction, Fredericksburg, Va.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Salt Lake Auto Auction, Salt Lake City; Amarillo Auto Auction, Amarillo, Texas; Southern States Vehicle Auction of Atlanta, Newman, Ga.; and West Palm Beach Auto Auction, West Palm Beach, Fla.

Sept. 22 — St. Louis Auto Auction, St. Louis, and Tri-State Auto Auction, Cicero, N.Y.

Sept. 26 — American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Nashville Auto Auction, Nashville, Tenn.; Florida Auto Auction of Orlando, Ocoee, Fla.; Portland Auto Auction, Portland, Ore.; Riverside Auto Auction, Riverside, Calif.; and Greensboro Auto Auction, Greensboro, N.C.

General Motors

Sept. 19 — A.D.E. of Birmingham, Moody, Ala.; Harrisonburg Auto Auction, Harrisonburg, Va.; and Florida Auto Auction of Orlando, Ocoee, Fla.

Sept. 20 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; Golden Gate Auto Auction, Fremont, Calif.; and Statesville Auto Auction, Statesville, N.C.

Sept. 21 — Southwest Auto Auction, Chandler, Ariz.; Aptco Auto Auction, Taylor, Mich.; Butler Auto Auction, Gibsonia, Pa.; Big H Auto Auction, Houston; and Nashville Auto Auction, Nashville, Tenn.

Sept. 26 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and Fresno Auto Dealers Auction, Fresno, Calif.

Sept. 27 — Atlanta Auto Auction, Atlanta; Puget Auto Auction, Auburn, Wash.; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Mississippi Auto Auction, Hattiesburg, Miss.; and Omaha Auto Auction, Omaha, Neb.

Ford Motor Co.

Sept. 19 — Newburgh Auto Auction, Newburgh, N.Y.

Sept. 20 — Clanton's Auto Auction, Darlington, S.C.; Mississippi Auto Auction, Hattiesburg, Miss.; Southern California Auto Auction, Fontana, Calif.; Omaha Auto Auction, Omaha, Neb.; and Greater Tampa Bay Auto Auction, Tampa, Fla.

Sept. 21 — Texas Hobby Auto Auction, Houston, Texas; Manheim Auto Auction, Manheim, Pa.; Southwest Auto Auction, Chandler, Ariz.; Brasher's Sacramento Auto Auction, Rio Linda, Calif.; and St. Louis Auto Auction, St. Louis.

Toyota

Sept. 20 — Southern California Auto Auction, Fontana, Calif., Denver Auto Auction, Aurora, Colo.

Sept. 21 — Clanton's Auto Auction, Darlington, S.C.

Sept. 28 — Dallas Auto Auction, Grand Prairie, Texas

Model-year breakdown

PRODUCTION

Truck output rises despite Ford cutback

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Slow sales caused Ford Motor Co. to idle three truck assembly plants last week. Those plants produce about 12,000 units a week on a regular schedule, but output has been lower than that in recent weeks.

A parts shortage was the culprit at another Ford truck plant that is scheduled to shut down today. That will cost the company about 3,000 units this week.

General Motors and Chrysler Motors increased their truck output last week, making up for the units lost in the Ford closings.

Last week's targeted truck build was 73,145, 7.78 percent more than the 67,865 assembled the previous week, but 18.30 percent below the year-ago week's 89,524.

Car production was scheduled at 140,528, 29.91 percent above the previous week's 108,175 but 3.28 percent short of the year-ago week's 145,293.

Estimated car production last week was split as follows: GM, 47.92 percent; Ford Motor, 22.34 percent; Chrysler Motors, 13.24 percent; Honda of America Manufacturing, 4.67 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.04 percent; Toyota Motor Manufacturing U.S.A., 2.68 percent; New United Motor Manufacturing Inc., 2.21 percent; Diamond-Star Motors, 2.11 percent; and Nissan Motor Manufacturing Corp. U.S.A., 1.79 percent.

Ford's two truck plants in Louisville, Ky., and its Lorain, Ohio, truck facility were closed last week because of high inventories. They are expected to return today.

The company will idle its Wayne, Mich., truck plant today because of a parts shortage.

Ford's Dearborn, Mich., car plant is expected to resume operations today after being closed for one week because of a shortage of Mustang parts.

Chrysler shut down the Grand Wagoneer line at its Toledo, Ohio, plant last week because of high inventory. It is slated to resume production Sept. 25.

GM confirmed last week that it will idle its Lakewood, Ga., plant in mid-March 1990, because no future product is available for the facility. The plant makes rear-drive B-body cars — Chevrolet Caprice sedans and wagons and full-sized Buick and Oldsmobile wagons. Those models will be moved to the Willow Run, Mich., plant.

Car build jumps 38% in Canada

Auto production in Canada was scheduled at 20,883 last week, 38.79 percent more than the prior week's 15,047 and 0.88 percent more than last year's 20,701.

Truck output was targeted at 20,641 units last week, 22.75 percent above the previous week's 16,815 but 3.18 percent below the year-ago week's 21,320.

Chrysler Motors' Bramalea, Ontario, plant, which was slated to reopen last week, remains idle due to slow sales of Premier.

U.S. CAR	Week Ended Sept. 16, 1989	Week Ended Sept. 17, 1988	Week Ended Sept. 9, 1989	Sept. to Date	Jan. 1 to Sept. 16, 1989	Jan. 1 to Sept. 17, 1988
Horizon	100	1,547	0	100	21,275	57,782
Sundance	1,800	2,108	1,548	3,706	74,059	72,455
Reliant	0	2,293	0	0	0	61,676
Acclaim	2,900	0	2,450	5,911	89,753	0
Caravelle	0	0	0	0	0	9,087
Gran Fury	0	181	0	0	0	16,345
Total Plymouth	4,800	6,129	3,998	9,717	185,087	217,345
LeBaron K	0	0	0	0	0	7,912
LeBaron J	2,600	2,031	2,164	5,317	74,630	54,240
LeBaron GTS	0	192	0	0	2,946	6,646
N. Yorker C-Class	800	2,132	648	1,569	62,762	73,999
Fifth Avenue	1,900	956	1,721	3,972	10,426	20,980
Total Chrysler	5,300	5,311	4,533	10,857	150,764	163,777
Omni	100	1,533	0	100	22,329	56,409
Daytona	1,700	2,002	1,436	3,500	59,417	53,470
Shadow	1,800	2,231	1,525	3,721	71,171	71,996
Aries	0	2,089	0	0	0	80,288
Dodge 600	0	0	0	0	0	8,549
Dynasty	1,900	2,800	1,752	3,948	95,887	73,586
Lancer	0	198	0	0	1,528	6,394
Spirit	3,000	0	3,144	6,549	75,070	0
Diplomat	0	398	0	0	0	14,038
Total Dodge	8,500	11,251	7,857	17,818	325,402	344,730
CHRYSLER MOTORS	18,600	22,691	16,388	38,392	661,253	725,852
Escort	8,599	9,030	6,338	16,632	234,867	278,363
Mustang	0	4,370	2,200	2,689	146,750	143,319
Tempo	3,125	3,135	2,475	6,192	106,524	131,529
Taurus	6,978	8,275	2,241	10,234	253,646	280,331
Thunderbird	3,190	0	1,985	5,175	109,274	90,246
Total Ford Div.	21,892	24,810	15,239	40,922	851,061	923,788
Topaz	1,275	1,303	1,045	2,596	49,724	49,908
Cougar	2,327	0	1,979	4,306	94,095	69,686
Sable	2,790	2,804	865	3,963	82,451	95,232
Total Mercury	6,392	4,107	3,889	10,865	226,270	214,826
Continental	931	1,749	544	1,552	45,226	33,603
Mark VII	307	882	174	507	14,587	18,241
Lincoln	1,871	2,650	1,068	3,093	85,576	91,350
Total Lincoln	3,109	5,281	1,786	5,151	145,389	143,194
Total L-M Division	9,501	9,388	5,675	16,016	371,659	358,020
FORD MOTOR CO.	31,393	34,198	20,914	56,938	1,222,720	1,281,808
Skyhawk	0	462	0	0	6,913	12,387
Skylark/Somerset	1,730	1,162	1,366	3,444	42,539	34,501
Century	2,730	4,794	2,266	5,584	92,839	84,897
Riviera	518	471	364	991	13,535	4,872
Electra	2,073	1,250	2,023	4,573	56,396	59,095
LeSabre (fwd)	3,195	2,830	2,417	6,251	107,505	91,465
LeSabre (rwd)	208	202	165	416	4,962	9,881
Reatta	211	156	164	414	4,020	6,638
Total Buick	10,665	11,327	8,765	21,673	328,709	303,736
Cimarron	0	0	0	0	0	3,693
Eldorado	671	502	354	1,110	21,173	25,077
Seville	376	176	235	691	15,556	15,715
Brougham (rwd)	1,635	[illegible]	927	2,697	26,654	23,189
Deville (fwd)	3,845	2,918	3,076	7,711	141,421	103,697
Allante	60	65	15	75	2,152	1,244
Total Cadillac	6,587	4,742	4,607	12,284	206,956	172,615
Cavalier	6,514	7,380	4,470	11,854	254,029	256,207
Camaro	2,288	2,352	1,619	4,226	72,186	62,755
Celebrity	0	3,366	0	0	70,349	129,121
Corsica/Beretta	9,020	9,367	7,182	17,880	272,550	298,644
Caprice	3,110	4,037	2,667	6,787	130,781	148,780
Corvette	420	450	448	971	18,104	15,813
Total Chevrolet	21,352	26,972	16,586	41,719	817,999	911,320
Calais	1,870	3,624	1,488	3,733	64,789	78,466
Firenza	0	0	0	0	0	5,230
Cutlass Ciera	1,148	1,285	1,066	2,462	63,553	17,051
Cutlass Supreme	3,865	0	3,063	7,621	70,289	100,822
Toronado	481	143	286	789	5,803	10,932
88 (fwd)	2,997	2,939	1,837	5,117	95,589	109,250
88 (rwd)	215	143	99	336	5,753	8,514
Olds 98	1,355	1,063	1,084	2,736	51,825	52,146
Total Oldsmobile	11,931	9,197	8,923	22,795	357,581	382,411
Sunbird	2,890	2,561	2,172	5,532	101,716	75,870
Grand Am	4,800	6,213	3,851	9,636	171,451	165,078
Firebird	1,168	1,493	987	2,383	40,164	43,348
Grand Prix	4,025	4,299	2,804	7,566	91,481	93,165
Pontiac 6000	1,610	2,813	1,296	3,242	59,234	58,285
Bonneville	2,327	2,880	1,902	4,732	66,688	80,054
Safari/Parisienne	0	146	0	0	2,691	5,725
Fiero	0	0	0	0	0	13,260
Total Pontiac	16,820	20,405	13,012	33,091	533,425	534,785
GENERAL MOTORS	67,355	72,643	51,893	131,562	2,244,670	2,304,867
DIAMOND-STAR	2,967	0	2,235	5,657	49,556	0
HONDA	6,560	7,818	5,872	13,716	265,634	261,006
Civic	2,774	2,463	2,963	6,459	92,690	75,432
Accord	3,786	5,355	2,909	7,258	172,944	185,574
MAZDA†	4,272	4,624	3,373	8,445	144,253	90,721
NISSAN	2,521	2,900	2,100	5,166	84,126	78,304
NUMMI	3,100	419	2,410	5,739	142,270	111,019
Corolla	1,200	181	939	2,226	57,607	40,531
Geo Prizm/Nova	1,900	238	1,471	3,513	84,663	70,488
TOYOTA	3,760	0	2,990	7,418	96,365	0
VOLKSWAGEN	0	0	0	0	0	35,595
Golf/GTI	0	0	0	0	0	30,042
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	140,528	145,293	108,175	273,034	4,910,847	4,889,172
Total Cars, Canada	20,883	20,701	15,047	39,301	679,379	760,068
U.S., Canada Cars	161,411	165,994	123,222	312,335	5,590,226	5,649,240
U.S., Canada Cars and Trucks	255,197	276,838	207,902	508,682	9,291,966	9,221,719

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe

CANADIAN CAR	Week Ended Sept. 16, 1989	Week Ended Sept. 17, 1988	Week Ended Sept. 9, 1989	Sept. to Date	Jan. 1 to Sept. 16, 1989	Jan. 1 to Sept. 17, 1988
Premier	0	1,283	0	0	25,966	43,594
CHRYSLER MOTORS	0	1,283	0	0	25,966	43,594
Tempo	3,360	3,073	2,587	6,571	93,770	125,545
Topaz	1,440	1,528	1,112	2,817	39,874	47,282
Crown Victoria	2,254	2,744	1,564	4,156	84,632	90,725
Grand Marquis	2,642	2,852	1,729	4,718	91,057	91,509
FORD MOTOR CO.	9,696	10,197	6,992	18,262	309,333	355,061
Celebrity	301	199	151	464	15,744	15,038
Cutlass Ciera	553	3,324	286	876	97,000	170,247
Lumina	5,013	0	3,712	9,597	103,256	0
Pontiac 6000	0	0	0	0	0	29,675
Regal	2,900	4,336	2,244	5,621	53,460	111,532
GENERAL MOTORS	8,767	7,859	6,393	16,559	269,460	326,492
HONDA	2,000	1,362	1,340	3,673	58,968	30,408
TOYOTA	300	0	243	572	10,086	0
VOLVO	120	0	79	235	5,566	4,513
Total Cars, Canada	20,883	20,701	15,047	39,301	679,379	760,068

U.S. TRUCK☆	Week Ended Sept. 16, 1989	Week Ended Sept. 17, 1988	Week Ended Sept. 9, 1989	Sept. to Date	Jan. 1 to Sept. 16, 1989	Jan. 1 to Sept. 17, 1988
Caravan	2,400	2,309	2,124	4,881	74,660	67,192
Dakota	2,100	2,378	1,680	4,182	69,381	74,624
Caravan C/V	100	309	90	206	5,046	9,552
Ram pickups	2,100	2,376	1,713	4,215	69,540	53,094
Total Dodge	6,700	7,372	5,607	13,484	218,627	204,462
Cherokee	4,800	4,470	3,382	8,967	158,326	128,650
Comanche	500	996	402	995	20,878	32,253
Grand Wagoneer	0	345	260	260	7,774	9,771
Wagoneer	150	217	75	240	5,757	7,482
Total Jeep	5,450	6,028	4,119	10,461	192,735	178,156
Voyager	2,100	2,134	1,860	4,278	69,880	63,509
Town & Country	100	0	102	237	2,654	0
Total C-P Div.	2,200	2,134	1,962	4,515	72,534	63,509
CHRYSLER MOTORS	14,350	15,534	11,688	28,461	483,896	446,127
Aerostar	4,100	4,948	3,150	8,028	161,660	144,599
Bronco	1,179	1,049	971	2,388	54,907	39,240
Bronco II	0	2,852	1,879	2,340	84,282	92,515
Econoline	0	5,469	3,108	3,933	161,019	167,999
Med./Heavy trucks	0	1,236	989	1,242	43,314	47,215
Light trucks	10,556	10,293	8,406	21,021	381,077	347,942
Ranger	2,379	6,924	5,236	8,855	224,589	249,846
Total Ford Div.	18,214	32,771	23,739	47,807	1,108,848	1,089,356
FORD MOTOR CO.	18,214	32,771	23,739	47,807	1,108,848	1,089,356
Astro	3,194	3,723	2,492	6,299	117,714	124,835
Blazer	539	509	429	1,077	20,560	16,573
Mediums/Heavies	380	427	266	719	8,467	14,732
P-Model	784	889	538	1,441	22,963	29,266
Pickups	8,117	7,266	6,578	16,266	292,937	248,864
S-10	4,965	6,005	2,889	7,854	187,505	215,795
S-10 Blazer	3,822	4,124	2,745	6,567	137,744	116,984
Sportsvan/Van	1,793	2,424	1,320	3,472	70,438	67,493
Suburban	1,433	1,392	1,167	2,892	57,185	49,767
Total Chevrolet	25,027	26,759	18,426	46,587	911,797	886,309
Jimmy	164	146	134	330	6,100	5,360
Mediums/Heavies	570	655	456	1,141	13,693	27,633
P-Model	96	131	61	165	3,161	3,936
Pickups	2,534	3,517	2,022	5,075	88,156	76,462
S-15	1,164	1,317	1,879	3,043	43,825	48,855
S-15 Jimmy	1,139	1,007	947	2,086	36,805	33,426
Safari	1,106	757	845	2,115	31,096	32,000
Suburban	674	572	523	1,326	22,744	22,054
Vandura/Rally Vans	667	553	511	1,305	20,465	25,168
Total GMC	8,114	8,655	7,378	16,585	232,104	274,894
GENERAL MOTORS	33,141	35,414	25,804	63,172	1,173,901	1,161,203
NAVISTAR	1,650	1,673	1,188	3,121	58,037	61,190
NISSAN	2,340	1,382	1,996	4,854	86,510	[illegible]
AM GENERAL	450	450	450	990	16,290	16,580
MISCELLANEOUS	3,000	2,300	3,000	6,600	102,600	84,640
Total Trucks, U.S.	73,145	89,524	67,865	155,005	3,030,082	2,927,090

CANADIAN TRUCK	Week Ended Sept. 16, 1989	Week Ended Sept. 17, 1988	Week Ended Sept. 9, 1989	Sept. to Date	Jan. 1 to Sept. 16, 1989	Jan. 1 to Sept. 17, 1988
Caravan	3,366	2,838	2,742	6,664	101,793	100,260
Caravan C/V	204	225	171	409	8,232	9,166
Ram Wagon	660	752	465	1,258	19,122	17,793
Ram Van	1,690	2,143	1,457	3,493	49,545	47,673
Total Dodge	5,920	5,958	4,835	11,824	178,692	174,892
Voyager	2,574	3,034	2,166	5,181	89,017	89,647
Total Plymouth	2,574	3,034	2,166	5,181	89,017	89,647
Wrangler	1,700	1,205	1,484	3,538	58,207	35,471
Total Jeep	1,700	1,205	1,484	3,538	58,207	35,471
CHRYSLER MOTORS	10,194	10,197	8,485	20,543	325,916	300,010
FORD MTR. (lt. trks.)	3,040	3,258	2,544	6,223	112,082	114,328
Light trucks	3,655	3,931	3,038	7,354	113,849	107,392
Vans	1,410	1,525	1,201	2,871	41,896	40,773
Total Chevrolet	5,065	5,456	4,239	10,225	155,745	148,165
Light trucks	1,591	1,586	1,158	3,080	49,851	[illegible]
Vans	540	545	204	825	19,832	20,883
Total GMC	2,131	2,131	1,362	3,906	69,683	74,816
GENERAL MOTORS	7,196	7,587	5,601	14,130	225,428	222,981
NAVISTAR	211	278	185	446	8,232	8,070
Total Trks., Canada	20,641	21,320	16,815	41,343	671,658	645,389
U.S., Canada Trks.	93,786	110,844	84,680	196,348	3,701,740	3,572,479

☆—Includes window van production *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Audi plans to cut 100 U.S. dealers

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

TROY, Mich. — Audi of America will tell its 365 dealers at its annual sales meeting in Dallas this week that it plans to eliminate up to 100 "non-performing dealers" by 1992. Audi may decide to leave some of those points open.

The purge is not an idle threat, according to Audi.

"We want to get rid of these players because they're depreciating the value (of the Audi franchise)," said Richard L. Mugg, vice president of Volkswagen of America in charge of Audi of America. "It's nothing personal. We'll just tell them to give us back our signs and parts, and we'll have a straightforward parting."

How straightforward it will be to strip Audi franchises based on non-performance remains untested, but when Audi rids itself of the dead-weight dealers, it will have support from its strong national dealer advisory council.

AUTOMOTIVE NEWS/JOE WILSSENS

Richard L. Mugg

"We can only afford to have a dealer on board who will positively project the image of Audi," said Wolfgang Rietzl of Rietzl Audi in Norwell, Mass., the council's Northeast representative. "(These dealers are) not good for the franchise, not good for other dealers and not good for the customer."

The move reflects increasing confidence by Audi in the franchise's apparent revitalization, a confidence that will be played up during the dealer meeting.

Also on the Dallas agenda is a plan to keep good salesmen in the Audi franchise system with a long-term bonus program, an outline of current and future incentive plans and an introduction to Audi's 1990 advertising campaign.

Unlike other dealer meetings where the company showed off future products, Mugg said no new products will be on hand.

He said Audi's 365 dealers can

see AUDI, page 34

Chrysler works on small car

Big mpg needed if CAFE rises

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — Chrysler Motors is accelerating development of a new small-car platform and has abandoned its strategy of using a built-up import as an entry-level vehicle because of mounting government pressure for fuel-efficient fleets.

Chrysler's development of a small-car platform is one of several alternatives under study as the company anticipates corporate average fuel economy standards of about 30 mpg by 1995.

The company is also investigating producing a small car in a joint venture with its partner Mitsubishi Motors, and it is studying the possibility of deriving a car from the JJ small sport-utility-vehicle platform that is being developed with Renault.

Chrysler must produce a small car with 75 percent North-American content in order to use the fuel-efficient vehicle to meet anticipated increases in CAFE standards for domestic-car fleets.

Chrysler Motors President Robert Lutz confirmed that the company is accelerating engineering

see CHRYSLER, page 33

AUTOMOTIVE NEWS/JOE WILSSENS

Chrysler exec Robert S. Miller called the sale "a good business decision."

Chrysler trims Mitsubishi stake

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — Chrysler Corp. will use the $310 million raised from the sale of some of its stock in Mitsubishi Motors Corp. to provide a cash cushion for the programs on its corporate agenda.

But Chrysler executives insist the company's decision to reduce its financial holding in Mitsubishi will not affect Chrysler's commercial relationship with its Japanese partner.

Chrysler said Friday it would reduce its stake in Mitsubishi from 21.8 percent to 12.1 percent.

Wall Street analysts recently have been urging Chrysler to make such a sale as Mitsubishi stock rose

see CUSHION, page 33

AUTOMOTIVE NEWS/JOE WILSSENS

The Lumina sedan and Dodge Dakota pickup are among 1990 models already being marketed with rebates.

Incentives greet 1990 models

Dodge trucks carry rebates; GM ties cash to option packages

By Michelle Krebs and Arlena Sawyers
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — Domestic automakers are starting the new model year with a bang by offering opening-day incentives on 1990 models in an effort to avoid the dismal fourth quarter that some analysts have forecasted.

General Motors announced incentives on some 1990 vehicles Friday and also scheduled downtime at six assembly plants.

GM's 1990 incentives include low-interest financing and rebates.

David E. Lahti, Oldsmobile general sales and service manager, said the incentives are to provide a "blockbuster beginning" to the new model year, which starts Thursday for GM.

Most finance rates on are higher than those in GM's "Big Easy" cleanup program, which expires Wednesday. They are: 6.9 percent for 24 months; 8.9 percent for 36 months; 9.9 percent for 48 months; and 10.9 percent for 60 months. The former rates were 2.9, 5.9, 6.9 and 10.9.

Buick and Oldsmobile cash rebates range from $200 to $1,000 depending on the option package ordered. GMC is offering a $1,000 rebate on S-15 pickup trucks and a $1,250 rebate on S-15 Jimmy sport-utilities. All programs run indefinitely.

Pontiac and Chevrolet also were expected to announce incentive programs by today.

Earlier this month, Chevrolet introduced $750 cash rebates on 1990 Lumina sedans. An $800 cash rebate on the 1990 Geo Prizm has been in effect for two months.

Cadillac didn't announce incen-

see REBATES, page 36

Rev. Moon's church behind Panda Motors plant in China

The Unification Church has joined a former U.S. diplomat and a major Korean industrial concern in an effort to create China's biggest car manufacturing facility.

The project, promoted by the little known Panda Motors Corp. of Vienna, Va., calls for production of 300,000 passenger cars a year by 1995 at a factory in Guangdong Province.

The factory's entire output — more than 10 times that of Volkswagen-Shanghai, currently China's biggest automaker — is destined for export as "the least expensive, most durable car on the world market," said a U.S. government source.

The official China News Service reported the first stage of the $250 million project will be completed in 1995. The first cars were scheduled for production next year, but sources close to the project now say they will not appear until 1991.

The car — for which a retail price of $4,000 has been mentioned by U.S. government sources who are following the project — will be powered by a four-cylinder engine in the 1,250 to 1,500 cc category.

Corporate registration documents filed in Delaware reveal that the treasurer of Panda Motors is Pak Bo-Hi. He is also chairman of Newsworld Communications, which publishes the Washington Times and is controlled by the Unification Church. Pak, a former South Korean military attache, is the chief aide to the founder of the Unification Church, the Rev. Sun Myung Moon.

Although Chinese officials last week confirmed plans for a 300,000-unit assembly plant and few other details, some U.S. and Korean trade officials remain sceptical. The doubt centers on the apparent absence in the project of an established automaker to supply technology and components, and the uncertainty of operating in the People's Republic of China.

One reason for Korean investors to operate through a U.S. corporation like Panda Motors is that South Korea has no diplomatic relations with China.

By establishing the plant in the name of a U.S. company, the in-

see PANDA, page 34

By Automotive News Staff Correspondents Stephen Vines in Hong Kong and Oles Gadacz in South Korea and Staff Reporters Diana T. Kurylko and Arthur Flax in Washington and Virginia.

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Dealers distressed:
The company created by Republic Insurance to service its warranty policies is overwhelmed. Page 33.

Six GM plants close:
General Motors will close six plants in October to balance production with sales. Page 37.

EPA lists pros, cons of methanol

Smaller engines, less pollution but lower mpg, higher prices

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Methanol-powered vehicles could be lighter than cars that run on gasoline and have smaller powertrains and cooling systems, the EPA said in a new study.

Methanol fuels also could be sold today at prices competitive with gasoline and at even lower prices in the future, the EPA said. But the use of methanol would also require changes to fuel and exhaust systems that could make cars more expensive.

The study, released last week, is the first of a series of EPA reports on alternative fuels being prepared as Congress considers President Bush's Clean Air Act proposals. The Bush plan calls for alternative fuels or reformulated gasoline to reduce air pollution.

Reports on other alternative fuels are scheduled to be released before February. A report on reformulated gasoline also is expected.

The EPA analysis assumes that Bush's Clean Air Act proposal, which would require 500,000 alternative-fuel vehicles to be sold in the 1995 model year and 1 million to be sold annually from 1997 through 2004, will be enacted.

The chief environmental benefit of methanol will be significant improvements in the ozone levels of the most polluted areas of the country and also a reduction of toxic pollutants, EPA said. EPA estimated that methanol fueled cars will reduce emissions of pollutants that react to form ozone — a chief ingredient in smog — by 30 to 80 percent compared with gasoline-powered cars.

In the long run, EPA said, "methanol should be used in its pure form, known as M100, because of its superior environmental benefits."

EPA's environmental analysis assumes that flexible fuel vehicles — those that can run on gasoline or methanol — will be used from 1995 to 1999 and M100-dedicated vehicles will be sold thereafter.

The use of M100 in an engine that makes full use of methanol's favorable characteristics, EPA said, "will allow use of a smaller, lighter engine that delivers the same power as the engine it replaces."

Such an engine, EPA said, will permit use of lighter body and suspension components. If a less-powerful engine is used in the lighter car, lighter-duty drivetrain components can also be used, EPA said. A smaller engine would also allow the use of a smaller catalytic converter.

The combustion of methanol rejects less heat to the engine's cooling system and exhaust system than gasoline. As a consequence, "it will clearly be possible to reduce the size of the conventional radiator substantially and it may even be possible to eliminate the conventional radiator, fan and controls completely and rely on only the heater core for engine heat rejection," the EPA report said.

Offsetting the savings from smaller, lighter components are the added costs of a fuel system that can withstand the corrosive effects of methanol, sophisticated fuel injection needed for satisfactory cold starts and formaldehyde controls that may lead to more expensive catalytic converters.

Methanol has half the energy value of gasoline and, even with the added efficiency, a methanol vehicle would require a larger fuel tank.

Flexible-fuel vehicles will cost consumers $300 more per vehicle, EPA predicted.

Given today's methanol prices, the report predicted that M85, the mixture of 15 percent gasoline and 85 percent methanol that is likely to be used as a near-term alternative fuel, could be sold for $1.14 to $1.24 for a quantity that would provide the energy of a gallon of gasoline.

EPA assumes that a vehicle dedicated to run on methanol use could use fuel 30 percent more efficiently than a gasoline vehicle and projected that the methanol equivalent to a gallon of gasoline in such a vehicle would cost 92 cents to $1.03 per gallon.

With high-volume production, EPA estimated that methanol could become available at the retail pump for 55 to 57 cents per gallon. If the methanol vehicle is 5 percent more efficient than the equivalent gas-powered unit, the cost equivalent of a gallon of gasoline could be $1.05 to $1.09 per gallon, EPA said. If efficiency is improved by 30 percent, the equivalent methanol cost could be 85 to 88 cents per gallon.

Future increases in the price of crude oil and gasoline will likely cause natural gas prices — the basis for methanol fuel — to rise, too, but at a lesser rate, EPA predicted. That would result in increased methanol market share or suppressed gasoline prices, all to the benefit of the U.S. economy.

Nissan plans to hike overseas output, cut exports

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Nissan Motor Co. will reduce exports in favor of overseas production, and will increase imports in order to promote international cooperation.

The Ministry of International Trade and Industry praised the move as an effort to reduce trade friction.

Nissan exported 1.09 million vehicles in the 1989 fiscal year, which ended March 31. That exceeded overseas production by a 2-to-1 margin. Nissan said that by 1992, it will reduce exports by 90,000 units to 1 million, but overseas sales will expand to a projected 1 million — an increase of 430,000.

The company said it hopes to reverse the ratio between exports and locally-built vehicles in overseas sales to 1 to 2 by the end of the 1990s. At that stage, Nissan hopes to be making a 2 million units a year overseas.

Imports will double the current value of $370 million by fiscal 1992. By the end of the 1990s, Nissan's imports will equal 10 percent of the vehicles it makes in Japan.

The company is also considering importing the Volkswagen Passat for sale in Japan. Plans call for production of the Passat in Japan, starting in 1991, with a target of 8,000 annually.

The Passat imports would be in addition to that. Nissan has been producing the Santana in Japan since 1983, averaging 12,000 units a year.

AUTOMOTIVE NEWS/JOE WILSSENS

Flat Rock builds first Mazda 626

Osamu Nobuto, president of Mazda Motor Manufacturing (U.S.A.) Corp., drives the first Mazda 626 off the line at its Flat Rock, Mich., plant. Plans call for 5,000 626 four-door sedans to be built monthly.

Ford maps programs to improve CSI rating

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

While its corporate advertising campaign boasts that Ford Motor Co. has built the highest quality cars and trucks in North America for nine consecutive years, the company is becoming increasingly concerned about its performance in the customer service end of its business.

The company is taking steps to improve that performance.

Ford's relatively low service scores on J.D. Power's annual Customer Satisfaction Index as well as internal studies have befuddled Ford executives, who have watched the company rack up a series of successful product launches and record profits in recent years.

In its internal CSI rating system called Quality Commitment Performance, Ford and Lincoln-Mercury dealers have improved steadily in the last three years but have fallen short of achieving the average overall score of eight set as a goal last year. National average Quality Commitment Performance scores were 6.73 in 1986, 7.07 in 1987, 7.31 in 1988 and 7.60 through June 1989.

The last time Ford Division was listed among J.D. Power's top makes was in 1986 when the division ranked 16th among 30 makes. In 1989, Ford Division was 25th among 36 makes, up from 28th in 1988.

Mercury ranked 16th in 1989, 18th in 1988 and 10th in 1987.

Lincoln placed sixth in the 1988 survey, 12th in the 1987 survey and fifth in the 1986 survey.

Ford officials have complained that the Power survey is not balanced and asks more questions on service-related items than on product items.

"It's more of a service satisfaction survey than a customer satisfaction survey," said Ross Roberts, L-M general manager, at a press luncheon during L-M's dealer introduction show in Atlanta last month.

Ford officials say makes like Acura and Mercedes, which score very well in the Power CSI survey, do not have as large an owner base as Ford and L-M. Ford and L-M dealers often cannot handle the large amount of service business and are sometimes land-locked and cannot expand their service facilities.

"Since the mid-1980s, we have seen our sales volume rise substantially, but we did not increase the number of service bays available to service those cars and trucks; what we have is an undercapacity situation," said a Ford parts and service division spokesman.

All levels of the company are said to be involved in the push for higher CSI numbers. The company spent "a huge amount of time and

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Mercedes to open California design center in 1990

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

STUTTGART, West Germany — Mercedes-Benz AG plans to establish a design center in Southern California next year. The facility will be the first-ever U.S. studio operated by a European carmaker.

The new Mercedes styling center is part of an effort to draw closer to the U.S. market, according to Juergen Hubbert, head of the passenger-car division.

The studio will be under the supervision of Mercedes' car styling center in Stuttgart, which is headed by design chief Bruno Sacco.

Hubbert said the California styling center will contribute ideas to all future Mercedes car projects after the new W140 — the S-class replacement slated for introduction in late 1990.

"The W140 is ready," said Hubbert. "But as for the cars after the W140, maybe we will have some details from this group."

But he emphasized that Mercedes cars will never lose their German engineering and design heritage.

"A Mercedes is a car made in Germany," said Hubbert. "But we have to do other things."

The move reflects the importance of the U.S. market for Mercedes as it prepares to do battle with Japan's two new luxury divisions, Toyota's Lexus and Nissan's Infiniti.

It also suggests a growing influence of Mercedes-Benz of North America on product planners in Stuttgart.

The U.S. officials sat down with top German executives earlier this year to stress the need to better meet U.S. market demands in the face of a slumping European luxury-import segment and the new Japanese threat.

"We want to be nearer to your market," said Eberhard Herzog, who is responsible for worldwide passenger-car sales at Mercedes-Benz.

Hubbert said the new styling center will begin operations next year, though he declined to say precisely when it will open nor where it will be located. However, he said the studio will be in California.

A Mercedes spokesman, when asked for details, later said it is "rather early" and that is is "absolutely not known" where the facility will be.

Hubbert said the studio will be staffed with stylists from both the United States and Germany.

He said he does not know how big the operation will become, but he said it will start with a small group.

Other European companies are known to be toying with setting up a California studio.

IDEA Institute of Turin, Italy, which designed about 14 vehicles that either are being produced or will be by 1992 in Europe, is weighing prospects for a West Coast facility at the urging of European clients. It would be the first California studio for a leading Italian styling house.

The Big 3 and several Japanese carmakers operate studios in California. Some European firms have affiliations with California design schools.

Volkswagen has had design staffers in the United States and maintains contacts with California schools.

But chief stylist Herbert Shaefer said earlier this year that VW has decided against setting up a styling studio in California.

BMW Product Development Chief Wolfgang Reitzle last week said BMW, which also has ties to California design schools, does not currently plan a U.S. studio.

Acura, Nissan, Daihatsu pace import gainers

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — Nissan, Acura and Daihatsu paced the relatively sparse number of winners among imports in sales for August and the first two-thirds of 1989.

Japanese car importers as a group posted a strong August, up 11.32 percent from last year. That cut the year-to-date falloff in sales of Japanese imports almost in half.

Considering the rapid growth of production in North America by Japanese transplant and joint-venture assembly plants, the nine Japanese automotive marketers in the United States are outperforming the overall new-car sales rate.

So far in 1989, Daihatsu, Acura and Nissan imports are posting double-digit percentage gains. Other gainers include Volvo, the only European importer ahead of last year's sales; Mitsubishi; Ford Festiva, imported from Kia of South Korea and a newcomer to the positive side; and Honda, up 1.65 percent for the year after a 27.96 percent jump in August.

Six imports slipped for the year but are outperforming the import market as a whole, which dropped 6.52 percent for the first eight months. They range from Subaru, off 0.59 percent, to Jaguar, down 5.21 percent. Others are Chevrolet's Geo, Mazda, BMW and Volkswagen.

Those posting larger losses than the overall market include Isuzu, down 21.08 percent through August; Mercedes-Benz, off 14.38 percent; Peugeot, down 7.56 percent; Pontiac LeMans (from Korea's Daewoo), off 8.89 percent; Saab, which slipped 12.03 percent; and Toyota, off 16.16 percent. That group also includes Audi, off 17.55 percent for the year after plunging 46.65 percent in August.

Chrysler's imports from Japan's Mitsubishi Motors were off 19.01 percent through August. The trend may continue for the rest of the year because Chrysler has traded some of its Japanese imports to Mitsubishi Motor Sales of America in return for a larger allocation of Lasers from Diamond-Star, the Mitsubishi-Chrysler joint venture plant in Normal, Ill.

Seven companies posted major loses for the eight-month period on a percentage basis.

Hyundai is reducing its monthly losses as it starts to get a better supply of Sonata, and redesigned 1990 Excels will begin to trickle into the sales numbers starting this month and in October, but the company was off 30.94 percent for eight months.

The others are all Europeans: Alfa Romeo, Merkur, Sterling, Porsche and Maserati. Yugoslavia's Yugo was off 68.73 percent for the first eight months.

European imports as a whole declined 12.88 percent for that period.

SIZE CLASS SHARES
Domestic and Import August 1989

	Total Sales	Pct. of Total
SUBCOMPACT...	263,561	27.08
COMPACT........	243,781	25.05
INTERMEDIATE..	299,155	30.73
STANDARD	136,204	13.99
SPECIALITY......	30,651	3.15
TOTAL	973,352	100.00

IMPORT CAR SALES BY MODEL

	Aug. 1989	Aug. 1988	8 Mos., 1989	8 Mos., 1988
ACURA	14,871	12,448	98,696	84,815
Integra	7,977	6,106	55,739	39,756
Legend	6,894	6,342	42,957	45,059
ALFA ROMEO	260	386	2,188	3,433
Milano	100	190	809	1,711
Spider	160	196	1,379	1,722
AUDI	1,718	3,220	13,688	16,601
4000	2	38	91	520
5000	17	741	289	6,665
80	259	763	3,116	4,243
90	232	907	3,343	4,308
V8 Quattro	130	0	377	0
Coupe Quattro	66	0	144	0
100/200	875	580	5,004	651
100/200 Quattro	137	191	1,324	214
BMW	5,619	6,563	45,486	47,262
3-Series	2,813	3,119	22,554	25,000
5-Series	1,476	1,711	13,732	10,370
635 CSi	154	214	1,118	1,283
7-Series	1,059	1,253	6,770	8,726
M3	95	166	732	1,230
M5	4	34	246	268
M6	18	66	334	385
CHEVROLET/GEO	14,223	11,078	81,928	85,918
Spectrum	10,146	6,022	44,223	52,891
Metro	4,077	5,056	37,705	33,027
CHRYSLER MOTORS	8,156	11,161	72,370	89,352
Colt	4,230	7,009	39,913	57,824
Conquest	387	762	4,233	7,442
Medallion	76	900	3,651	9,927
Summit	2,143	573	14,184	573
Vista	1,120	1,917	9,296	13,586
TC	200	0	1,093	0
DAIHATSU	1,326	1,152	9,368	7,545
FORD Festiva	6,330	5,575	49,757	47,698
HONDA	26,362	20,602	168,584	165,842
Civic/CRX	5,541	6,536	41,768	73,186
Accord	14,727	12,224	92,668	60,908
Prelude	6,094	1,842	34,148	31,748
HYUNDAI	20,552	25,119	132,440	191,772
Excel	16,478	25,119	113,360	191,772
Sonata	4,074	0	19,080	0
ISUZU	2,264	3,197	13,718	17,382
I-Mark	1,573	2,248	9,595	11,513
Impulse	691	949	4,123	5,869
JAGUAR	1,563	1,645	12,400	13,081
XJ6	1,177	1,211	9,465	9,891
XJS	386	434	2,935	3,190
MASERATI	20	30	200	590
MAZDA	23,809	20,872	153,358	156,096
323	5,056	8,803	49,004	63,641
Protege	580	0	580	0
626	5,807	6,473	39,403	46,538
MX-6	60	602	2,119	6,896
Miata	5,029	0	10,890	0
929	1,895	2,667	14,076	18,217
RX-7	1,550	2,318	12,340	20,795
MPV	3,832	9	25,018	9
MERCEDES BENZ	6,776	6,799	49,444	57,745
190	1,388	1,650	9,541	12,506
260E	562	454	3,345	4,783
300	1,784	1,459	14,421	14,484
300 SE	568	656	4,512	2,892
300SDL Turbo	0	1	2	89
300SEL	358	224	2,704	3,827
420SEL	692	627	4,490	5,839
560SEL	384	443	3,252	3,592
560SL	833	1,004	5,659	8,071
560SEC	147	118	982	1,061
Tourist	60	163	536	601
MERKUR	436	1,756	6,006	10,138
XR4Ti	321	477	3,474	3,514
Scorpio	115	1,279	2,532	6,624
MITSUBISHI	8,586	7,606	51,304	48,586
Starion	35	319	613	2,285
Cordia	6	740	358	4,374
Tredia	2	21	12	455
Mirage	2,960	1,606	13,847	8,681
Galant	3,283	2,368	22,480	13,401
Precis	2,056	1,736	12,613	14,779
Van/Wagon	244	816	1,381	4,611
NISSAN	39,526	29,986	285,381	245,669
Sentra	11,882	12,015	86,241	96,369
Pulsar	2,619	4,119	19,021	35,211
Stanza	3,488	3,003	30,822	32,545
Axxess	1,762	0	5,258	0
Maxima	10,543	6,565	73,451	48,717
240SX/200SX	6,053	2,843	49,890	15,681
300ZX	2,666	1,220	18,176	14,476
Hawaii	513	221	2,522	2,670
PEUGEOT	660	573	4,242	4,589
PONTIAC LeMans	4,401	4,642	37,175	40,803
PORSCHE	955	1,247	6,677	11,389
924S	9	371	100	1,976
944	118	216	940	2,546
944S	83	28	293	320
944 Turbo	86	112	527	1,256
911 Coupe/Carrera 4	225	217	1,723	2,220
911 Turbo	89	78	915	775
911 Cabriolet/Speedster	292	130	1,618	1,325
928S	53	95	561	971
SAAB	3,788	4,019	23,643	26,876
900	1,091	717	4,752	4,557
900S	1,339	1,122	5,945	7,222
900 Turbo	721	1,087	6,288	6,528
9000S	253	376	1,975	2,391
9000 CD	185	0	2,268	0
9000 Turbo	179	677	2,195	5,526
Tourist	20	40	220	652
STERLING	305	930	4,126	6,583
SUBARU	14,023	14,515	101,111	101,710
Hatchback	162	422	2,259	3,993
3-Door	421	939	6,990	5,771
4-Door Sedan	987	2,776	26,030	20,626
Legacy	5,232	0	14,358	0
Loyale	1,837	0	7,537	0
XT/XT6	1,878	1,595	9,510	9,947
Station Wagon	895	6,420	19,236	43,189
Justy	2,611	2,363	15,191	18,184
SUZUKI	761	0	4,000	0
TOYOTA	58,090	58,466	336,645	401,546
Corolla	14,405	14,238	82,438	101,641
Tercel	10,560	9,746	65,249	62,318
Celica	5,456	6,568	37,936	45,551
Supra	1,869	1,615	11,543	95,049
Cressida	4,336	1,067	16,402	7,878
Land Cruiser	479	302	3,645	4,745
Van	419	392	3,226	3,858
4Runner SR 5	4,692	2,240	17,205	14,716
MR2	540	657	3,952	6,060
VOLKSWAGEN	11,117	14,272	94,632	99,297
Cabriolet	943	1,376	7,951	9,782
Corrado	100	0	100	0
Jetta	4,393	4,186	38,241	38,098
Golf/GTI	2,061	2,267	16,451	4,266
Vanagon	481	407	3,791	3,996
Quantum	26	376	882	2,080
Scirocco	11	476	845	2,423
Fox	3,102	5,184	26,371	38,652
VOLVO	10,553	9,625	72,769	68,015
240 Series	4,234	4,001	29,965	28,871
740 Series	4,871	3,944	32,491	29,616
760 Series	1,069	1,408	8,463	7,875
780	261	190	1,356	1,116
Tourist	118	82	494	537
YUGO	937	3,504	7,348	23,496
IMPORT TOTAL	287,987	281,988	1,938,684	2,073,829

Volkswagen has reported sales of U.S.-built Golf and GTI models as imports after June 30, 1988.

Compiled by Karen Detkowski

Flat floor limo

Limousine manufacturer A.H.A. Automotive Technologies Corp. of Ontario, Canada, is introducing a flat-floor design for the 1989 Lincoln Town Car. The design eliminates the hump created by the transmission tunnel and results in increased legroom, the company said. The limousine is available in 60- and 66-inch stretches and seats eight persons. The car features a sunroof, leather upholstery, curved rear-facing seat and walnut trim. Options include a Motorola telephone, electronic bar, as well as fax and copier machines.

Former UAW director Runnels re-indicted on fraud charges

DETROIT — A federal grand jury has handed down an indictment recharging Frank Runnels, a former regional director of the UAW, with mail fraud and conspiracy.

Last June, an appeals court reversed Runnels' conviction on the original indictment.

The original indictment charged that between 1978-1983, when Runnels was president of Local 22 in Detroit, he committed mail fraud that violated the membership's "intangible rights."

An earlier Supreme Court decision held that a person cannot be convicted of mail fraud affecting only intangible rights.

The new indictment charges Runnels with mail fraud and mail fraud conspiracy that deprived UAW Local 22 and its membership of property rights.

It charges that while local president, Runnels took kickbacks from law firms in exchange for funneling worker compensation claims to them.

Education, training cost is $1 billion for industry

HERNDON, Va. — Education is big business for the auto industry, which spends nearly $1 billion a year on education and training for its employees.

The Automotive Information Council said approximately $560 million of that amount is spent by the Big 3. That includes funds committed through joint education and training programs with unions.

Chrysler Corp. said it allocates nearly 10 percent of its $117 million annual training budget to instructing employees in basic skills. General Motors said it has spent over $1.3 billion on education and training over the past five years.

TRUCK INDUSTRY

AUGUST TRUCK SALES BY MANUFACTURER AND SEGMENT

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1989	TOTAL 1988
CHRYSLER-PLYMOUTH	MO	14,036						14,036	12,465
	YR	129,750						129,750	135,863
DODGE	MO	39,490						39,490	40,659
	YR	377,343						377,343	401,371
JEEP	MO	24,157						24,157	20,898
	YR	173,971						173,971	165,465
TOYOTA	MO	26,952						26,952	23,208
	YR	156,556						156,556	170,219
NISSAN	MO	19,817						19,817	16,875
	YR	111,609						111,609	114,848
MAZDA	MO	7,527						7,527	7,675
	YR	56,122						56,122	66,670
ISUZU	MO	11,054						11,054	9,689
	YR	64,269						64,269	56,451
MITSUBISHI	MO	3,872						3,872	2,874
	YR	27,269						27,269	30,143
SUZUKI	MO	2,569						2,569	12,208
	YR	17,419						17,419	49,756
RANGE ROVER	MO	398						398	346
	YR	3,148						3,148	2,198
FORD	MO	124,526	1,907		1,317	3,185	1,007	131,942	122,925
	YR	965,247	17,447		7,256	23,593	10,627	1,024,170	1,048,362
FREIGHTLINER	MO						2,127	2,127	1,098
	YR						16,600	16,600	14,978
CHEVROLET	MO	132,977		18	580	698		134,273	116,921
	YR	905,677		172	4,354	5,900		916,103	923,581
GMC	MO	34,103		634	606	887		36,230	32,521
	YR	243,175		2,906	3,833	8,640		258,554	268,489
KENWORTH	MO					70	1,757	1,827	993
	YR					280	12,140	12,420	10,704
MACK	MO				138	182	1,683	2,003	2,269
	YR				1,282	1,703	13,772	16,757	17,103
MERCEDES	MO				76	127		203	274
	YR				593	862		1,455	2,091
NAVISTAR	MO		11	12	778	2,981	2,412	6,194	7,923
	YR		106	95	8,231	21,560	23,854	53,846	56,452
PETERBILT	MO					37	1,534	1,571	881
	YR					370	10,986	11,356	10,184
VOLVO/GM HEAVY	MO					93	1,189	1,282	989
	YR					648	10,579	11,227	10,415
HINO	MO	18		31	47	78		175	161
	YR	160		318	357	654		1,489	1,332
NISSAN DIESEL	MO	71		58	27	50		206	168
	YR	357		499	234	431		1,521	1,372
ISUZU TRUCK	MO	358	40	19	39	49		505	501
	YR	3,660	408	133	553	465		5,219	4,353
MITSUBISHI FUSO	MO	122		53	33	60		268	229
	YR	1,102		443	224	421		2,190	1,772
SCANIA	MO						10	10	10
	YR						85	85	120
IVECO TRUCKS	MO	119	30	17	15			181	289
	YR	903	350	193	102			1,548	1,581
WESTERN STAR	MO						79	79	95
	YR						1,010	1,010	1,001
OTHER DOMESTICS	MO				16	—	53	69	57
	YR				124	116	573	813	581
GRAND TOTAL	MO	442,166	1,988	842	3,672	8,497	11,851	469,016	435,201
	YR	3,237,737	18,311	4,759	27,143	65,643	100,226	3,453,819	3,567,464
1988 YR to DATE		3,345,626	13,940	5,473	37,887	70,310	94,228		

NOTE: 1989 YTD includes 10 Subaru Brats; Class 1-3 sales data reported by individual manufacturers; Class 4-8 reported by Motor Vehicle Manufacturers Assn.

Freightliner upgrades tractor brake systems

PORTLAND, Ore. — Freightliner has made bobtail air brake proportioning valves standard equipment on all its tractors and has expanded its anti-lock braking system options.

The new features are part of its effort to improve vehicle safety. Previously available safety items include three-point restraint systems, automatic brake adjusters and right-side windows with wide-angle Fresnel lenses.

James L. Hebe, Freightliner senior vice president of sales and marketing, said the Bendix BP-R1 proportioning valve, after sensing that a tractor is bobtailing, reduces pressure in the rear brake chamber to limit wheel lockup.

The purpose is to let the front axle — which carries most of a bobtailed tractor's weight — do most of the braking. The proportioning valve then optimizes braking between axles for safer operation.

The company's new anti-lock braking system is a simpler and more affordable version of the Wabco system it has been offering.

It has four channels, rather than the six of the previous system.

In a six-channel system, sensors monitor the speeds of all six wheels. With a four-channel system, sensors are installed on four wheels, the two on the front axle and two wheels on one of the drive axles, depending on the type of suspension the truck has.

Hebe said tests showed that if the brakes on the tandem axle are well-maintained and in good balance, the stopping and stability performance of the four-channel and six-channel anti-lock braking systems are nearly identical.

The six-channel system still performs best overall, but the four-channel system provides a definite improvement in stopping and stability, he added.

The new system also offers the "Traction Plus" add-on option that automatically applies the brakes to a wheel that is just starting to spin, allowing the driver to maintain directional stability and control when accelerating from a standstill.

Freightliner introduced the more expensive six-channel system first because "after the disappointing days of mandated (anti-lock braking) systems (in the 1970s), we weren't taking any chances with a system that wasn't clearly the very best," Hebe said.

The four-channel system sells for $1,850. Traction-Plus as an optional add-on feature is another $575. The six-channel system is $3,000.

Freightliner will continue to offer the latter, though it expects most customers to gravitate toward the less expensive system.

The company has sold approximately 1,200 six-channel anti-lock braking systems since introducing them in 1987.

To help bolster sales of anti-lock braking systems, Freightliner's subsidiary, Mercedes-Benz Credit Corp., is offering a 7.5 percent reduction in insurance premiums on vehicles equipped with them. Associates Commercial, the finance company recently purchased by Ford Motor Co., is also offering a 5 percent reduction in insurance premiums for vehicles equipped with anti-lock brakes.

Associates Commercial offers financing and insurance to all heavy-truck manufacturers.

TRUCK BRIEFS

New Volvo sleepers

GREENSBORO, N.C. — Volvo GM Heavy Truck introduced sleeper versions of its Volvo FE6 and FE7 tractors and trucks in the United States.

The new models are designed for regional and national transportation of high-volume, low-weight goods, according to Thomas Sokach, Volvo GM regional distribution product manager.

The new Volvo models have a compact sleeping compartment under the same roof, eliminating interior bulkheads between the cab and bunk. The bunk area has a 24- by 75-inch mattress with three feet between the mattress and the ceiling of the cab.

The FE6 and FE7 sleeper models have a bumper-to-back-of-cab measurement of 80 inches, 13.5 inches more than the non-sleeper models and weigh 145 pounds more.

New Grumman line

STURGIS, Mich. — Grumman Olson plans to introduce a line of dry freight van bodies for 1990 chassis this fall.

The new 10- to 28-foot van bodies are Grumman Olson's entry into the dry freight segment of the medium/heavy-duty truck market.

The company has been selling dry freight van bodies on cutaway chassis through Ford, GMC and Chevrolet dealers.

The new van body line will be compatible with chassis from domestic and foreign manufacturers and will be available through truck dealers and distributors throughout the United States.

Volvo GM introduces the first of its new FE6 sleeper cab models.

Makers fine-tune incentive programs; Jaguar's ends

By Arlena Sawyers
AUTOMOTIVE NEWS STAFF REPORTER

Several carmakers have adjusted their cash incentive programs while Jaguar discontinued its program last week.

General Motors divisions took the wraps off their 1990-model programs last week. They offer cash rebates or cut-rate loans (story on Page 1).

Chrysler Motors added select 1990 Dodge pickups to its consumer incentive program. It also increased rebates on 1988 and 1989 cars and trucks.

Dodge is offering a $2,000 rebate on 1988, 1989 and 1990 two-wheel-drive and four-wheel-drive 100 and 150 pickups. The 1988, 1989 and 1990 2wd and 4wd 250 and 350 models (excluding diesel and Club Cab) have a $2,000 rebate as well.

The $500 incentive on 1988 and 1989 Dakota S now includes 1990 models. The cash on 1988 and 1989 Dakota (except S and Club Cab) is increased to $1,500 from $1,000 and is extended to 1990 models. All 1990 model 2wd and 4wd Ram Club Cab pickups are covered by $1,500 rebates. The 1990 Dakota Club Cab carries a $1,000 incentive.

Chrysler car rebates are: 1988 and 1989 base Plymouth and Dodge Colt three-door models, $500 up from $300; 1988 and 1989 Dodge and Plymouth Colt E three-door models with manual transmission, $750 up from $500 (models with automatic transmissions remain unchanged at $750); 1988 and 1989 Dodge and Plymouth Colt wagon, $750 up from $500; 1988 and 1989 2wd Ram 50, $750 up from $500; and 1988 and 1989 Dodge and Plymouth Vista, $750 up from $500.

Also: 1988 Dodge and Plymouth Colt DL three-door hatchback, $1,000; 1938 and 1989 4wd Ram 50, $1,000 up from $750; 1989 Dodge and Plymouth Colt GT three-door hatchback, $1,500 up from $1,000; and 1988 and 1989 Dodge Raider, $2,500 up from $2,000.

Unchanged are Chrysler Conquest at $2,000; 1988 Dodge and Plymouth Colt four-door sedan, $500; and 1989 Eagle Summit, $1,000.

Consumer cash on 1988 and 1989 Chrysler LeBaron (except convertible) is increased from $1,500 to $2,000 and the 1988 and 1989 Dodge Daytona rebate goes from $1,000 to $1,500.

Cash incentives on 1988 and 1989 Dodge Omni, Plymouth Horizon, Dodge Shadow and Plymouth Sundance are reduced from $1,500 to $750.

Alternative financing through Chrysler Credit Corp. remains unchanged. The 0.0 percent financing on loans of one to 24 months on 1988 and 1989 Chrysler New Yorker Landau and LeBaron coupe (except convertible), Dodge Daytona and Dodge conversion vans, Eagle Premier and Jeep Grand Wagoneer remains in effect.

Finance rates for Cherokee and Wagoneer Limited are: 4.9 percent for one to 24 months; 7.9 percent for 25 to 36 months; 10.9 percent for 37 to 48 months; and 11.9 percent for 49 to 60 months.

For the rest of the vehicles in the incentive program the finance rates are: 2.9 percent for one to 24 months; 5.9 percent for 25 to 36 months; 6.9 percent for 37 to 48 months; and 10.9 percent for 49 to 60 months.

Chrysler Motors incentives run indefinitely.

Ford Motor Co. increased the customer cash on its 1989 Ford Probe GL and LX models to $750 from $500. The rebate on the Probe GT has gone from $500 to $1,000. The 1989 Ford Thunderbird SC and Mercury Cougar XR7 have received rebates of $1,500. The Probe, Thunderbird and Cougar programs expire Oct. 4; Ford's others have no cutoff date.

In lieu of cash allowances, Ford offers special finance programs at 2.9 percent for 24 months; 6.9 percent for 36 months; 7.9 percent for 48 months; and 10.9 percent for 60 months.

Peugeot Motors of America, which previously offered dealers incentives of $1,000 to $2,000 on select models, is now offering $1,000 to dealers on all of its cars.

Jaguar discontinued its $5,000 customer rebate on Sept. 18.

INCENTIVE WATCH

	Customer Incentives						Dealer Incentives	
		Finance Rates (Pct.) — Months —						
	Rebates	24	36	48	60	Expiration Date	Type	Expiration Date
Chrysler Motors								
Chrysler	$500 - $2,000	0.0*	5.9	6.9	10.9	None		
Dodge Cars	$500 - $1,500	0.0*	5.9	6.9	10.9	None		
Dodge Trucks	$500 - $2,500	0.0*	5.9	6.9	10.9	None		
Eagle	$1,000 - $2,000	0.0*	5.9	6.9	10.9	None		
Jeep Cherokee, Wagoneer Ltd.	$1,000	4.9	7.9	10.9	11.9	None	$500 - $750, based on quota	Sept. 30
Other Jeep	$500 - $1,000	0.0*	5.9	6.9	10.9	None		
Plymouth	$500 - $1,500	2.9	5.9	6.9	10.9	None		
Ford Motor Co.								
Ford Probe	$750 - $1,000	2.9	6.9	7.9	10.9	Oct. 4		
Ford T-bird SC	$1,500	2.9	6.9	7.9	10.9	Oct. 4		
Other Ford Cars	$500 - $1,500	2.9	6.9	7.9	10.9	None		
Ford Trucks	$500 - $1,250	2.9	6.9	7.9	10.9	None		
Lincoln	$1,000 - $1,500	2.9	6.9	7.9	10.9	None		
Mercury Cougar XR7	$1,500	2.9	6.9	7.9	10.9	Oct. 4		
Other Mercury	$1,000 - $1,500	2.9	6.9	7.9	10.9	None		
Merkur	$2,000 - $4,000	2.9	6.9	7.9	10.9	None		
General Motors								
Buick	$500 - $1,500	2.9	5.9	6.9	10.9	Sept. 27	All GM divisions: Zero to $1,000 per sale based on performance against quota. $150 per sale if dealer elects not to participate in quota program.	Sept. 27
Cadillac	$1,000 - $1,500					Sept. 27		
Chevrolet Cars	$400 - $1,000	2.9	5.9	6.9	10.9	Sept. 27		
Chevrolet Trucks	$400 - $1,250	2.9	5.9	6.9	10.9	Sept. 27		
GMC	$500 - $750	2.9	5.9	6.9	10.9	Sept. 27		
Oldsmobile	$1,000 - $2,500	2.9	5.9	6.9	10.9	Sept. 27		
Pontiac	$700 - $1,250	2.9	5.9	6.9	10.9	Sept. 27		
Audi							$1,800 - $5,000, some based on quota	Sept. 30
BMW 325i			9.6	9.6	9.6	Sept. 30		
Hyundai	$500 - $1,000					Oct. 5		
Excel							$300	Oct. 5
Sonata							$500, based on quota	Oct. 5
Mitsubishi Cars							$800 - $2,500, based on number sold	Sept. 30
Trucks							$300 - $2,500, based on number sold	Sept. 30
Nissan								
Stanza	$1,500 - $2,000			7.9	9.9	Dec. 4		
Sentra							$100 - $2,000, based on quota	Dec. 4
Trucks							$200 - $2,000, based on quota	Dec. 4
Peugeot							$1,000	Dec. 31
Porsche							$3,000 - $6,000 on 40 percent of cars sold	Sept. 30
Sterling	$3,500 - $5,000					Nov. 30		
Subaru	$500 - $3,000*					Nov. 2	$500 - $3,000*	Nov. 2
Toyota Cressida							$1,500	Nov. 2
Volkswagen	$500 - $2,000	4.9	6.9	7.9	9.9	Oct. 31		

*2.9 percent on some models

Cadillac does not have a finance-rate incentive.

*Rebates go to the customer in some regions and to the dealer in other regions

REBATES

FROM PAGE 1

tives on its 1990 models.

Chrysler Motors also announced incentives on some 1990 trucks that include increased cash rebates.

The 1990 Dodge two-wheel-drive and four-wheel-drive 100 and 150 pickups and 1990 2wd and 4wd 250 and 350 models (excluding diesel and Club Cab) are covered by a $2,000 rebate.

There is a $1,500 rebate on Dakota (except S and Club Cab). Dakota S has a $500 incentive. All 1990 2wd and 4wd Ram Club Cab pickups have a $1,500 rebate. The 1990 Dakota Club Cab is covered by a $1,000 rebate.

Moves by GM and Chrysler likely will force Ford Motor Co. to join the fray. Some of its present incentives expire Oct. 4; others have no expiration date.

Incentives on 1990 models had been expected as auto analysts predicted soft fourth-quarter sales. Analysts speculated that hefty price hikes by the Big 3 would be used to cover the cost of more aggressive incentives.

Thomas O'Grady, an auto analyst and president of Intergrated Automotive Resources in Wayne, Pa., said, "Without incentives, they are not going to sell cars." He agreed that GM will most likely start the 1990 incentive momentum with Chrysler and Ford close behind.

"GM is the one we keep hearing rumors about and they seem to be the most anxious," he said.

Indeed, some GM dealers early last week were anxiously awaiting the go-ahead for 1990 rebates from the manufacturer. They expressed resentment about having to use incentives to sell cars they believe are overpriced in the first place.

"We're hoping they do (announce incentives)," said a GM dealer who did not want to be identified. "For instance, Oldsmobile 98s are up $1,000. It's hard to justify the price increase on that car."

Said another dealer: "I have a gut feeling that they (GM) have recognized that the cars are a little overpriced. Lowering the price (with rebates) means it was overpriced in the first place. Look at the Cadillac Allante. Had it been priced at $49,900, they would have sold more of them."

NADER

FROM PAGE 2

Nader, who would rather see research on ethanol as a cleaner fuel, said methanol is the auto companies' "insurance card. It keeps the fuel cycle inside the club. The oil industry. The coal industry. The auto industry."

Nader cited the Japanese automakers for lagging in pollution control, fuel efficiency and safety.

"The technology is stagnating," he said, because the Japanese work more on production efficiency and dash panel gadgetry, rather than safety, fuel efficiency and pollution control.

Before, he said, Japanese makers were at least doing advanced research. "It was usable politically. Now we can't even use it politically. There is nothing to point to."

The Japanese are trailing U.S. makers in air bag use, Nader said. They are gradually installing them in products for the United States, but they may not be concerned about the same safety features in Japan.

"I don't get the impression they'll have the same proportion (of air bags) in this country," Nader said. "I think they're going to try to say seat belts are good enough."

There is no consumer pressure in Japan to make them take action, he said.

"But it may become a publicity issue. It's one thing selling cars abroad cheaper than they're sold here. It's another thing having a double standard for protection of life. I don't see how that's going to play."

The EPA's Motor Vehicle Emissions Control Laboratory in Ann Arbor, Mich., is examining a wide variety of Japanese vehicles powered by methanol. Just some of the M100 (100 percent methanol) and M85 (15 percent gasoline and 85 percent methanol) vehicles tested recently were a Nissan Sentra, a turbocharged Nisson Sentra, a Toyota LCS-M Carina, and a Toyota Cressida.

GM to idle six plants in October

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

General Motors will begin the fourth quarter by idling six U.S. plants in an effort to keep inventory in line with sales.

The company will close four truck plants and two car plants in October.

GM closed three plants today to adjust bulging inventory. They are: Arlington, Texas; Detroit truck; and the Pontiac West truck facility in Pontiac, Mich. Arlington will be down one week; Detroit truck, two weeks; and Pontiac West, three weeks.

The Wilmington, Del., plant, which assembles the Chevrolet Corsica/Beretta, will be idle the weeks of Oct. 2 and Oct. 9.

Slow Corsica/Beretta sales have also forced GM to schedule downtime at its Linden, N.J., plant for two weeks beginning Oct. 9. Chevrolet dealers had a 78-day supply of those models on Sept. 1.

Also, GM will close its truck plants in Moraine, Ohio, and Shreveport, La., for three weeks, beginning Oct. 2.

Last week's targeted domestic output totaled 154,387 cars, 9.12 percent more than the prior week's 141,483 and 4.67 percent above the year-ago week's 147,496.

Last week's estimated production was split as follows:

GM, 46.62 percent; Ford Motor Co., 23.98 percent; Chrysler Motors, 13.41 percent; Honda of America Manufacturing, 4.74 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 2.71 percent; Toyota Motor Manufacturing U.S.A., 2.47 percent; New United Motor Manufacturing Inc., 2.33 percent; Diamond-Star Motors, 2.04 percent; and Nissan Motor Manufacturing Corp. U.S.A., 1.70 percent.

Last week's scheduled truck production rose to 80,744, up 12.87 percent over the prior week's 71,538, when two Ford plants were down because of high inventory. Last week's total dipped 9.00 percent from the year-ago week's 88,732.

Ford's Wayne, Mich., truck plant was expected to resume output today after being idle because of a parts shortage.

Chrysler's Grand Wagoneer line at its Toledo, Ohio, plant was scheduled to resume operation after two weeks of downtime due to slow sales.

Car output rises 14% in Canada

Last week's scheduled Canadian car output of 22,388 rose 13.87 percent above the prior week's 19,661 and increased 8.06 percent over the year-ago week's 20,719.

Truckmakers planned to build 20,630 units last week, 1.75 percent above the previous week's 20,276 but 3.87 percent fewer than the year-ago week's 21,461.

Chrysler Motors' Bramalea, Ontario, plant resumed production of its Premier line today.

The plant had been idle for six weeks because of slow sales.

U.S. CAR	Week Ended Sept. 23, 1989	Week Ended Sept. 24, 1988	Week Ended Sept. 16, 1989	Sept. to Date	Jan. 1 to Sept. 23, 1989	Jan. 1 to Sept. 24, 1988
Horizon	800	1,471	153	953	22,128	59,329
Sundance	2,000	2,140	1,996	5,902	76,255	74,663
Reliant	0	2,187	0	0	0	63,969
Acclaim	2,600	0	3,215	8,826	92,668	0
Caravelle	0	0	0	0	0	9,087
Gran Fury	0	190	0	0	0	16,526
Total Plymouth	5,400	5,988	5,364	15,681	191,051	223,574
LeBaron K	0	0	0	0	0	7,912
LeBaron J	2,800	1,968	2,764	8,281	77,594	56,271
LeBaron GTS	0	243	0	0	2,946	6,838
N. Yorker C-Class	900	2,200	979	2,648	63,841	76,331
Fifth Avenue	1,900	946	2,003	5,975	12,429	22,136
Total Chrysler	5,600	5,357	5,746	16,903	156,810	169,488
Omni	900	1,470	164	1,064	23,293	58,042
Daytona	1,800	2,006	1,826	5,426	61,343	55,472
Shadow	2,000	2,254	2,034	5,955	73,405	74,227
Aries	0	2,140	0	0	0	60,677
Dodge 600	0	0	0	0	0	8,549
Dynasty	2,000	2,652	2,384	6,432	98,371	76,386
Lancer	0	153	0	0	1,528	6,592
Spirit	3,000	0	3,475	10,024	78,545	0
Diplomat	0	387	0	0	0	14,436
Total Dodge	9,700	11,062	9,883	28,901	336,485	354,381
CHRYSLER MOTORS	20,700	22,407	20,993	61,485	684,346	747,443
Escort	9,063	9,464	8,497	25,593	243,828	287,847
Mustang	3,409	4,359	0	6,098	150,159	147,660
Tempo	2,892	3,139	2,957	8,916	109,248	134,732
Taurus	7,677	8,452	6,691	17,624	261,036	288,685
Thunderbird	3,329	0	3,129	8,443	112,542	90,246
Total Ford Div.	26,370	25,414	21,274	66,674	876,813	949,170
Topaz	1,508	1,371	1,424	4,253	51,381	51,176
Cougar	2,210	0	2,293	6,482	96,271	69,686
Sable	2,922	2,737	2,970	7,065	85,553	98,029
Total Mercury	6,640	4,108	6,687	17,800	233,205	218,891
Continental	1,203	1,529	992	2,816	46,490	35,741
Mark VII	402	763	326	928	15,008	19,006
Lincoln	2,413	2,292	1,982	5,617	88,100	93,685
Total Lincoln	4,018	4,584	3,300	9,360	149,598	148,432
Total L-M Division	10,658	8,692	9,987	27,160	382,803	367,323
FORD MOTOR CO.	37,028	34,106	31,261	93,834	1,259,616	1,316,493
Skyhawk	0	631	0	0	6,913	12,850
Skylark/Somerset	1,730	1,113	1,756	5,200	44,295	35,663
Century	2,835	4,714	2,796	8,485	95,740	89,671
Riviera	539	580	337	1,349	13,893	5,359
Electra	2,068	1,222	2,014	6,582	58,405	60,345
LeSabre (fwd)	3,195	3,020	3,202	9,453	110,707	94,815
LeSabre (rwd)	203	234	204	615	5,161	10,123
Reatta	203	234	211	617	4,223	5,166
Total Buick	10,773	11,748	10,520	32,301	339,337	315,625
Cimarron	0	0	0	0	0	3,693
Eldorado	592	672	415	1,446	21,509	25,670
Seville	399	505	275	989	15,854	16,161
Brougham (rwd)	1,645	874	1,586	4,293	28,250	24,088
Deville (fwd)	4,847	2,607	3,840	12,553	146,263	107,275
Allante	75	75	75	165	2,242	1,304
Total Cadillac	7,558	4,733	6,191	19,446	214,118	178,191
Cavalier	7,571	7,631	6,395	19,306	261,481	263,378
Camaro	2,090	3,064	2,143	6,171	74,131	65,342
Celebrity	0	4,086	0	0	70,349	132,602
Corsica/Beretta	9,020	11,112	8,980	26,860	281,530	306,587
Caprice	3,150	4,057	3,064	9,891	133,885	152,797
Corvette	560	450	504	1,615	18,748	16,263
Total Chevrolet	22,391	30,400	21,086	63,844	840,124	936,960
Calais	1,870	3,407	1,914	5,647	66,703	82,090
Firenza	0	0	0	0	0	5,230
Cutlass Ciera	1,645	1,289	1,399	4,358	65,449	18,535
Cutlass Supreme	3,958	0	3,985	11,699	74,367	100,822
Toronado	516	292	345	1,169	6,183	11,175
88 (fwd)	3,856	3,147	2,917	8,893	90,345	112,740
88 (rwd)	183	113	190	494	5,911	8,657
Olds 98	1,523	1,087	1,362	4,266	53,355	53,209
Total Oldsmobile	13,551	9,335	12,112	36,527	371,313	392,458
Sunbird	3,538	2,320	2,716	8,896	105,080	78,000
Grand Am	4,800	5,181	4,744	14,380	176,195	171,500
Firebird	1,335	2,038	1,248	3,798	41,579	45,226
Grand Prix	3,873	4,122	3,913	11,327	95,242	97,479
Pontiac 6000	1,645	3,199	1,591	4,868	69,860	60,903
Bonneville	2,493	2,676	2,207	7,105	60,061	83,419
Safari/Parisienne	0	178	0	0	2,691	5,904
Fiero	0	0	0	0	0	13,260
Total Pontiac	17,684	19,714	16,419	50,374	550,708	555,691
GENERAL MOTORS	71,957	75,930	66,326	202,492	2,315,600	2,378,934
DIAMOND-STAR	3,157	0	2,314	8,161	52,060	0
HONDA	7,320	7,882	6,409	20,885	272,803	269,059
Civic	3,670	2,316	2,844	10,199	96,430	78,030
Accord	3,650	5,566	3,565	10,687	176,373	191,029
MAZDA†	4,190	4,269	4,420	12,783	148,591	96,191
NISSAN	2,625	2,902	2,602	7,872	86,832	81,204
NUMMI	3,600	0	3,364	9,603	146,134	111,019
Corolla	1,400	0	1,330	3,756	59,137	40,531
Geo Prizm/Nova	2,200	0	2,034	5,847	86,997	70,488
TOYOTA	3,810	0	3,792	11,200	100,207	0
VOLKSWAGEN	0	0	0	0	0	35,595
Golf/GTI	0	0	0	0	0	30,042
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	154,387	147,496	141,483	428,376	5,066,189	5,035,938
Total Cars, Canada	22,388	20,719	19,661	60,467	700,545	781,885
U.S., Canada Cars	176,775	168,215	161,144	488,843	5,766,734	5,817,823
U.S., Canada Cars and Trucks	278,149	278,408	252,958	784,593	9,567,876	9,500,045

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe

CANADIAN CAR	Week Ended Sept. 23, 1989	Week Ended Sept. 24, 1988	Week Ended Sept. 16, 1989	Sept. to Date	Jan. 1 to Sept. 23, 1989	Jan. 1 to Sept. 24, 1988
Premier	1,275	1,280	0	1,275	27,241	44,877
CHRYSLER MOTORS	1,275	1,280	0	1,275	27,241	44,877
Tempo	3,360	3,209	3,046	9,617	96,816	128,779
Topaz	1,440	1,568	1,283	4,100	41,157	48,895
Crown Victoria	2,254	2,756	2,089	6,245	86,721	93,429
Grand Marquis	2,642	2,969	2,430	7,148	93,487	94,401
FORD MOTOR CO.	9,696	10,502	8,848	27,110	318,181	365,504
Celebrity	353	187	325	841	16,121	15,272
Cutlass Ciera	644	3,364	557	1,524	97,648	174,240
Lumina	4,940	0	4,672	14,196	107,855	0
Pontiac 6000	0	0	0	0	0	29,675
Regal	2,900	4,309	2,931	8,552	56,391	116,268
GENERAL MOTORS	8,837	7,860	8,485	25,114	278,015	335,455
HONDA	2,000	1,077	1,723	5,396	60,691	31,536
TOYOTA	400	0	437	1,109	10,623	0
VOLVO	180	0	168	463	5,794	4,513
Total Cars, Canada	22,388	20,719	19,661	60,467	700,545	781,885

U.S. TRUCK☆	Week Ended Sept. 23, 1989	Week Ended Sept. 24, 1988	Week Ended Sept. 16, 1989	Sept. to Date	Jan. 1 to Sept. 23, 1989	Jan. 1 to Sept. 24, 1988
Caravan	2,100	1,929	2,569	7,150	76,929	69,301
Dakota	2,200	2,813	2,198	6,480	71,679	77,002
Caravan C/V	200	239	111	417	5,257	9,761
Ram pickups	2,300	2,796	2,208	6,623	71,948	55,470
Total Dodge	6,800	7,777	7,086	20,670	225,813	211,534
Cherokee	4,400	3,816	4,403	12,970	162,329	132,420
Comanche	500	835	480	1,475	21,358	33,049
Grand Wagoneer	0	350	0	260	7,774	10,116
Wagoneer	200	169	134	424	5,941	7,649
Total Jeep	5,100	5,170	5,017	15,128	197,402	183,234
Voyager	1,800	1,792	2,258	6,236	71,838	65,243
Town & Country	60	0	210	407	2,824	0
Total C-P Div.	1,860	1,792	2,468	6,643	74,662	65,243
CHRYSLER MOTORS	13,760	14,739	14,571	42,442	497,877	460,011
Aerostar	4,280	5,530	4,080	12,288	165,920	149,289
Bronco	0	916	1,158	2,367	54,886	40,149
Bronco II	2,344	2,050	0	4,684	86,626	95,035
Econoline	4,179	5,532	0	8,112	165,198	173,527
Med./Heavy trucks	1,289	1,311	0	2,531	44,603	48,460
Light trucks	8,789	9,828	9,376	28,630	388,686	357,131
Ranger	6,789	5,260	2,071	15,336	231,070	254,950
Total Ford Div.	27,670	30,427	16,685	73,948	1,134,989	1,118,541
FORD MOTOR CO.	27,670	30,427	16,685	73,948	1,134,989	1,118,541
Astro	3,250	4,000	3,172	9,527	120,942	129,123
Blazer	560	497	539	1,637	21,120	19,082
Mediums/Heavies	130	491	259	728	8,476	15,159
P-Model	719	943	721	2,097	23,622	30,155
Pickups	7,880	9,980	8,384	24,413	301,084	257,098
S-10	5,085	6,855	5,072	13,046	192,697	222,797
S-10 Blazer	3,750	4,144	3,696	10,191	141,368	121,004
Sportsvan/Van	1,630	2,004	1,641	4,950	71,916	69,574
Suburban	1,450	1,248	1,420	4,329	58,622	51,159
Total Chevrolet	24,454	30,162	24,904	70,918	936,128	915,151
Jimmy	145	165	158	469	6,239	5,506
Mediums/Heavies	262	627	713	1,546	14,096	28,424
P-Model	120	70	76	265	3,261	4,067
Pickups	2,035	1,942	2,383	6,959	90,040	80,276
S-15	1,175	1,690	1,117	4,171	44,953	50,409
S-15 Jimmy	1,170	906	1,188	3,305	40,024	34,417
Safari	1,050	1,007	1,017	3,076	32,057	32,900
Suburban	655	735	674	1,981	23,389	22,626
Vandura/Rally Vans	828	356	597	2,063	21,223	25,614
Total GMC	7,440	7,498	7,923	23,834	269,353	284,239
GENERAL MOTORS	31,894	37,660	32,827	94,752	1,205,481	1,199,390
NAVISTAR	1,630	1,744	1,646	4,747	59,663	62,863
NISSAN	2,340	1,412	2,359	7,213	88,869	69,396
AM GENERAL	450	450	450	1,440	16,740	17,010
MISCELLANEOUS	3,000	2,300	3,000	9,600	105,600	86,940
Total Trucks, U.S.	80,744	88,732	71,538	234,142	3,109,219	3,014,151

CANADIAN TRUCK	Week Ended Sept. 23, 1989	Week Ended Sept. 24, 1988	Week Ended Sept. 16, 1989	Sept. to Date	Jan. 1 to Sept. 23, 1989	Jan. 1 to Sept. 24, 1988
Caravan	3,366	2,950	3,347	10,011	105,140	103,098
Caravan C/V	204	218	206	615	8,438	9,391
Ram Wagon	660	728	504	1,762	19,626	18,545
Ram Van	1,690	2,167	1,900	5,393	51,445	49,816
Total Dodge	5,920	6,063	5,957	17,781	184,649	180,850
Voyager	2,574	3,040	2,616	7,797	91,633	92,681
Total Plymouth	2,574	3,040	2,616	7,797	91,633	92,681
Wrangler	1,700	1,273	1,823	5,361	60,030	36,676
Total Jeep	1,700	1,273	1,823	5,361	60,030	36,676
CHRYSLER MOTORS	10,194	10,376	10,396	30,939	336,312	310,207
FORD MTR. (lt. trks.)	3,040	3,477	2,599	8,822	114,681	117,598
Light trucks	3,655	3,683	3,473	10,827	117,322	111,997
Vans	1,410	1,387	1,052	3,923	42,948	42,578
Total Chevrolet	5,065	5,070	4,525	14,750	160,270	154,575
Light trucks	1,591	1,612	1,901	4,981	51,752	55,805
Vans	540	652	658	1,483	20,490	21,538
Total GMC	2,131	2,264	2,559	6,465	72,242	77,343
GENERAL MOTORS	7,196	7,334	7,084	21,214	232,512	231,918
NAVISTAR	200	274	197	633	6,418	6,348
Total Trks., Canada	20,630	21,461	20,276	61,608	691,923	668,071
U.S., Canada Trks.	101,374	110,193	91,814	295,750	3,801,142	3,682,222

☆—Includes window van production *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Automotive News®

October 2, 1989

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Sour sales spur Suzuki U.S. shakeup

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

BREA, Calif. — A housecleaning at American Suzuki has left the company without its top American managers and has put Japanese executives in charge of operations.

Two founding members of Suzuki's U.S. automotive team, Doug Mazza and John Dorsey, were among three American managers who abruptly resigned last week. And the president of the automotive division, Toshiyuki Arai, has been reassigned to Japan.

The shakeup reinforces a pattern among overseas-based automakers: When things go sour, the home executives take control. The moves also serve as another reminder of the lingering damage from a 1988 Consumer Reports story that called the Samurai unsafe. Despite widely praised efforts in crisis control, Suzuki hasn't recovered.

Kenji Shimizu, a longtime senior managing director of Suzuki Motor Co. who was sent from Japan in July to bolster Suzuki's ailing U.S. operations, adds the title of president to his job as chairman of American Suzuki Motor Corp. In addition to Suzuki's automotive products — the Samurai and Sidekick sport utilities and Swift subcompact — the company also sells motorcycles, outboard engines and power equipment.

Mazza

Another Japanese Suzuki executive, Yoshi Fujii, starts today as executive vice president of the automotive division, Suzuki of America Automotive Corp.

Gone are three pioneers who helped launch Suzuki's U.S. automotive operations five years ago and were hailed as marketing wiz-

see SUZUKI, page 36

AUTOMOTIVE NEWS/LANCE GRAVES

JAGUAR

Ford and GM ready to battle for share of luxury carmaker

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Ford Motor Co.'s early play for Jaguar signals the beginning of a drawn-out bidding war with General Motors for one of the world's most attractive auto marques.

The maneuvering could take a myriad of turns, but a few certainties are emerging, say industry analysts and observers: Jaguar Chairman Sir John Egan and his management team have virtually no chance of remaining independent, despite their declared intent to do so, and no one can realistically compete with Ford and GM for the prize.

Unlike Porsche or BMW, there is no controlling family to resist takeover and the lone shareholder with power to prevent a sale, the British government, appears to favor a new owner.

Furthermore, the high price that will be commanded — Jaguar's uncertain prospects notwithstanding — is seen as prohibitive to almost everyone but the world's two largest carmakers.

> **"GM and Ford probably see it as a chance of a lifetime."**
>
> **— JOHN LAWSON**
> **Nomura Research Institute**

"GM and Ford probably see it as a chance of a lifetime," said John Lawson of Nomura Research Institute in London. "They can probably convince themselves that this is one of those rare opportunities for which it is worth losing money for a decade."

Jaguar, which has been hit by falling sales in the United States, reported an operating loss of £2.8 million ($4.5 million) in the first half of 1989.

Analysts expect the company to sell for £7 to £10 ($11-$16) per share for a total of £1.3 billion to £1.8 billion ($2.1 million to $2.9 billion).

Ford announced Sept. 19 that it will take an initial stake of up to 15 percent — the maximum permitted by the British government under terms of Jaguar's 1984 privatization. That limitation, called the golden share, expires in December 1990.

The Wall Street Journal reported last week that Ford's move to buy shares on the open market was a reaction to the imminent friendly acquisition of a 30 percent stake by GM that would have required early relaxation of the golden share.

Ford's pre-emptive strike put the reported GM-Jaguar agreement on

see JAGUAR, page 33

Audi plans price cut on all '90s

Incentives slated for salespersons

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

Audi of America this week will announce across-the-board price cuts of 7-9 percent on 1990 models.

Company officials told Audi dealers last week at a Dallas meeting that Audi also will reduce wholesale parts prices to dealers and establish a cash incentive program to help keep salespeople in the Audi ranks.

Richard L. Mugg, vice president of Volkswagen of America in charge of Audi of America, told dealers Audi will announce its 1990 prices Wednesday.

Mugg also outlined a plan to rid the organization of marginal dealers, as previously reported in Automotive News.

"We're not out to cut dealers, were out to help build dealerships," Mugg told the group.

But he said Audi is losing patience with dealers who are not interested in the franchise.

The news came at Audi's annual dealer meeting, a "one-day, nononsense affair" last Friday that was attended by an estimated 80 percent of Audi's 365 dealers.

The 1990 pricing strategy outlined to dealers by Mugg apparently replaces cash-to-dealer incentives used during the 1989 model year.

A Midwest Audi dealer who attended the meeting said prices will be cut on all models.

He said a 1989 Audi 100 that is priced at $28,300 will be $26,900 for 1990 equipped with automatic transmission, driver-side air bag and ski sack.

Audi said other 1990 models will have more standard equipment than 1989 models.

see AUDI, page 33

GM to appeal $5.2 million jury award to bankrupt Ohio dealer

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

General Motors vows to appeal a $5.2 million award to the owner of a defunct Chevrolet dealership in Painesville, Ohio, after a jury ruled that GM forced him into bankruptcy by aiding a competing dealership.

Daniel Nester, 48, former owner of Earl Evans Chevrolet, said GM favored a nearby dealership that was partially owned by Motors Holding, a division of GMAC Financial Services, with hot-selling new cars while withholding them from his dealership.

Charges of nepotism also shadowed the suit because relatives of GM employees worked at Classic Chevrolet in Mentor, Ohio, which opened only four miles from Nester's dealership in 1979.

The benchmark verdict could eventually cost the automaker more than $15 million after figuring interest, attorney fees and a requirement in the state's Dealer Day in Court Act that calls for doubling jury awards won by auto dealers against manufacturers.

Nicholas DeVito, Nester's lawyer, characterized the award as the "largest for any auto dealer against a manufacturer ever in Ohio."

The jury specifically determined that "GM failed to act in good faith" in its relations with Nester and "discriminated in its allocation of new motor vehicles," leading to the destruction of his dealership in violation of the act.

DeVito has asked for $4.2 million in legal fees plus interest dating from 1979 when Classic opened.

Evans Chevrolet had been in business since 1954.

A GM spokesman said the company is disappointed in the outcome of the week-long trial in Lake County Common Pleas Court.The trial ended Sept. 19.

The jury found that GM discriminated against Earl Evans Chevrolet beginning in 1979 by ignoring Nester's requests for popular vehicles and giving them instead to Classic Chevrolet.

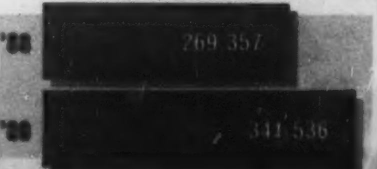
"There was also a vast disparity in order-response time," said Nester. "In some cases, Classic received cars twice as fast as I did."

Nester said Motors Holding's investment in Classic Chevrolet was about $2 million while the dealer-operator's stake was $150,000.

Motors Holdings invests in dealerships to aid qualified dealers who may not have enough startup capital. The investments are not intended to be permanent equity positions. Motors Holding sold its stake to dealer Jim Brown in 1981. He declined comment on the lawsuit.

see SUIT, page 33

Incentives help sales:
sales in September's second 10-day period were up 12.7 ent, and with an extra selling day, total sales were up 26.8 ent, to 341,536 cars and light trucks. Page 16.



Reitzle

Peter

Halbach

BMW won't rush new 7 to answer Mercedes S

Automotive News Staff Reporter Richard Johnson rounds up the news — and rumors — from the biennial Frankfurt auto show.

FRANKFURT, West Germany — BMW will not respond to Mercedes' new S-class by replacing the 7 series in 1992 — three years ahead of schedule — as has been speculated in Germany.

Rather, the emerging picture of a significantly larger S-class successor will find the 7 without drastic facelifting or changes, according to product development chief Wolfgang Reitzle, who said the current BMW will fit into a slightly smaller vehicle segment.

Reitzle said BMW stylists will concentrate on the exterior shape of the new 7 next year, which under BMW's development cycle means a 1994 or 1995 introduction.

Mercedes-Benz product development chief Wolfgang Peter said the new S-class is three months ahead of schedule.

Tentative plans call for the car to be shown at the Paris auto show in October 1990. Mercedes marketing executives point to a late-1990 or early-1991 sales launch.

But the S-class's scheduled 1992 model year launch in the United States could delay the public debut until the Geneva show in March 1991. Mercedes may not want an entire year to lapse between a Paris showing and the U.S. debut.

Big-engine maneuvers

A high-ranking insider says Mercedes-Benz has decided not to proceed with a V-16 engine program. A key factor, he said, is that Mercedes is convinced that rival BMW has rejected the idea.

Meanwhile, BMW's Wolfgang Reitzle said there are no plans to counter Mercedes' forthcoming 6-liter, 400- horsepower V-12 with a bigger version of BMW's 5-liter, 300-hp V-12. A 48-valve, 5.4-liter version is known to have been developed but BMW, like Mercedes, already caps its V-12's top speed in the 750i and 850i at 155 mph.

No Porsche dealer purge

Porsche AG Marketing Director Hans Halbach said the 288-member U.S. dealer network should be "closer to 200 than 300, but we aren't sitting here with a plan and I wouldn't like to pin down a number."

A network of about 325 dealers retailed 30,471 cars in the United States in 1986. But sales of just over 11,000 are forecast for the 1990 model year. Halbach said he is demanding that franchise-holders make a strong commitment to the marque.

"We're not going to buy dealerships and we won't cancel anyone on a wholesale basis," he said.

928 facelift wins out

Porsche officials say they considered three options for breathing new life into the 12-year-old, range-topping 928 model that has never quite found its niche. The options were a new power package, a convertible and exterior freshening.

"We picked neither power nor a convertible," said Marketing Director Hans Halbach. "We picked optical changes that can be called a facelift."

Porsche is not revealing timing for the changes.

Subsidy rumblings

Top Mercedes-Benz officials confess to some curiosity about whether the competitively priced new Lexus and Infiniti luxury brands are being "subsidized" by Toyota and Nissan.

"There is some small question," said Juergen Hubbert, passenger-car chief at Mercedes-Benz AG. "We couldn't realize those prices."

Run-flat tire due for U.S.

After some hesitation, Mercedes-Benz has decided to offer Continental AG's ContiTireSystem run-flat tire on U.S. versions of the new SL.

Wolfgang Peter, head of passenger-car development at Mercedes-Benz AG, said timing hinges on production of the tire, though he added, "It can be next year."

The SL debuts in the United States this fall, but Mercedes is offering the system initially only in Europe. Continental has a limited sales and service network in the United States, but it is understood that Mercedes dealers might stock Continental TireSystem aftermarket equipment.

Continental claims its run-flat tire, if punctured, can be driven about 180 miles at up to 50 mph.

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Ford to pump $6 billion into plants

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Ford Motor Co. plans to spend a record $6 billion on capital expenditures for facilities and tooling in 1989 as it expands and improves its plants for an array of new products.

The $6 billion compares to the $4.8 billion Ford spent in 1988 and the estimated $7 billion that General Motors will spend in 1989, according to automotive analysts.

Ford's capital expenditures were $2.7 billion in the first half of 1989, compared with GM's $3 billion.

Ford is plowing money back into its present plants instead of building new assembly sites. GM, on the other hand, is shifting its money to products.

GM did most of its plant construction and renovation earlier in the decade and invested heavily in high technology. GM's Saturn plant in Spring Hill, Tenn., is its only new construction project.

Ford executives have said the company would rather expand and improve existing facilities than build new ones. In fact, Ford's top executives call the reinvestment strategy "new plants at old addresses."

Philip E. Benton, president of the Ford automotive group, told a Traverse City, Mich., automotive conference in August that Ford will make "whatever commitment of resources it takes to become the low-cost producer of high-quality cars and trucks."

One example is Ford's new small-car program in which Ford expanded and improved two plants to build the 1991 Escort and Tracer at a cost of $1.5 billion (facilities and tooling).

That included $600 million in improvements at its stamping and assembly plant in Wayne, Mich., and $260 million in improvments at its plant in Hermosillo, Mexico, according to Ford.

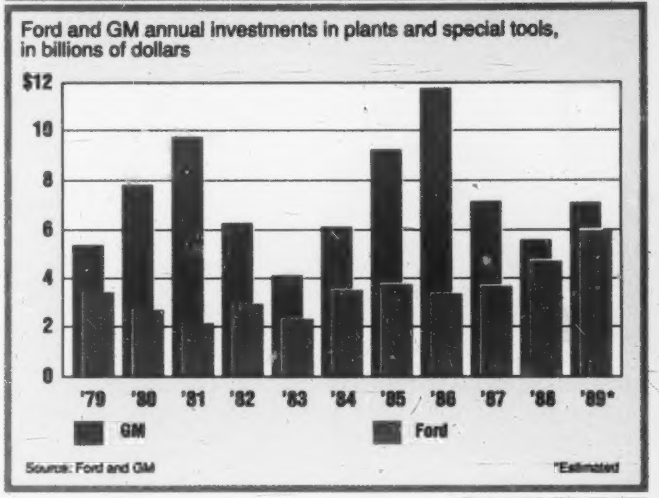
Some Ranger production will be transferred from the Louisville, Ky., light-truck plant to Edison, N.J., in 1990 to make way for the new four-door and two-door Explorer sport-utility models. The Explorer will replace the Bronco II.

Ford said it is spending $260 million to expand and retool the Louisville plant for the Explorer.

The entire Explorer project is expected to cost $563 million, including the expansion and retooling at Louisville, according to the company. It will also spend $285 million to retool the Edison, N.J.,

see FORD, page 37

Capital investments



AUTOMOTIVE NEWS / CHARLOTTE WINTER

Active suspension now a two-team race

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Mercedes-Benz is likely to introduce a microprocessor-based active suspension on its new SL roadster for the 1991 model year.

The timing suggests there will be a tight race between Mercedes and General Motors' Lotus Engineering to be first on the market with what some think will be the most important new automotive technology of the 1990s.

GM has not announced its active-suspension plans, but speculation points to initial use on the 1991 Corvette, followed by a Cadillac model.

Mercedes executives usually take the public position that they are not as keen on being first as being best when talking about technical innovations such as active suspension. But a high-ranking company official said, "In this case, we can be first and best."

In principle, the Mercedes active suspension is similar to that under development by Lotus, which is generally acknowledged as the leader in the new ride and handling technology.

With the microprocessor-based system, conventional springs and coils are replaced by hydraulic rams on each wheel. The jacks are instantaneously extended or retracted by computer-controlled valves to raise wheels over road imperfections as well as balance understeer and oversteer and minimize pitch and yaw movements.

Group Lotus Managing Director Michael Kimberley said in a recent interview with Automotive News that Lotus Engineering still leads the world in active-suspension development and that one of its clients, GM, should be first on the market.

But Kimberley conceded that the race to equip a production car is heating up. "I know that there are companies around the world pushing hard who are not working with us," he said.

Lotus has several active-suspension clients besides GM. They include Volvo and Chrysler. Kimberley said Lotus has fitted systems on at least 13 products, including military vehicles.

The Mercedes insider said active

see ACTIVE, page 37

Laforza buys out its British co-owner

By Luca Ciferri
STAFF CORRESPONDENT

TURIN, Italy — Laforza Automobiles has bought back the 50 percent stake in the company owned by Britain's Eagle Trust holding company.

Laforza produces a luxury four-wheel-drive sport-utility vehicle.

Joe Monterosso, founder and chief executive of Laforza, and three business partners now own 100 percent of the company.

The deal followed negotiations in London last week with Eagle Trust executives, led by Chairman Malcolm Stockdale.

Eagle Trust was recently cleared by Britain's Serious Fraud Office following allegations of fraud in connection with its Laforza holdings.

"With the current situation at Eagle Trust . . . I felt that, unless Eagle was prepared to finance and support the Laforza projects as they had originally agreed to do, we should be allowed the opportunity to secure a new partner for the future," Monterosso told Automotive News.

Stockdale said in London, "While the directors of Eagle Trust share my enthusiasm for Laforza, we felt it was in the best interest of our stockholders and financial partners to divest Laforza Automobiles from the company's holding."

Monterosso would not reveal financial details of the buyback.

Monterosso said production of 1990 Laforzas will start in early November and is expected to reach 1,500 units.

The new model, which features suspension improvements including fiberglass leaf springs, will be priced 6 to 8 percent higher than the 1989 tag of $45,850.

Laforza price will rise 6-8 percent.

The U.S. sales network, now 40 dealers, will rise to 50 in 1990, Monterosso said.

U.S. dealers have received about 200 units and sold about half, he said.

Future plans include a new luxury sports-utility to be introduced in 1991 or 1992.

OPINION

Starting the model year with a thud

The new model year gets off to a predictable thud this week. And imagine this: Rebates have already been slapped on some brand-new 1990 models.

When the automakers cut the price of a car even before consumers have had the opportunity to ignore that car, the consumers get a clear message: Sticker prices are a joke, and rebates are a scam.

How else can you explain price hikes of 5 and 10 percent, coinciding with big signs in dealerships advertising a $1,000 rebate?

General Motors didn't even pretend that its retail prices were real. It went back to the rebate trough even while its confusing set of incentives called "The Big Easy" was helping dealers clear out their summer overstocks.

GM acknowledges that the automakers have trained buyers so they won't enter the showroom without the promise of a $1,000 check. The trouble is, the consumer knows for a fact that the sticker price is at least $1,000 too high.

Dealers — who would prefer cash to themselves rather than directly to consumers — loudly denounce rebates. Manufacturers say they hate rebates. But customer incentives have become like the weather. Everyone talks about them, but nobody does anything about them.

That's not quite true. Volkswagen United States is reducing prices, scrapping consumer rebates and even working on paying good salespeople for their good work. It is a strategy born of desperation for the once-dominant importer. But it's a good idea.

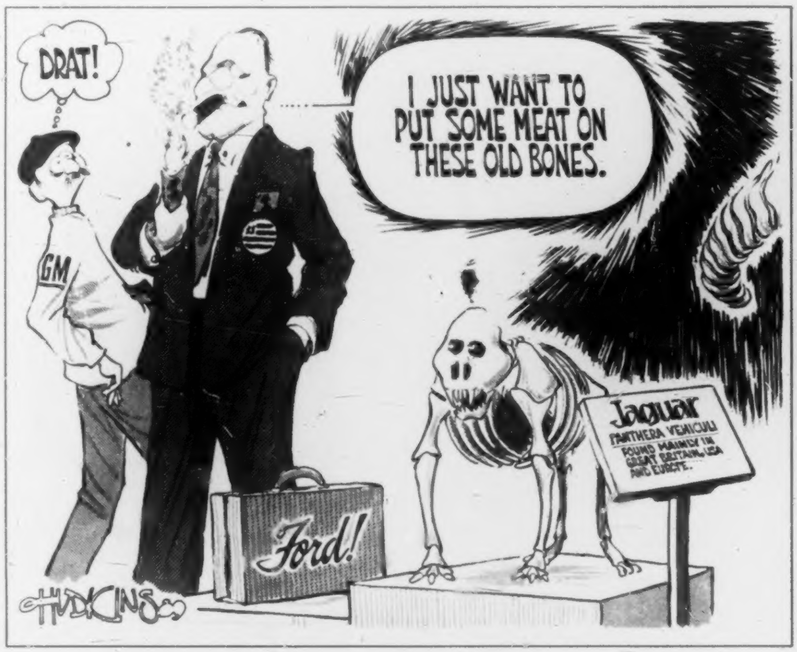
Meanwhile, the Chevrolet Lumina, GM's big hope for the important moderate-priced family sedan segment, already carries the stigma of a rebate almost before the paint is dry.

By the way, how do we know that the new sales year will get off to a thud? That's Big Easy. After building too many cars in the first half of 1989, the automakers sold off the big inventories in an August-September fire sale.

It worked, in a way. Sales picked up after a sluggish first half. But those sales came from savvy consumers who realized that the fire sale was a great time to pick up an affordable car and to avoid the price hikes of October.

So October will get the new-model introduction off to a snail's start, rebates or no.

Happy New Year.


DRAT!
GM
I JUST WANT TO PUT SOME MEAT ON THESE OLD BONES.
Ford!
Jaguar
PANTHERA VEHICULI
FOUND MAINLY IN GREAT BRITAIN, USA AND EUROPE.
HUDKINS

LETTERBOX

A vote for top dollar

In response to your opinion article, "Top dollar may not be best dollar," in your Sept. 11 issue: Every time I pick up an Automotive News or any other auto publication, it is doom and gloom. Sales off, inventories high and a return on sales before tax of under 2 percent for dealers.

Now that Mazda and Chevrolet have two hot models in the Miata and ZR-1, which are experiencing that rare economic occurrence for car dealers where demand exceeds supply, you suggest we ignore the natural response to this condition of making an upward price adjustment because the immediate dollar benefits may not be as great as the long-range advantages.

Apparently you don't read what you write. Unless dealers find a way to generate more income at a lower expense, many of us won't be around to realize the long-term advantages.

The intangibles of good will and public relations have nothing to do with the price a vehicle is sold for. It is the manner in which the customer was handled before, during and after the sale that makes for positive customer response.

Price doesn't sell cars . . . people do. And, as is proven time and time again, those customers who pay the dealer a sizable gross profit are those who are most satisfied.

Jon Shultz
President
Holiday Oldsmobile-Mazda
San Bernardino, Calif.

Remember supply and demand

Whatever happened to the law of supply and demand?

Based on your editorial, "Top dollar may not be best dollar," it sounds as if you feel that the law of supply and demand is only one-sided . . . one-sided for the customer.

If, however, you feel that it should be two-sided, then please tell us how to get customers, who will buy our slow-moving cars only if they're at a bargain, to pay manufacturer's suggested retail price. Then I think Chevrolet and Mazda dealers would probably agree with your editorial.

Your article makes me think you've been around Washington too much — if it's in the customer's favor, it's good; but if it's in business' favor, it's bad.

Of course, you could encourage things to be even more one-sided and we won't need your magazine anymore because we'll all be out of business.

Paul Ciener
Paul Ciener Ford
Kernersville, N.C.

We invite letters from our readers. Unsigned letters will not be considered, but you may sign your name with the assurance that it will not be used if you so request. Address letters to: Letterbox, Automotive News, 1400 Woodbridge Ave., Detroit, MI 48207. Our fax number is (313) 446-0383.

Who's on first?

On Aug. 9, the Wall Street Journal carried a full-page ad reporting the 1987, 1988 and 1989 results of the J.D. Power Customer Satisfaction Index for automobiles. Not surprisingly, Acura, Mercedes-Benz and Honda continue to occupy the top three spots.

True to the old saying, "Figures don't lie — but liars do figure," a July issue of Automotive News carried another full-page ad claiming Nissan, not Acura, is No. 1 in the J.D. Power survey!

Of course, Nissan is reporting the 1989 J.D. Power Initial Quality Survey for Asian imports (. . . among brown, 4-door, 6-cylinder models built after May 3, on the day shift, etc., etc.).

In other words, some innocuous combination of data, when taken out of context, will prove the claimant's superiority.

J.D. Power and Associates should take steps to protect the credibility of the venerable Customer Satisfaction Index. This rating has become a useful "qualifier" to guide customer purchase decisions, as well as a noble objective for the manufacturer to aspire to.

Unfortunately, the sort of statistical deception that Nissan utilized in its Automotive News advertisement both exploits the J.D. Power reputation and degrades the credibility of the CSI.

Nissan and others should obtain gains in customer satisfaction the "old-fashioned way," they should *earn* them!

R.G. Hoffman
Brea, Calif.

No smoking, no Ford

A couple of months ago, Automotive News carried an article that said Ford Motor Co. has banned all smoking in its facilities. Since then, I've spoken with friends and associates, smokers and nonsmokers alike, and we've decided that we will not, under any circumstances, consider the purchase of a Ford product.

Reason: Ford has adopted a program of discrimination that affects about a third of the population, those who choose to exercise their freedom to smoke.

It is only fair to assume Ford can therefore get along without that segment of the population as customers.

Shouldn't common sense prevail in these circumstance? Wouldn't it be fair to provide smoking and non-smoking areas in Ford's offices and plants for employees and guests?

Dick Carol
Anaheim, Calif.

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The weekly newspaper of the industry

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Sales rise 26%; extra day helps

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Primed with rebates on 1989 and some 1990 models, U.S. car and light-truck makers sold 26.80 percent more vehicles in mid-September than in the comparable period last year. This year's period had nine selling days compared with eight in 1988.

Sept. 11-20 new-vehicle deliveries totaled 341,536, compared with the 269,357 cars and light trucks sold in mid-September a year ago. The daily selling rate was up 12.71 percent.

"It's pretty clear the strength has been caused by incentives. If they (the carmakers) hadn't done it, there would have been a definite lull," said Ann Knight, analyst and vice president, Paine Webber in New York. Sales would have fallen off a cliff without incentives, she added.

About 63 percent of this year's gain came from General Motors' heavily rebated cars and light trucks. GM sold 45,260 more vehicles this year, an increase of 36.96 percent.

Ford Motor Co. sold 16.32 percent more cars and light trucks, and Chrysler Motors' deliveries rose 13.33 percent. Of the four domestic car-truck producers, only Nissan reported a drop — 48.64 percent — from the 1988 period.

Mid-September new-car sales climbed to 211,966 units, 23.97 percent more than last year's 170,988. Only transplant Nissan reported an appreciable decline.

The four U.S. light-truck makers sold 129,570 vehicles this year, compared with 98,369 in 1988, for a gain of 31.72 percent.

Incentives and news of price increases helped boost sales and reduce inventories in mid-September for Courtesy Chevrolet and Oldsmobile in Shelby, Ohio. Steve Bird, sales manager, said Chevrolet trucks and Oldsmobile Cutlass Ciera were strong.

Cliff Hoose, general manager of Bill Luke Chrysler-Plymouth in Phoenix, Ariz., said, "We're on target. Voyager and New Yorker are selling and incentives have doubled and even trebled Horizon and Sundance deliveries."

Big 3 carmakers reported gains of 15 to 25 percent in the period. One transplant held steady and the others ranged from a loss of 50 percent to an increase of 250 percent.

Helped by "Big Easy" incentives, GM dealers sold 24.54 percent or 21,426 more cars in mid-September. All divisions reported increases over last year.

Ford sold 15.37 percent more cars than it did in 1988, although Lincoln deliveries were off 12.82 percent.

Chrysler Motors reported a 14.82 percent car sales increase, mainly due to Dodge and Plymouth gains and plenty of incentives.

Among the transplants, sales of U.S.-built Hondas jumped 85.24 percent in mid-September, and Toyota more than tripled its sales of U.S.-produced cars. U.S.-built Camrys were not on the market at this time last year.

On the other hand, Mazda's 10-day sales slipped by 11 units, and Nissan delivered about half as many domestically produced Sentras as it did during the 1988 period.

GM led the U.S. light-truck makers with a gain of 64.25 percent, or 23,834 units, over last year's comparable 10 days. Ford sold 17.62 percent more trucks, and Chrysler's deliveries rose 11.70 percent. Nissan's truck sales plummeted 46.06 percent in mid-September.

DOMESTIC SALES

CARS	Sept. 11-20, 1989	Sept. 11-20, 1988
Eagle	1,712	1,790
Chrysler	4,917	5,789
Dodge	11,630	10,286
Plymouth	9,839	6,607
Chrysler Motors	28,098	24,472
Ford	38,900	33,358
Mercury	13,176	10,583
Lincoln	4,271	4,899
Ford Motor Co.	56,347	48,840
Buick	19,747	16,688
Cadillac	9,167	5,710
Chevrolet	34,196	27,585
Oldsmobile	23,079	19,579
Pontiac	20,591	15,792
General Motors	106,780	85,354
Honda	11,033	5,956
Mazda	929	940
Mitsubishi	1,422	—
Nissan	1,912	3,890
Toyota	5,445	1,536
U.S. Car Total	**211,966**	**170,988**
TRUCKS		
Chrysler	104	0
Dodge	12,689	11,321
Jeep	7,579	6,673
Plymouth	4,386	4,171
Chrysler Motors	24,758	22,165
Ford Motor Co.	42,091	35,787
Chevrolet	47,021	28,930
GMC	13,908	8,165
General Motors	60,929	37,095
Nissan	1,792	3,322
U.S. Truck Total	**129,570**	**98,369**
U.S. Car-Truck Total	**341,536**	**269,357**

'85-'86 Escort, Lynx, EXP to be recalled

DEARBORN, Mich. — Ford Motor Co. will recall nearly 500,000 1985 and 1986 Mercury Lynx and Ford Escort and EXP models with four-cylinder, 1.9-liter engines, to repair emission-control systems.

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Chrysler Motors

Oct. 3 — Clanton's Auto Auction, Darlington, S.C.; Southern Auto Auction, East Windsor, Conn.; Hatfield Auto Auction, Hatfield, Pa.; Golden Gate Auto Auction, Fremont, Calif.; South Seattle Auto Auction, Kent, Wash.; and Dallas Auto Auction, Grand Prairie, Texas.

Oct. 4 — Columbus Fair Auto Auction, Obetz, Ohio; Denver Auto Auction, Aurora, Colo.; and Minneapolis Auto Auction, Plymouth, Minn.

Oct. 5 — Big Sky Auto Auction, Billings, Mont.; Fredericksburg Auto Auction, Fredericksburg, Va.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Salt Lake Auto Auction, Salt Lake City; Amarillo Auto Auction, Amarillo, Texas; and Southern States Vehicle Auction of Atlanta, Newman, Ga.

Oct. 6 — St. Louis Auto Auction, St. Louis, and Tri-State Auto Auction, Cicero, N.Y.

Oct. 10 — American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Florida Auto Auction of Orlando, Ocoee, Fla.; Portland Auto Auction, Portland, Ore.; Riverside Auto Auction, Riverside, Calif.; Greensboro Auto Auction, Greensboro, N.C.; and San Antonio Auto Auction, San Antonio, Texas.

Oct. 11 — A.D.E. of Birmingham, Moody, Ala., and Butler Auto Auction, Gibsonia, Pa.

Oct. 12 — Northway Exchange, Clifton Park, N.Y.; Aptco Auto Auction, Taylor, Mich.; Indianapolis Auto Auction, Indianapolis; Omaha Auto Auction, Omaha, Neb.; Southwest Auto Auction, Chandler, Ariz.; Ark-La-Tex Auto Auction, Shreveport, La.; and Manheim Auto Auction, Manheim, Pa.

Oct. 17 — Clanton's Auto Auction, Darlington, S.C.; Southern Auto Auction, East Windsor, Conn.; Hatfield Auto Auction, Hatfield, Pa.; Nashville Auto Auction, Nashville, Tenn.; South Seattle Auto Auction, Kent, Wash.; Golden Gate Auto Auction, Fremont, Calif.; and Dallas Auto Auction, Grand Prairie, Texas

Oct. 18 — Atlanta Auto Auction, Red Oak, Ga.; Clanton's Auto Auction, Darlington, S.C.; Mississippi Auto Auction, Hattiesburg, Miss.; Texas Hobby Auto Auction, Houston; Southern California Auto Auction, Fontana, Calif.; Omaha Auto Auction, Omaha, Neb.; and Salt Lake Auto Auction, Salt Lake City.

Ford Motor Co.

Oct. 3 — Newburgh Auto Auction, Newburgh, N.Y.

Oct. 4 — Northway Auto Auction, Clifton Park, N.Y.; Baltimore-Washington Auto Exchange, Baltimore; Texas Hobby Auto Auction, Houston; and Southern California Auto Auction, Fontana, Calif.

Oct. 5 — Brasher's California Auto Auction, Rio Linda, Calif., and St. Louis Auto Auction, Bridgeton, Mo.

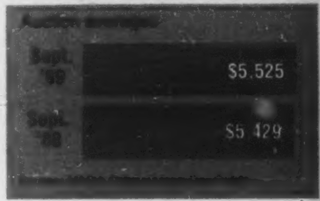
Oct. 10 — Ohio Auto Auction, Grove City, Ohio; Harrisonburg Auto Auction, Harrisonburg, Va.; Bay Cities Auto Auction, Hayward, Calif.; and South Seattle Auto Auction, Kent, Wash.

Oct. 11 — Aptco Auto Auction, Taylor, Mich.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Greater Tampa Bay Auto Auction, Tampa, Fla.

Oct. 12 — Auto Auction of Billings, Billings, Mont.; Denver Auto Auction, Aurora, Colo.; Interstate Auto Auction, Mercer, Pa.; Minneapolis Auto Auction, Plymouth, Minn.; Nashville Auto Auction, Nashville, Tenn.; and Skyline Auto Exchange, Fairfield, N.J.

Oct. 17 — Greater Chicago Auto Auction, Chicago, and Newburgh Auto Auction, Newburgh, N.Y.

Used car sales



General Motors

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Oct. 4 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Statesville Auto Auction, Statesville, N.C.

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Model-year breakdown

[illegible]

Year	July	August	September
1989	$10,152	[illegible]	[illegible]
1988	[illegible]	[illegible]	[illegible]
1987	[illegible]	[illegible]	[illegible]
1986	[illegible]	[illegible]	[illegible]
1985	4,745	4,219	4,147
1984	3,420	3,476	[illegible]
1983	2,820	[illegible]	[illegible]
1982	2,015	[illegible]	[illegible]
Overall	[illegible]	[illegible]	[illegible]

[illegible]

Toyota

Oct. 3 — Bay Cities Auto Auction, Hayward, Calif.

Oct. 11 — Greater Tampa Bay Auto Auction, Tampa, Fla.

Oct. 12 — Denver Auto Auction, Aurora, Colo.

VW takes sales lead in Europe

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Volkswagen Group outsold Fiat Auto by about 47,000 units in August to take the lead in the European sales rankings for 1989.

Fiat, including the Alfa Romeo and Lancia marques, clung to first place through the first seven months of the year. But the group's 15 percent drop in the Italian domestic market in August enabled VW-Audi-Seat to move in front by fewer than 10,000 units for the eight-month period.

VW holds a narrow 14.8 percent to 14.7 percent edge in market share in 17 Western European countries, according to industry estimates compiled by Automotive News.

Last year, VW overtook Fiat in December to claim first place for the fourth consecutive year.

The overall European market rose 2.9 percent in August to 1,196,300. Eight-month sales of 9,469,900 were up 5 percent over last year.

Except for Italy, Europe's major markets achieved year-to-year gains in August. But the Spanish boom appears to be slowing, with sales off 15.1 percent.

VW Group sales rose 7.6 percent in August to 150,900 units. Sales were up 16.5 percent to 103,900 for the VW brand, which recently began a new value-oriented marketing thrust in Europe by upgrading equipment levels while holding prices.

VW group sales were up 7.1 percent to 1,398,000 for the year-to-date. The VW brand climbed 9.5 percent to 944,200 and Seat improved 8.6 percent to 203,900. Audi sales fell 1.9 percent to 249,900 as the 80/90 compact fell off sharply in Germany this year.

Fiat finished last in August among Europe's six volume makers. Sales totaled 103,600, 8.2 percent lower than the same month last year. In Italy, Fiat fell 14.9 percent for the month to 43,700. Across Europe, Fiat is up 4.2 percent for the year to 1,388,800.

Peugeot SA ranked third through August with a 12.8 percent share on sales of 1,215,400 — a 5.9 percent increase. Sales were down 2.6 percent in August. The group, which comprises the Peugeot and Citroen brands, is capacity constrained.

Ford was the top seller in Europe during the month, taking advantage of the traditional August sales bulge in the United Kingdom where it is the market leader. Ford's European sales jumped 13.3 percent to 191,200 in August — with almost 70 percent of that in the United Kingdom.

Ford improved European sales 7.1 percent for the eight-month period to 1,120,200, an 11.8 percent share.

General Motors, which has grown faster than all other volume makers in 1989, was up 7.9 percent for the year to 1,041,200, an 11 percent share. Sales were boosted by the new Vectra compact model that was introduced last fall.

Renault sales rose 17 percent in August to 110,400 on the strength of its 29 percent surge in the French market.

Renault was up 6.9 percent for the year-to-date to 960,000, a 10.1 percent slice of the market.

BMW continued to lead the way among specialist makers, with sales up 14.4 percent for the year to 278,800. Archrival Mercedes was off 4 percent to 297,500.

EUROPEAN SALES

Manufacturer	8 Mos. 1989	1989 share*	8 mos. 1988	Volume Change '89 vs '88
VW-Audi-Seat	1,398,000	14.8	1,304,700	+ 7.1
Fiat Group**	1,388,800	14.7	1,332,500	+ 4.2
PSA***	1,215,400	12.8	1,147,600	+ 5.9
Ford	1,120,200	11.8	1,046,300	+ 7.1
General Motors****	1,041,200	11.0	965,100	+ 7.9
Renault	960,000	10.1	897,800	+ 6.9
Austin Rover	307,000	3.2	326,800	− 6.0
Mercedes-Benz	297,500	3.1	309,800	− 4.0
Nissan	286,000	3.0	271,800	+ 5.2
BMW	278,800	2.9	243,600	+14.4
Toyota	238,400	2.5	244,100	− 2.3
Volvo	184,200	1.9	186,200	− 1.1
Mazda	159,700	1.7	174,000	− 8.2
Mitsubishi	114,500	1.2	106,100	+ 7.9
Honda	96,600	1.0	101,000	− 4.4
Others	383,600	4.1	363,200	+ 5.6
Total	9,469,900	100.0	9,020,600	+ 5.0

*Doesn't add to 100 because of rounding
**Includes Alfa Romeo
***Peugeot, Citroen, Talbot
****Opel, Vauxhill, Isuzu, GM-U.S. Canada

NEW-CAR SALES BY COUNTRY IN EUROPE

Country	8 mos., 1989	Percent gain/loss
West Germany	1,944,100	+ 2.3
United Kingdom	1,747,600	+ 6.8
Italy	1,636,400	+ 7.5
France	1,519,600	+ 7.2
Spain	777,700	+ 6.9
Netherlands	378,800	+ 0.8
Belgium-Luxembourg	345,700	+ 0.2
Switzerland	245,100	+ 7.0
Sweden	201,700	− 9.7
Austria	201,500	+11.5
Portugal	136,200	−-0.7
Finland	129,400	+ 4.9
Ireland	62,500	+26.9
Denmark	56,700	−15.1
Greece	51,300	+33.1
Norway	35,600	−28.0
Total	9,469,900	+ 5.0

JAGUAR

FROM PAGE 1

hold and allows Ford to lobby against early removal of anti-takeover protection as a prelude to a GM deal.

Ford denied it moved to head off a GM deal. GM Europe would not confirm the alleged dealings with Jaguar.

A statement issued by GM said, "GM generally conducts discussions with various companies about possible business transactions. As a matter of common practice, GM does not comment . . . until the company believes it appropriate."

Ford's initiative surprised Jaguar, which called it "unwelcome." After a regularly scheduled board meeting, it vowed to pursue plans to stay independent.

At the very least, it is expected that if Ford snaps up 15 percent, GM will want the same sort of springboard.

Said Lawson, "Ford has sharpened everyone's stance and has possibly made it very difficult for Sir John to unveil a friendly deal with the partner of his choice — which was clearly not Ford and clearly was GM."

"I think Jaguar would prefer GM," said Sanjay Dabysing of DRI-Europe in London. "I think there is a better chance of GM taking only a minority stake, whereas Ford would want to take full control."

While Dabysing reckoned that Ford would move quickly to raise volume, for example pushing for a competitor to the BMW 5 series, he said GM would be less aggressive.

Ford is expected to seek its own friendly deal with Jaguar — reviving talks that are said to have petered out several months ago. Word in London financial circles last week was that Ford regrets the aggressive image created by its sudden move and will take steps so as not to be cut out of a potential friendly agreement.

Meanwhile, Jaguar management has other options, though none seems as promising as a GM link. A defense based on an anti-Ford political campaign — similar to the one that blocked Ford's bid for Austin Rover in 1986 — is possible. But Ford is said to have courted the British government, and Prime Minister Margaret Thatcher has already remarked that a Ford stake could help Jaguar.

Ford also has a large manufacturing presence in Britain, employing nearly 50,000 people in 21 plants. It is the British sales leader, with about 25 percent of the new-car market. Last fall, it announced a £1.8 billion ($2.9 billion) investment program in Britain.

Ford and GM have been putting together track records for the Jaguar battle — buying glorious British marques and leaving them alone. Ford acquired majority stakes in Aston Martin and AC Cars two years ago, and General Motors bought Lotus in 1986.

Jaguar also could seek refuge in the hands of a British non-carmaker — perhaps auto components giant GKN, which has a joint venture for body stampings with Jaguar. Before Ford's initiative, speculation touched on GKN and British Aerospace, which last year bought Rover Group.

"Jaguar would obviously feel that as an operating division of a company doing something else, it would partially cocoon the business," Lawson said.

GKN and Jaguar are viewed within the industry as a good match. But the financial community last week largely dismissed the idea for two reasons: GKN could not match any GM and Ford bids and the company is anxious to reduce its dependence on the auto industry.

Two other possibilities — a management-led buyout and a corporate restructuring to keep predators at bay — are likewise viewed as unrealistic in view of the deep pockets of the U.S. giants.

"I think Jaguar knows it can't stay independent," said Dabysing.

Entry of other makers into the fray is possible. Jaguar has acknowledged talks with several carmakers during the past 18 months. Recent speculation has centered on Peugeot, Volkswagen and, in particular, Volvo. But those companies deny interest and Jaguar may be too rich for their blood. Sources in Turin last week said Fiat is unlikely to bid.

"I don't believe any of the Europeans can justify it financially," Lawson said.

SUIT

FROM PAGE 1

Nester said that in 1979, gasoline shortages caused prices to double at the pump, making Chevrolet Monzas, Chevettes and Citations hot sellers. But Nester said GM withheld them from his dealership.

"I received eight Chevy Monzas in the first seven months of 1979 but the first day Classic opened, it had 40 Monzas," said Nester. "Is it fair to put a competitor out of business just because they are opening a new dealership?"

In another example, Nester said he asked for 100 trucks in February 1979 for a May 1 promotion but never received them. Classic did, however.

"At one point, Classic received one-third of the total allocation of the Cleveland multiple-dealer area," he said.

Nester said he ordered 33 Citations from GM for customers in 1979. Some of his customers never received their vehicles or had to wait for them, yet Classic had 47 Citations in stock the day it opened, he said.

Moreover, the son of the Cleveland branch manager for Motors Holding worked at Classic, as did the daughter of the GM Cleveland zone manager, according to court evidence.

"The distribution system is hokey," Nester said. "There is no reason why a dealer in a multiple-dealer area should not know how models are distributed on a weekly basis."

The 1979 Monza was one of several vehicles a now defunct Chevrolet dealer acused GM of withholding.

Nester also was rankled by GM's slowness in making him a dealer.

He asked to be named a dealer on the Earl Evans Chevrolet franchise beginning in 1975 when he began purchasing it.

But GM held out until 1980 before granting its permission.

"The dealer-operator for Classic was named a dealer with only 14.1 percent share in the dealership," he said. "I owned 55 percent before they would name me a dealer."

Nor could he obtain factory official vehicles while Classic received 25-30 a year at 5 percent below factory cost, according to Nester.

He said GM testified that it shipped Classic 620 fleet cars in 1979 but the dealership had only 12 fleet sales. Classic used fleet allocation for retail sales, said Nester.

"If myself or another dealer tried to do that, you could lose your franchise," he said.

DeVito told the jury GM provided more and more cars to Classic from 1979 to 1981 while Nester received fewer cars, yet their planning potential was roughly the same at 1,000 vehicles.

He said the Evans dealership had profits of $300,000 to $400,000 per year in the five years prior to 1979. Profits dipped to $93,000 in 1980 and the dealership lost $122,000 in 1981 and $180,000 the following year before filing for bankruptcy. Nester filed the lawsuit against GM in 1982.

Nester, who now lives in Pompano Beach, Fla., has sold boats and real estate since the dealership folded. He has been invited to speak before a National Automobile Dealers Association 20 Group on the lawsuit and distribution.

Meanwhile, Classic ranked sixth among Chevy passenger-car retailers and ninth among Chevy truck retailers in the United States last year. Total dollar sales were $102 million with new-vehicle deliveries of 4,649 in 1988.

Says Nester: "Sure, it's one of the biggest dealerships in the nation, but half its sales are from Evans Chevrolet."

AUDI

FROM PAGE 1

"The dealers reacted very positively to the news," the dealer said. "And, honestly, I am very, very pumped about it."

Audi officials told dealers they plan to sell 2,500 cars per month during the 1990 model year, which began Oct. 1.

The sales incentive program outlined by Audi officials is meant to keep strong Audi salespersons within the ranks.

For sales of 60 cars from Oct. 1, 1989, to Sept. 30, 1990, the salesperson will receive a bonus of $12,000 in addition to regular commissions. Should the salesperson sell 120 cars, the bonus would grow to $24,000, plus a week's vacation in Europe.

Historically, Audi has continued to reward salepeople if they leave one Audi dealership for another. This new incentive plan will work in much the same manner.

"Audi is attempting to keep good salesmen," the Midwest dealer said, "and this may just help us get some of our competitor's salesmen to come in and visit us."

As for removing unwanted dealers, Audi officials said they will look at each dealer on a case-by-case basis.

"There was no finger pointing," the dealer said. "They are going to take a hard look at (removing) dealers who are making numbers that are not justified for their market. There was no rattling of sabres."

At the meeting, Audi officials also outlined a plan to distribute wholesale parts at lower costs to dealers, thereby allowing dealers to make a greater profit in the service area.

Allied-Signal prepares Tenn. plant for ABS

CLARKSVILLE, Tenn. — Allied-Signal Automotive has begun construction on a 104,000-square-foot plant for the assembly of Bendix anti-lock braking systems, part of the company's $70 million investment in ABS development.

The plant is scheduled to begin production in December for mid-1990 model year passenger cars.

Employment will start with about 60 employees and increase to approximately 250 in three years as the ABS market expands.

GM adjusts ’89 incentives; Ford joins ’90 parade

By Arlena Sawyers
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors, which slapped incentives on many of its 1990 models before they were introduced, adjusted incentives on its 1989 models for four of its six vehicle divisions last week.

Ford Motor Co. added two 1990 cars and two 1990 trucks to its customer incentive list. The incentives on 1989 models remain in effect.

Meanwhile, auto analysts disagreed over whether import car companies will join the 1990-model incentive fray anytime soon.

Oldsmobile’s Option Bonus Program on 1990 models has been extended to include 1989 models. The amount of rebate depends on the option package selected. Included in the 1989 program are Cutlass Calais, $700 to $1,100; Cutlass Ciera, $700 to $1,000; Cutlass Supreme, $700 to $900; 88, $200 to $1,000; 98/Touring Sedan, $200 to $1,000; and Toronado/Trofeo, $2,500.

On 1990 Oldsmobiles, the incentives range from $200 to $1,000 and also are tied to the incentive package selected.

The GMC Truck customer incentives of $1,000 on 1990 S-15 pickups and $1,250 on 1990 S-15 Jimmy sport utilities have been extended to those 1989 models, and other 1989s also carry rebates.

They are: Safari compact vans, $500; Rally passenger vans, $500; Vandura cargo vans (excluding Magnavans, Vandura, Specials and Rally Campers), $500; Sierra two-wheel-drive full-sized pickups, $500; R/V full-sized pickups and chassis cab models, $600; full-sized Jimmys, $750; and Suburbans, $750.

Pontiac’s customer rebates on 1989 models include: Grand Am LE, $600; Grand Am SE, $1,000; 6000-LE, $600; 6000-SE $1,000; Grand Prix LE coupe, $750; Grand Prix SE coupe (including Turbo), $1,000; Bonneville LE, $600; and Bonneville SE/SSE, $1,000.

Pontiac dealer incentives on 1989 models are: LeMans, $500; Sunbird, $500; Firebird, $500; 6000, $750; and Grand Prix, Grand Am, Bonneville and Safari, $1,000.

Customer rebates on 1990 Pontiacs also range from $600 to $1,000. The new Grand Prix LE four-door sedan carries a $600 giveback.

Chevrolet’s First-Time Buyer Program offers $600 down-payment assistance on all 1989 and 1990 Geo models and 1989 and 1990 Cavalier, Camaro and Corsica/Beretta cars and S-10 pickups. The following rebates on 1989 models remain in effect: Geo Metro, $400; Cavalier, $500; Camaro, $500; Corsica, $1,000; Beretta, $600; and Caprice, $1,000.

Rebates on 1989 Chevrolet trucks are: Astro Van, $500; G-Van (excludes 03 and 32 models), $500; V-Blazer, $750; Surburban, $750; C-1500/3500 pickup and cab-chassis (2wd only), $500; R/V pickup and cab chassis, $600; S/T pickup, $1,000; amd S/T Blazer, $1,250.

Buyer rebates on 1990 Chevrolet cars are $750 on Lumina sedans and $800 on Geo Prizm and Corsica sedans. The payments on 1990 trucks are $1,000 on S-10 pickups and $1,250 on S-10 Blazers.

Cadillac offers no incentives on either 1989 or 1990 models. Buick has none on 1989s, but it has buyer and dealer incentives on 1990s. The buyer paybacks range from $200 to $1,000, depending on the option package ordered. Dealer incentives — until Nov. 30 — are $1,000 on Riviera and Park Avenue Ultra and $2,000 on Reatta.

While customers may still choose special financing through General Motors Acceptnce Corp. in lieu of rebates, the new rates on the 1989 and 1990 models are not as generous as in previous programs.

Rates are 6.9 percent for 24 months, 8.9 percent for 36 months, 9.9 percent for 48 months and 10.9 percent for 60 months. The previous rate scale started at 2.9 percent.

Incentives for all GM divisions, except the Buick dealer rebate, run indefinitely.

At Ford, the customer rebates are $600 on 1990 Ford Tempo and Mercury Topaz models, $1,000 on 1990 Ford Ranger and $1,250 on 1990 Ford Bronco II.

Instead of the rebate, buyers can choose finance rates of 6.9 percent for 24 months, 8.9 percent for 36 months, 9.9 percent for 48 months or 10.9 percent for 60 months. All except the 60-month rate are less favorable than on 1989 models. No dealer financial participation is required, and the Ford Motor 1990 offers have no cutoff date.

For the time being, import car firms have either stayed the course with their 1989 incentive programs or let them expire.

Dealer incentives on Audi, Mitsubishi and Porsche and special customer finance rates on the BMW 325i expired Sept. 30. Also, Mazda, Isuzu, Honda and Daihatsu did not renew incentives that expired in September.

Ronald Glantz, an auto analyst and general partner at Montgomery Securities in San Francisco, said the Japanese importers are getting ready for “an incentive war.”

“Toyota just raised prices 1.8 percent,” Glantz said. “Considering the dollar value of the yen has fallen 5.4 percent since Toyota raised prices on 1989 models, no price increase was necessary. That suggests that Toyota has the ability for a larger incentive in 1990 than in 1989.

“GM has already thrown down the gauntlet. It seem reasonable to believe that the imports won’t be far behind.”

On the other hand, Mike Kobayashi, an auto analyst for Paine Webber in New York, believes it will be a while before the imports announce major incentive programs. He, too, used Toyota’s price increase as an example.

“Toyota’s price changes amounted to a low price increase; they are pricing their cars more agressively than the Big 3,” Kobayashi said. “They are not prone to direct consumer rebates. They are more prone to dealer incentives. They are not likely to offer incentives right away.”

INCENTIVE WATCH

	Customer Incentives						Dealer incentives	
	Rebates	Finance Rates (Pct.) — Months — 24	36	48	60	Expiration Date	Type	Expiration Da
Chrysler Motors								
Chrysler	$500 - $2,000	0.0*	5.9	6.9	10.9	None		
Dodge Cars	$500 - $1,500	0.0*	5.9	6.9	10.9	None		
Dodge Trucks	$500 - $2,500	0.0*	5.9	6.9	10.9	None		
Eagle	$1,000 - $2,000	0.0*	5.9	6.9	10.9	None		
Jeep Cherokee, Wagoneer Ltd.	$1,000	4.9	7.9	10.9	11.9	None		Sept. 30
Other Jeep	$500 - $1,000	0.0*	5.9	6.9	10.9	None		
Plymouth	$500 - $1,500	2.9	5.9	6.9	10.9	None		
*2.9 percent on some models								
Ford Motor Co. (1989 models)								
Ford Probe	$750 - $1,000	2.9	6.9	7.9	10.9	Oct. 4		
Ford T-bird SC	$1,500	2.9	6.9	7.9	10.9	Oct. 4		
Other Ford Cars	$500 - $1,500	2.9	6.9	7.9	10.9	None		
Ford Trucks	$500 - $1,250	2.9	6.9	7.9	10.9	None		
Lincoln	$1,000 - $1,500	2.9	6.9	7.9	10.9	None		
Mercury Cougar XR7	$1,500	2.9	6.9	7.9	10.9	Oct. 4		
Other Mercury	$1,000 - $1,500	2.9	6.9	7.9	10.9	None		
Merkur	$2,000 - $4,000	2.9	6.9	7.9	10.9	None		
Ford Motor Co. (1990 models)								
Ford Tempo	$600	6.9	8.9	9.9	10.9	None		
Ford Ranger	$1,000	6.9	8.9	9.9	10.9	None		
Ford Bronco II	$1,250	6.9	8.9	9.9	10.9	None		
Mercury Topaz	$600	6.9	8.9	9.9	10.9	None		
General Motors (1989 models)								
Buick								
Chevrolet Cars	$400 - $1,000	6.9	8.9	9.9	10.9	None		
Chevrolet Trucks	$500 - $1,250	6.9	8.9	9.9	10.9	None		
GMC	$500 - $1,250	6.9	8.9	9.9	10.9	None		
Oldsmobile	$200 - $2,500*	6.9	8.9	9.9	10.9	None		
Pontiac	$600 - $1,000	6.9	8.9	9.9	10.9	None		
*Based on option package selected.								
General Motors (1990 models)								
Buick	$200 - $1,000*	6.9	8.9	9.9	10.9	None	$1,000 - $2,000 on Reatta, Riviera, Park Avenue Ultra	Nov. 30
Chevrolet Cars	$750 - $800 on Corsica, Lumina, Prizm	6.9	8.9	9.9	10.9	None		
Chevrolet Trucks	$1,000 - $1,250 on S-10 Pickup, Blazer	6.9	8.9	9.9	10.9	None		
GMC	$1,000 - $1,250 on S-15 Pickup, Blazer	6.9	8.9	9.9	10.9	None		
Oldsmobile	$200 - $1,000*	6.9	8.9	9.9	10.9	None		
Pontiac	$600 - $1,000	6.9	8.9	9.9	10.9	None		
*Based on option package selected.								
Hyundai	$500 - $1,000					Oct. 5		
Excel							$300	Oct. 5
Sonata							$500, based on quota	Oct. 5
Nissan								
Stanza	$1,500 - $2,000			7.9	9.9	Dec. 4		
Sentra							$100 - $2,000, based on quota	Dec. 4
Trucks							$200 - $2,000, based on quota	Dec. 4
Peugeot							$1,000	Dec. 31
Sterling	$3,500 - $5,000					Nov. 30		
Subaru	$500 - $3,000*					Nov. 2	$500 - $3,000*	Nov. 2
*Rebates go to the customer in some regions and to the dealer in other regions								
Toyota Cressida							$1,500	Nov. 2
Corolla, Camry							$500	Nov. 2
Volkswagen	$500 - $2,000	4.9	6.9	7.9	9.9	Oct. 31		

Chrysler gives up ‘Jeep’ Molnar chase

ALPINE, Wyo. — Fred “Jeep” Molnar can keep the nickname he has used for the last 52 years.

For months, Molnar has been battling Chrysler Corp. Earlier this year, the automaker demanded that he stop using the word “Jeep” as the name of his small tavern because it had purchased rights to the name when it bought American Motors in 1987.

There was a long battle of exchanged letters, telephone calls, lawyers and a trip to Detroit. But Molnar says he recently received a letter from Chrysler acknowledging he has the right to use the name and giving him $3,900 for his expenses.

Molnar said he can use “Jeep” on anything he wants — as long as he doesn’t go into the automotive business.

“I feel relieved,” he said. “I have just as much right to the name as they do.”

He says his father nicknamed him Jeep in 1937, after Eugene the Jeep in the Popeye comic strip and before the word ever became synonymous with the vehicle.

Molnar says he doesn’t know how Chrysler found out about his remote bar. When he got the letter from Chrysler telling him to change the bar’s name, he thought it was a joke.

— The Associated Press

PRODUCTION

11 plants idle as '90 sales begin

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Eleven Big 3 assembly plants are fully or partially idle as 1990 model year sales begin.

The Big 3 closed four truck plants, four car plants and the car part of a car-truck facility today. Eight of the nine shutdowns are due to sluggish sales and high inventory.

General Motors closed five facilities; Ford Motor Co. closed one plant and part of another; and Chrysler Motors closed two plants. GM shut two other truck plants last week and they are still idle, making a total of 11 facilities that are completely or partially down.

GM said it will idle its Bowling Green, Ky., Corvette plant for one week and its Wilmington, Del., Corsica/Beretta plant for two weeks due to bulging inventory while its Fairfax, Kans., Grand Prix facility will close for one week due to difficulty with its suppliers.

Also, the following GM truck plants are down because of slow sales: Detroit, until Oct. 9; Pontiac West in Pontiac, Mich., until Oct. 16; and Moraine, Ohio, and Shreveport, La., until Oct. 23. Detroit and Pontiac closed Sept. 25.

Ford idled its Louisville, Ky., medium- and heavy-duty truck plant for one week and also halting output of Cougar and Thunderbird at its Lorain, Ohio, plant for two weeks. Lorain also builds Econolines and Club Wagons.

Chrysler closed its St. Louis LeBaron J and Daytona plant along with its Warren, Mich., light-duty truck facility. St. Louis is slated to reopen Oct. 9, and Warren will resume production Oct. 16.

Automakers scheduled 149,526 cars last week, 1.84 percent below the prior week's 152,335.

Last week's estimated production was split as follows: GM, 45.91 percent; Ford, 24.97 percent; Chrysler, 13.71 percent; Honda of America Manufacturing, 3.67 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 2.90 percent; Toyota Motor Manufacturing U.S.A., 2.50 percent; New United Motor Manufacturing Inc., 2.41 percent; Diamond-Star Motors, 2.17 percent; and Nissan Motor Manufacturing Corp. U.S.A., 1.76 percent.

Truck assembly was 80,512 last week, 748 more than the previous week.

Canadian cars at 14-week high

While U.S. auto workers are being laid off, Canadian automakers scheduled their highest output in 14 weeks.

Last week's targeted build of 22,596 cars was the highest since the week ended June 24, when 22,836 cars were produced. Scheduled assembly last week rose 2.11 percent over the prior week's 22,130 and jumped 8.70 percent over the year-ago week's 20,787.

Truck production was estimated at 20,264 units last week, 0.73 percent below the previous week's 20,413 but 2.06 percent above the year-ago week's 19,855.

U.S. CAR

U.S. CAR	Week Ended Sept. 30, 1989	Week Ended Oct. 1, 1988	Week Ended Sept. 23, 1989	Sept. Est.	Jan. 1 to Sept. 30, 1989	Jan. 1 to Oct. 1, 1988
Horizon	900	1,554	867	1,920	23,095	60,800
Sundance	1,900	2,086	2,133	7,935	78,288	76,803
Reliant	0	2,213	0	0	0	66,156
Acclaim	2,800	0	2,686	11,712	95,554	0
Caravelle	0	0	0	0	0	9,087
Gran Fury	0	210	0	0	0	16,716
Total Plymouth	5,600	6,063	5,686	21,567	196,937	229,562
LeBaron K	0	0	0	0	0	7,912
LeBaron J	2,600	1,981	2,760	10,841	80,154	57,939
LeBaron GTS	0	178	0	0	2,946	7,081
N. Yorker C-Class	800	2,176	898	3,446	64,639	78,831
Fifth Avenue	1,900	934	1,961	7,936	14,390	23,082
Total Chrysler	5,300	5,269	5,619	22,222	162,129	174,845
Omni	1,000	1,546	955	2,119	24,348	59,412
Daytona	1,800	1,991	1,840	7,266	63,183	57,278
Shadow	2,100	1,937	1,957	8,012	75,462	76,481
Aries	0	2,177	0	0	0	64,517
Dodge 600	0	0	0	0	0	8,549
Dynasty	1,800	2,910	1,955	8,187	100,126	79,138
Lancer	0	188	0	0	1,528	6,745
Spirit	2,900	0	2,814	12,738	81,259	0
Diplomat	0	402	0	0	0	14,823
Total Dodge	9,600	11,151	9,521	38,322	345,906	366,943
CHRYSLER MOTORS	20,500	22,483	20,826	82,111	704,972	771,350
Escort	9,324	9,641	8,715	34,569	252,804	297,488
Mustang	3,495	4,590	3,312	9,496	153,557	152,168
Tempo	3,075	3,946	2,972	12,071	112,403	138,181
Taurus	7,986	8,034	7,477	25,410	268,822	296,883
Thunderbird	3,338	0	3,314	11,766	115,865	90,246
Total Ford Div.	27,218	26,211	25,790	93,312	903,451	974,966
Topaz	1,325	1,582	1,428	5,498	52,626	52,647
Cougar	2,230	0	2,220	8,722	98,511	69,686
Sable	2,701	2,738	2,850	9,694	88,182	100,798
Total Mercury	6,256	4,320	6,498	23,914	239,319	223,131
Continental	1,158	1,510	1,232	4,003	47,677	37,281
Mark VII	385	723	410	1,321	15,401	19,758
Lincoln	2,317	2,236	2,465	7,986	90,469	95,977
Total Lincoln	3,860	4,469	4,107	13,309	153,547	153,016
Total L-M Division	10,116	8,789	10,605	37,223	392,866	376,147
FORD MOTOR CO.	37,334	35,000	36,395	130,535	1,296,317	1,351,113
Skyhawk	0	461	0	0	6,913	13,481
Skylark/Somerset	1,738	1,303	1,744	6,952	46,047	36,778
Century	2,833	4,745	2,846	11,329	98,584	94,430
Riviera	542	591	449	1,801	14,345	5,991
Electra	1,689	1,918	2,104	8,307	60,130	62,226
LeSabre (fwd)	3,894	3,965	3,321	13,473	114,727	97,835
LeSabre (rwd)	203	31	202	817	5,363	10,112
Reatta	195	220	203	812	4,418	5,403
Total Buick	11,094	13,234	10,869	43,491	350,527	327,889
Cimarron	0	0	0	0	0	3,693
Eldorado	599	706	472	1,925	21,988	26,404
Seville	393	530	309	1,292	16,157	16,712
Brougham (rwd)	0	867	1,567	4,215	28,172	24,942
Deville (fwd)	3,950	3,974	4,734	16,390	150,100	108,546
Allante	75	75	75	240	2,317	1,404
Total Cadillac	5,017	6,152	7,157	24,062	218,734	181,701
Cavalier	8,839	7,973	7,538	28,112	270,287	271,280
Camaro	2,358	2,633	2,014	8,453	76,413	68,511
Celebrity	0	3,919	0	0	70,349	136,415
Corsica/Beretta	9,020	9,792	8,899	35,759	290,429	317,849
Caprice	1,328	4,081	3,049	11,118	135,112	156,869
Corvette	580	450	596	2,231	19,364	16,713
Total Chevrolet	22,125	28,848	22,096	85,674	861,954	967,637
Calais	1,862	4,011	1,871	7,510	68,566	85,495
Firenza	0	0	0	0	0	5,230
Cutlass Ciera	1,270	1,453	1,323	5,306	66,397	19,802
Cutlass Supreme	4,038	2,658	3,895	15,674	78,342	103,067
Toronado	535	298	442	1,630	6,644	11,493
88 (fwd)	4,339	4,026	3,907	13,283	103,735	115,672
88 (rwd)	0	196	159	470	5,887	8,865
Olds 98	1,250	1,293	1,496	5,489	54,578	54,526
Total Oldsmobile	13,294	13,935	13,093	49,363	384,149	404,150
Sunbird	3,534	2,268	3,521	12,413	108,597	80,822
Grand Am	4,800	6,308	4,851	19,231	181,046	175,752
Firebird	1,188	1,603	1,254	4,905	42,686	46,914
Grand Prix	3,880	4,194	3,899	15,233	99,148	101,474
Pontiac 6000	1,683	3,375	1,616	6,522	62,514	64,264
Bonneville	2,038	3,156	2,546	9,196	71,152	85,610
Safari/Parisienne	0	169	0	0	2,691	6,074
Fiero	0	0	0	0	0	13,260
Total Pontiac	17,123	21,073	17,687	67,500	567,834	574,170
GENERAL MOTORS	68,653	83,242	70,902	270,090	2,383,198	2,455,547
DIAMOND-STAR	3,244	0	2,926	11,174	55,073	0
HONDA	5,490	7,073	6,954	26,009	277,927	276,926
Civic	3,681	1,989	3,522	13,732	99,963	80,317
Accord	1,809	5,084	3,432	12,277	177,964	196,609
MAZDA†	4,340	5,525	4,575	17,508	153,316	99,614
NISSAN	2,625	2,957	2,614	10,486	89,446	84,106
NUMMI	3,600	165	3,646	13,249	149,780	111,119
Corolla	1,400	165	1,434	5,190	60,571	40,631
Geo Prizm/Nova	2,200	0	2,212	8,059	89,209	70,488
TOYOTA	3,740	0	3,497	14,687	103,634	0
VOLKSWAGEN	0	0	0	0	0	35,595
Golf/GTI	0	0	0	0	0	30,042
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	149,526	156,445	152,335	575,850	5,213,663	5,185,370
Total Cars, Canada	22,596	20,787	22,130	82,805	722,883	803,170
U.S., Canada Cars	172,122	177,232	174,465	658,655	5,936,546	5,988,540
U.S., Canada Cars and Trucks	272,898	280,173	274,642	1,053,983	9,837,267	9,778,045

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe

CANADIAN CAR

CANADIAN CAR	Week Ended Sept. 30, 1989	Week Ended Oct. 1, 1988	Week Ended Sept. 23, 1989	Sept. Est.	Jan. 1 to Sept. 30, 1989	Jan. 1 to Oct. 1, 1988
Premier	1,020	1,303	1,275	2,295	28,261	46,157
CHRYSLER MOTORS	1,020	1,303	1,275	2,295	28,261	46,157
Tempo	3,365	3,243	3,330	12,952	100,151	131,988
Topaz	1,435	1,632	1,448	5,543	42,600	50,463
Crown Victoria	2,254	2,786	2,133	8,378	88,854	96,185
Grand Marquis	2,642	3,000	2,530	9,678	96,017	97,370
FORD MOTOR CO.	9,696	10,661	9,441	36,551	327,622	376,006
Celebrity	441	165	386	1,315	16,595	15,514
Cutlass Ciera	809	3,738	608	2,297	98,421	177,901
Lumina	5,171	0	4,941	19,368	113,027	0
Pontiac 6000	0	0	0	0	0	29,675
Regal	2,829	3,976	3,049	11,530	59,369	120,577
GENERAL MOTORS	9,250	7,879	8,984	34,511	287,412	343,667
HONDA	2,000	944	1,784	7,180	62,475	32,827
TOYOTA	450	0	466	1,625	11,139	0
VOLVO	180	0	180	643	5,974	4,513
Total Cars, Canada	22,596	20,787	22,130	82,805	722,883	803,170

U.S. TRUCK☆

U.S. TRUCK☆	Week Ended Sept. 30, 1989	Week Ended Oct. 1, 1988	Week Ended Sept. 23, 1989	Sept. Est.	Jan. 1 to Sept. 30, 1989	Jan. 1 to Oct. 1, 1988
Caravan	2,200	1,865	2,134	9,384	79,163	71,530
Dakota	2,100	2,413	2,217	8,597	73,796	79,815
Caravan C/V	100	234	91	408	5,248	10,100
Ram pickups	2,100	2,419	2,240	8,663	73,988	58,266
Total Dodge	6,500	6,931	6,682	27,052	232,195	219,711
Cherokee	4,000	4,292	4,332	16,902	166,261	136,936
Comanche	500	1,007	503	1,978	21,861	34,084
Grand Wagoneer	300	0	0	560	8,074	10,166
Wagoneer	100	253	158	482	5,999	7,868
Total Jeep	4,900	5,552	4,993	19,921	202,195	189,054
Voyager	2,100	1,733	1,903	8,439	74,041	67,435
Town & Country	200	0	120	667	3,084	0
Total C-P Div.	2,300	1,733	2,023	9,106	77,125	67,435
CHRYSLER MOTORS	13,700	14,216	13,698	56,080	511,515	476,200
Aerostar	4,402	5,073	4,131	16,541	170,173	155,109
Bronco	1,204	1,052	0	3,571	56,090	41,203
Bronco II	2,238	0	2,326	6,904	88,846	94,732
Econoline	4,204	5,574	4,003	12,140	169,226	179,098
Mediums/Heavies	1,294	1,295	1,304	3,840	45,912	49,736
Light trucks	10,594	11,795	7,665	38,100	398,156	368,947
Ranger	6,831	2,594	6,404	21,782	237,516	257,852
Total Ford Div.	30,767	27,383	25,833	102,878	1,163,919	1,146,677
FORD MOTOR CO.	30,767	27,383	25,833	102,878	1,163,919	1,146,677
Astro	3,263	3,458	3,111	12,651	124,066	132,566
Blazer	543	739	543	2,163	21,646	19,675
Mediums/Heavies	240	0	124	962	8,710	15,230
P-Model	0	884	804	2,182	23,707	31,102
Pickups	7,623	8,377	7,559	31,715	308,386	266,545
S-10	4,887	6,454	4,582	17,430	197,081	229,221
S-10 Blazer	1,999	3,873	3,232	11,672	142,849	125,360
Sportsvan/Van	1,780	2,379	3,096	8,196	75,162	72,140
Suburban	1,410	1,420	1,410	5,699	59,992	52,611
Total Chevrolet	21,745	27,584	24,461	92,670	957,880	944,450
Jimmy	163	98	163	650	6,420	5,704
Mediums/Heavies	480	0	377	2,141	14,693	28,235
P-Model	0	148	60	205	3,201	4,133
Pickups	2,217	2,584	2,311	9,452	92,533	81,776
S-15	1,287	1,631	1,016	5,299	46,081	52,170
S-15 Jimmy	561	1,160	1,518	4,214	40,933	35,231
Safari	1,037	938	1,097	4,160	33,141	33,755
Suburban	708	739	708	2,742	24,160	23,544
Vandura/Rally Vans	678	534	1,166	3,079	22,239	25,883
Total GMC	7,131	7,832	8,416	31,941	277,460	290,431
GENERAL MOTORS	28,876	35,416	32,877	124,611	1,235,340	1,234,881
NAVISTAR	1,379	1,912	1,570	6,066	60,982	64,707
NISSAN	2,340	1,409	2,336	9,549	91,205	70,808
AM GENERAL	450	450	450	1,890	17,190	17,460
MISCELLANEOUS	3,000	2,300	3,000	12,600	108,600	89,240
Total Trucks, U.S.	80,512	83,086	79,764	313,674	3,188,751	3,099,973

CANADIAN TRUCK

CANADIAN TRUCK	Week Ended Sept. 30, 1989	Week Ended Oct. 1, 1988	Week Ended Sept. 23, 1989	Sept. Est.	Jan. 1 to Sept. 30, 1989	Jan. 1 to Oct. 1, 1988
Caravan	3,382	2,441	3,623	13,650	108,779	106,048
Caravan C/V	204	136	112	727	8,550	9,609
Ram Wagon	660	591	504	2,266	20,130	19,273
Ram Van	1,690	1,814	1,916	7,309	53,361	51,983
Total Dodge	5,936	4,982	6,155	23,952	190,820	186,913
Voyager	2,558	2,419	2,550	10,331	94,167	95,721
Total Plymouth	2,558	2,419	2,550	10,331	94,167	95,721
Wrangler	1,700	1,200	1,724	7,085	61,754	37,949
Total Jeep	1,700	1,200	1,724	7,085	61,754	37,949
CHRYSLER MOTORS	10,194	8,601	10,429	41,368	346,741	320,583
FORD MTR. (lt. trks.)	3,040	3,542	2,880	11,702	117,561	121,075
Light trucks	3,406	3,506	3,515	14,093	120,588	115,662
Vans	1,414	1,344	1,315	5,242	44,267	43,949
Total Chevrolet	4,820	4,850	4,830	19,335	164,855	159,611
Light trucks	1,474	1,682	1,544	6,408	53,179	57,435
Vans	536	911	528	2,007	21,014	22,206
Total GMC	2,010	2,593	2,072	8,416	74,193	79,641
GENERAL MOTORS	6,830	7,443	6,902	27,750	239,048	239,252
NAVISTAR	200	269	202	834	8,620	8,622
Total Trks., Canada	20,264	19,855	20,413	81,655	711,970	689,532
U.S., Canada Trks.	100,776	102,941	100,177	395,329	3,900,721	3,789,505

☆—Includes station van production *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Automotive News

October 9, 1989

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Pricing a major factor in '90 market battle

Toyota Celica, Lincoln Town Car and Chevrolet Lumina APV represent the different directions automakers will take as they try to build market share in a difficult 1990.

AUTOMOTIVE NEWS **JOE WILSSENS**

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

The automotive pricing game for 1990 is part of an intense struggle for market share in a down market that will include continued reliance on incentives.

The Big 3 face the hardest battle, having raised prices an average 4.7 percent, much of it to amortize legislated safety costs. Asian imports, helped by currency exchange rates, covered the cost of air bags and passive seat belts with a 2.7-percent increase, and some Europeans managed price reductions.

"Definitely, 1990 will be market-share driven," said Christopher Cedergren, senior market analyst for J.D. Power and Associates, Agoura Hills, Calif.

In 1990, all manufacturers must install passive restraints as standard equipment. For U.S. automakers, that can mean from $350 for the motorized belt system, as in Ford products, to as much as $1,000 for air bags. Chrysler intends to have air bags standard in all its U.S.-built cars.

The dollar's strength provides pricing advantages to foreign carmakers. "The dollar has picked up strength against major currencies, and it gives foreign companies margin to play with in their pricing," Cedergren said.

The exchange rate advantage has allowed German and Japanese automakers to include passive restraints without significant price increases.

Cedergren said that despite creditable efforts by Volkswagen to cut 1990 prices and eliminate rebates, it's likely other automakers will continue cash incentives in one form or another.

"I think everybody will continue with incentives," he said. "Incentives are almost like hard drugs: Once you get on, it's very hard to kick the habit."

He predicts the domestic, Japanese and European automakers will offer rebates. He said even European luxury makes will offer "more sophisticated incentive programs that don't diminish the nameplate," such as leasing programs and low-interest financing.

And those incentives will increase as inventories increase.

In 1990, transplants will come up to speed. They intend to build about 500,000 more vehicles in 1990 than in 1989, and the Japanese will likely maintain imports at 1989 quota levels. Meanwhile, J.D. Power anticipates new-car and truck sales in the 1990 calendar year will be total 14.4 million, down 300,000 from 1989.

The fight, said Cedergren, will be for market share. "The bottom line," he said, "is that this is a new era in selling cars."

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Intro '90 Extra
Special section features new products for the 1990 model year: domestic and import cars and light trucks.

Ford watchdogs will work with suppliers to cut costs

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — In its battle against rising material costs, Ford Motor Co. plans to set up a full-time cost reduction group in its North American automotive operations.

The group will work with suppliers to redesign and reformulate some of the components Ford buys.

The new program will be established by the end of the year. It is patterned after a similar program at Mazda Motor Corp. in Japan, called DRILL, or "drastic reduction innovation of all."

Spencer

The three-year-old Mazda program seeks a 30 percent reduction in material costs over a four-year period. Ford believes Mazda's target is "ambitious" and that a cut of that magnitude could frighten Ford suppliers.

The Ford action is "a drastic reduction program but it isn't a bludgeoning; we are looking to take costs out," said Alan Spencer, executive director of NAAO production purchasing. He said Ford has no specific cost reduction target as yet.

According to Ford, the program is not designed to cut suppliers' margins; it is simply an effort to help vendors reduce overall costs.

One Ford supplier, who spoke on the condition of anonymity, said the program is long overdue. He said Ford has not looked at costs as closely as its competitors.

In some cases, components may be redesigned or manufactured differently. The supplier may discover that the component can be made from different materials to reduce its cost.

Spencer admitted that redesigning or reformulating a part may cost the supplier extra time, but he claimed it will be beneficial in the long run because costs will be cut.

But one Ford supplier said that suppliers have suggested new ideas for components in the past but have been stymied by an enormous amount of red tape. Every new product, according to the source, must go through Ford's testing labs, but ideas often are killed before the lab sees them.

Spencer said Ford encourages its suppliers to work with their own vendors — or so-called "third-tier suppliers" — to reduce parts costs.

A key factor in deciding which parts can be redesigned or reformulated is the tear-down study, in which Ford and competitive vehicles are torn apart piece by piece. Each part is examined, weighed and measured. Ford estimates the cost of each part.

Ford is encouraging its suppliers to conduct their own tear-down studies to determine if changes can be made in the part they are producing for Ford.

Ford does not believe that every part on every vehicle can be redesigned to reduce cost. And it will take time to change parts that can be changed.

In some cases, Ford may have to wait until the next generation of a particular vehicle.

Ford has identified four areas that it believes are prime fields for cost reduction: wiring; bumpers, interior trim (seats and door trim) and instrument panels. A fifth may be powertrains, Spencer said.

Ford purchases its bumpers, interior trim and instrument panels from suppliers outside and inside the company. All wiring products are purchased from outside firms.

In addition to reducing costs, Ford continues to ask suppliers for a productivity improvement of 5 percent for each year of their contract with the automaker.

Supplier sources say Ford is putting more pressure on suppliers to sign the productivity pacts, but some suppliers with unique products (not available from any other source) have not signed the agreement.

Price increases for the products Ford purchases are based on productivity improvements minus inflation.

Audi 100 posts lowest injury score

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The Audi 100 has registered the lowest head injury score of any vehicle used in NHTSA's 35 mph crash program.

The air-bag equipped luxury sedan had a driver head injury score of 185. That compares with scores ranging from 541 to 1,421 on eight other mid-sized and full-sized 1989 cars crashed by NHTSA — two of which also had air bags. The Audi's passenger head injury score, 710, was comparable to other cars crashed.

One of Audi's harshest critics, Clarence Ditlow, director of the Center for Auto Safety, praised the car's performance.

"It shows what we've been saying all along — that when you add an air bag into a car with good energy-absorbing structure, you'll get good scores," he said. "Other manufacturers should follow" Audi.

Federal rules that took effect last month require all 1990 model cars sold in the United States to carry either a driver's side air bag or automatic seat belts. Through 1989, few air bag-equipped cars have gone through NHTSA's program. For the 1990 model year, about 75 U.S. and import models have a standard driver's side air bag.

NHTSA crashed 35 vehicles during the 1989 model year in its experimental New Car Assessment Program. A two-door Dodge Daytona hatchback had the second-best head injury score, 399.

The Audi 100's predecessor, the Audi 5000, had a driver head injury score of 2,105 and a passenger score of 557 when it was crashed during the 1985 model year. It did not have an air bag.

Under NHTSA's program, cars are crashed into a fixed barrier at 35 mph. The impact is equivalent to a head-on collision between two identical cars traveling at 35 mph or a crash between a parked car and another moving at 70 mph.

The crash produces one-third more force than the 30 mph test used to certify all new cars sold in the United States. In that test, a head injury score of 1,000 or above and a G force of 60 or higher in the chest score is considered fatal to the vehicle's occupants.

The Audi 100 chest deceleration score was 35 G's for the driver and 31 G's for the passenger, also record lows.

NHTSA engineers would not comment on the significance of the scores. NHTSA calls the crash program experimental because it only measures the force of a car during a frontal collision into a fixed object.

Ditlow has been a critic of Audi's 5000 model, which he said is prone to unintended acceleration. A NHTSA study, however, concluded that the phenomenon is caused by drivers mistaking the accelerator for the brake pedal.

NHTSA 1989 NEW- CAR CRASH ASSESSMENT

Vehicle	Head injury criterion Driver	 Passenger	Chest deceleration (G's) Driver	 Passenger
SUBCOMPACT CARS:				
Geo Metro 4-dr. sedan	1,075	840	56	46
Geo Metro 2-dr. sedan	951	1,177	ND	33
Nissan 240SX 2-dr. hatchback	407	525	41	44
COMPACT CARS:				
Nissan Maxima 4-dr. sedan*	808	736	51	44
LARGE AND MID-SIZED CARS:				
Audi 100 4-dr. sedan*	185	710	35	31
TRUCKS, VANS, MPVs:				
Nissan pickup	742	965	46	35

ND—No data

*Equipped with automatic crash protection system as standard equipment

AUTO ZEITUNG

The F-type Jaguar could be in production by summer 1992.

Jaguar F-type ahead of schedule

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Despite doubts about financially troubled Jaguar's ability to bring out a successor to the legendary E-type, supplier sources in Europe confirm that the sports car project is not only alive but ahead of schedule.

Component orders indicate that the so-called F-type is much farther along than once believed and could be in production by the summer of 1992 — 18 months earlier than expected.

Jaguar reported an operating loss of £2.8 million ($4.5 million U.S.) in the first half of 1989 and some analysts question whether it has sufficient resources to put the car into production without the backing of a new owner.

Jaguar Chairman Sir John Egan has said he is committed to going ahead with new-model plans despite financial problems, though he has said there may be adjustments.

Plans for a long-wheelbase version of the XJ6 sedan were delayed earlier this year to give the sports car higher priority, according to sources familiar with the project.

The long-awaited 2 + 2 will give Jaguar three lines and will fill the gap left by the XKE that was discontinued in the 1970s. Annual production of 15,000 to 20,000 units is expected.

A front-mounted twin-turbo, six-cylinder engine putting out 350 horsepower is said to top the power offering, though the F-type is designed to accommodate a Jaguar V-12.

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Japanese transplants lead building boom in parts field

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

A building boom led by Japanese transplant parts makers is still in full swing in the auto supplier industry despite worries about auto plant overcapacity in the 1990s.

Due primarily to new business from expanding Japanese automakers in the United States, as many as 50 new parts supplier plants have gone up in the past year. At least 20 more will be opened in the next two years.

Most of the expansion involves transplant parts makers and U.S.-Japanese joint ventures. According to one estimate, transplant suppliers will have opened more than 360 facilities by 1991, constituting one-tenth of all U.S. parts-making facilities.

But the question being asked throughout the industry is whether the transplant invasion is over.

The U.S. Automotive Parts Industry Office, a Tokyo trade office operated by the Motor and Equipment Manufacturers Association and the U.S. Commerce Department, estimates that 45 Japanese suppliers will open wholly owned plants or joint ventures this year, down from 68 in 1988. Earlier this year, Automotive Parts International, a Washington research firm, also reported that openings of new foreign-owned parts plants had slowed from an early 1988 peak.

AUTOMOTIVE NEWS/JOE [illegible]

Macosko sees a slowdown in supplier moves.

"The accepted estimate for the last few years was that there were about 300 Japanese parts companies that wanted to open U.S. production facilities," said Gregory Macosko, a partner with Easton Consultants of Hopkinton, Mass., who monitors transplants. "At this point, most of those that are going to come have now done so. We really don't see too many more suppliers coming over."

The growth of the transplant auto-assembly sector continues to be the stimulus for the supplier industry expansion now in progress among both U.S. and foreign companies.

Subaru-Isuzu Automotive recently opened its 120,000-vehicle-a-year plant in Lafayette, Ind. Nissan Motor Manufacturing is embarking on a $490 million project to produce an additional 220,000 cars a year in Smyrna, Tenn.

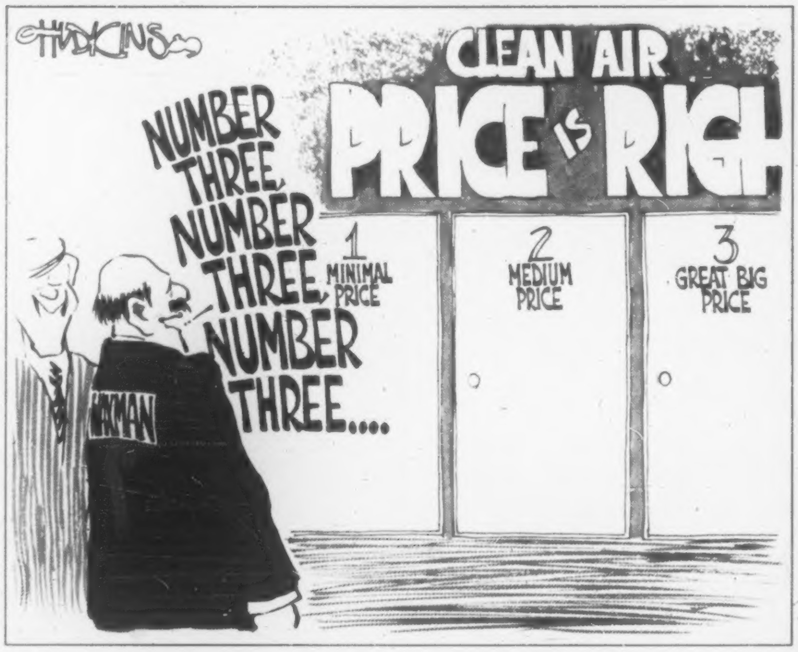
Diamond-Star Motors, which started production last year, is gearing up to build 240,000 Chrysler and Mitsubishi vehicles annually in Normal, Ill. Honda has also just opened its second U.S. car plant in East Liberty, Ohio, to produce another 150,000 cars a year. It is also expanding production at its Anna, Ohio, engine facility.

Toyota began building Camrys in Georgetown, Ky., last year and will soon start up a

see SUPPLIERS, page 28

OPINION

A tough compromise on clean air



Rep. John Dingell, D-Mich., discovered the limits on permissible automotive pollution last week. In the political climate of late 1989, those limits are outside the comfort zone of the Big 3 automakers.

Dingell, Detroit's powerful point man in Congress, made a historic compromise with Democratic Rep. Henry Waxman, California's anti-smog point man in Congress. At first glance, industry watchers might ask: "What compromise?"

Amendments to President Bush's proposed clean-air bill have consistently been defeats for the industry position. The automakers weren't keen about the Bush plan, but they said they could live with it.

Now, the Dingell-Waxman agreement calls for tighter tailpipe standards, 100,000-mile warranties on emissions systems, extension of car standards to light trucks and a requirement for canisters on cars to trap fuel vapors now lost at the pump. (Vapor traps ought to be on gas pumps, not cars, so the problem can be eliminated in months rather than decades.)

In the post-Reagan era, Dingell had to consent to all those things or risk finding himself an irrelevant voice outside the mainstream.

If the compromise has a bright side for the industry, it is that clean-air legislation is moving forward more surely. There is no technological barrier to meeting any of the proposed standards. The barriers are economic — several hundred dollars per car. But the one thing the industry needs is a clear set of standards and a clear, realistic timetable to meet them. And the Dingell-Waxman accord suggests that the legislative process will come up with clear standards in a few months and that the timetables will be realistic.

The automakers' biggest concern about the events last week centers on the 100,000-mile emissions-system guarantee, which doubles the current time frame. How many millions of dollars might go down the drain on a recall of cars with 80,000 miles on them?

Unfortunately, new cars have a way of becoming old cars. And old cars spew a disproportionate amount of pollution into the air. The industry itself has been blaming old cars for most air problems.

Automakers need to keep on slugging to be sure Congress cleans the air efficiently and doesn't merely penalize the industry and its customers. The fuel-vapor canister issue, for instance, smacks more of "getting" the auto industry than of trying to clean the air.

The Big 3 criticized last week's changes as expensive rules that will have only a tiny effect on air quality. But the automakers didn't go overboard: They didn't say it can't be done, and they didn't predict the end of prosperous free-market economies.

Like John Dingell, they have learned to compromise.

LETTERBOX

VW did it in the '70s

Your article covering Mercedes-Benz's intent to open a California design center in 1990 was most interesting. The statement that it will be the first-ever U.S. studio that will be opened by a European carmaker is incorrect.

Volkswagen of America had a completely facilitized design studio operating in America from late 1976 until 1984 or later.

The studio was staffed by U.S. designers, clay molders and stylists under the direction of Bill Maypole, a previous member of the General Motors design staff. Maypole reported to Duane Miller, VW's vice president of engineering.

This group made major contributions to the longevity of the U.S. Rabbit, Golf and Jetta, including design of one-piece headliners and new instrument panels with integral air conditioning.

Other achievements included the first U.S.-made GTI, development of square headlights on the Rabbit and Jetta models, interior panel design and color coordination and the complete design and styling of the first small pickup truck made in the United States by any manufacturer.

This group also contributed to the development and advanced planning of the first Audi 5000 vehicle.

Unfortunately, the studio was dissolved as a result of a management change in Germany in 1982 that changed VW's previous policy to manufacture where they sell in major world markets.

J.W. McLernon
Bloomfield Hills, Mich.

J.W. McLernon was president of Volkswagen of America from 1979 to 1982.

We invite letters from our readers. Unsigned letters will not be considered, but you may sign your name with the assurance that it will not be used if you so request. Address letters to: Letterbox, Automotive News, 1400 Woodbridge Ave., Detroit, MI 48207. Our fax number is (313) 446-0383.

Never over sticker

As a California automobile dealer with 11 franchises, I would like to applaud your Sept. 11 editorial suggesting that dealers should be happy when they can sell cars for sticker price and not gouge the public above that.

Our company has had a policy since 1984 that we never charge over manufacturer's suggested retail price plus a reasonable charge for accessories, if any. We also will make a car available without accessories if the customer wants it that way and never force accessories on the customer.

Among the franchises we hold are Mazda and Porsche, and this policy has definitely had a negative short-term effect on earnings with cars like the Mazda Miata and the Porsche Speedster.

It has been aggravating at times when we discover that customers have purchased cars at the window sticker price, only to act as brokers and resell the cars for a higher price within a matter of days or weeks.

It is time that we, as dealers, start taking a longer-term view of our business, our industry and our image.

Although our current "no over sticker" policy gives us a competitive advantage against virtually every dealer around us, I welcome other dealers to join us in this position and hope to improve the public's perception of our profession and our dealerships.

Obviously, we believe that in the long term, we will be better off for not having sold over sticker.

John B.T. Campbell III
President
Campbell Automotive Group
Irvine, Calif.

Customers don't forget

I am replying to the letter from Jon Shultz in your Oct. 2 Letterbox.

Concerning the issue of whether to gouge or not to gouge the public when you have a chance to make a home run by boosting stickers on hot merchandise:

I am no longer a General Motors dealer, but the dealership I recently sold was in the family for 50 years, and I am happy to say that we did not take advantage of our customers by jacking up the window-sticker price. Many times, you never find out if you gained or lost in the eventual shakeout. But here is our experience:

All through the years, I had a customer who could buy the most expensive auto on the market, but he stayed with us, buying one Buick Electra after another.

One day I broached the subject of why

see LETTERBOX, page 14

Automotive News
The weekly newspaper of the industry

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The Audit Bureau
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Winnebago's new front-wheel-drive route van

Winnebago moves into commercial field

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Limited opportunities in the RV market, stemming from its maturity and cyclical nature, are leading Winnebago Industries to diversify into commercial-vehicle products.

Winnebago of Forest City, Iowa, established a commercial vehicle division to field new products such as the front-wheel-drive route van it will introduce in November.

Richard B. Carlson, the division's vice president and general manager, said the company has also begun signing dealers.

Midway Ford Truck Center in Kansas City, Mo., and Liberty Ford in Philadelphia, were the first dealers to sign sales and service agreements to handle Winnebago's route vans.

Carlson said the goal is to sign one successful truck dealer in each of the top 100 major metropolitan areas during the next two years.

Most are expected to be light- and medium-duty dealers, since Winnebago's commercial vans will be positioned at the high end of Class 2 and in Class 3.

Carlson added that the firm will not exclude heavy-truck dealers from consideration, particularly those with a good fleet business.

Winnebago's goal for its new route van is to capture 10 percent of a 20,000-unit market that consists chiefly of bakery, snack food, parcel package delivery and industrial laundry delivery vehicles.

Winnebago has designed and will produce its own chassis and van bodies for its route vans. That puts it in competition with General Motors, Ford Motor Co. and Oshkosh Truck Corp. of Oshkosh, Wis., which are the primary chassis suppliers to vehicle manufacturers in that market.

Winnebago also will compete with commercial body manufacturers like Utilimaster Corp. of Wakarusa, Ind., and Grumman Olson of Sturgis, Mich., which produce vehicles on chassis supplied to them.

The design of the Winnebago route van is geared to easy entry and exit and spacious, flexible interior cargo capacity.

The fwd design of the new W-series vans enabled the company to give them an 18-inch floor height. Competitive models have floor heights of 31 to 35 inches.

Four versions of the van will be offered. One, the W950, has a high ceiling that enables the vehicle to carry 928 cubic feet of cargo, about 150 cubic feet more than standard vans built on Detroit chassis.

Other versions are the W650 with 664 cubic feet of cargo space, the W750 with 721 cubic feet of space and the W850 with 856 cubic feet of space.

The heights of those models range from 84 to 110 inches. Where cubic space is not critical, an operator can select a model with a lower height, which reduces frontal area and improves fuel economy.

Winnebago's chassis is built on a heavy-duty 50,000-pounds-per-square-inch rail frame. It features a Cummins turbocharged 105-horsepower 4BT diesel engine, Borg Warner T19 manual four-speed transmission, ZF front-drive axle and ZF transfer case.

The Cummins 120-hp 4BTA diesel and Ford 5.8-liter gas engines are options.

Carlson said the vehicles have not been priced.

The company is providing service backup for the vehicles through GE Capital Fleet Services of Eden Prairie, Minn.

GE's nationwide emergency breakdown service complements the network of sales and service dealerships Winnebago is setting up. Winnebago has four regional parts depots to supply dealers.

RV shipments to dealers dip 2% for month

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

RV wholesale shipments to dealers totaled 31,900 in July, down 2.45 percent from 32,700 a year earlier, according to the Recreation Vehicle Industry Association.

Van conversions are largely responsible for the industry's high seasonally adjusted annual selling rate of 394,0000 units.

They were the only vehicle category to increase during July and for the first seven months of calendar 1989.

Van conversion shipments totaled 16,500 in July, a new monthly record, up 2.48 percent from 16,100 a year earlier.

Their seven-month total of 123,800 was up 2.57 percent from 120,700 last year.

Van conversions accounted for nearly half the industry's total 249,300 shipments during the first seven months. That total was off 4.30 percent from 260,500 a year earlier.

Raw chassis shipped by Detroit van manufacturers to converters indicated a slowdown of conversion activity for August and September.

General Motors, Ford Motor Co. and Chrysler Motors shipped 9,400 seat-delete vans to converters in July, 38.96 percent fewer than the 15,400 shipped in the 1988 month.

For seven months, Detroit shipped 127,200 seatless vans to converters, 0.55 percent more than last year's 126,500.

In July, the slowdown in raw chassis shipments was slightly greater for full-sized vans than for compact models.

During July, Detroit manufacturers shipped 7,200 full-sized vans to converters, 38.98 percent fewer than last year's 11,800.

It also shipped 2,200 compact chassis, 38.89 percent fewer than the year-ago month's 3,600.

Detroit shipped 98,500 full-sized chassis to converters during the seven-month period, up 1.23 percent from 97,300 a year earlier.

During the same period, it shipped 28,700 compact vans, off 1.71 percent from 29,200 a year earlier.

Recreational Vehicle Wholesale Deliveries

	July 1989	July 1988	% change	7 mon. 1989	7 mon.- 1988	% change
Travel trailers	4,600	4,800	– 4.2	36,000	39,400	– 8.6
Park Trailers	500	500	+ 0.0	4,500	4,300	+ 4.7
Travel trailers—fifth wheel	2,100	2,200	– 4.5	18,100	19,300	– 6.2
Folding camping trailers	2,600	2,800	– 7.1	20,200	25,900	–22.0
Truck campers	900	900	+ 0.0	6,600	7,100	– 7.0
Towable RV total	10,700	11,200	– 4.5	85,400	96,000	–11.4
Conventional (type A)	3,100	3,100	+ 0.0	22,600	24,500	– 7.8
Van Campers (type B)	300	400	–25.0	3,200	3,200	+ 0.0
Chopped vans (all)	1,300	1,900	–31.6	14,300	16,100	–11.2
Motor home total	4,700	5,400	–13.0	40,100	43,800	– 8.4
Van conversions	16,500	16,100	+ 2.5	123,800	120,700	+ 2.6
TOTAL ALL RVs	31,900	32,700	– 2.4	249,300	260,500	– 4.3

Source: Recreation Vehicle Industry Association

Non-van conversions help GMC set record

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

GMC Truck sold a record number of RV conversions during the 1989 model year, primarily because of increases in the number of Sierra pickups, Suburbans and Jimmys upfitted by its consignment pool accounts.

Increased conversions of those non-van products also helped four new companies make GMC's list of top 10 pool accounts, according to Keith Ball, GMC manager of special vehicle sales.

New to the top 10 are: Explorer Van Co. of Warsaw, Ind.; Van American of Goshen, Ind.; Trailmaster Vehicles of Fort Worth, Texas; and Chattanooga Custom Center of Chattanooga, Tenn.

Rounding out the top 10 are: Starcraft Corp. of Goshen, Ind.; Glaval (Autoform) of Elkhart, Ind.; Utilimaster/Holiday Rambler Corp. (Aviator) of Wakarusa, Ind.; Gulf Stream Coach (Monogram, Conquest) of Goshen; Bivouac Automotive and Bivouac Commercial of Vandalia, Mich.; and Sherrod Vans of Jacksonville, Fla. Sherrod's Victory Vans operation is in Fort Worth.

Even companies most traditionally linked to vans, such as Starcraft, are now heavily involved in converting Sierra pickups and Suburbans, Ball said.

GMC has been forced to seek its growth in those alternative vehicles because of a limited supply of van chassis.

"We had to turn down some people who wanted bailment because we didn't have enough product for them," Ball said.

> **"We had to turn down some people who wanted bailment because we didn't have enough product for them."**
>
> **KEITH BALL**
> **GMC**

He doesn't expect that to change in the short term. There are no extra van chassis on GMC's schedule for the 1990 model year.

"But as our sales rate does well, and others don't do as well, we'll receive more and more. You have to build toward getting more product," he added.

GMC reached a new model-year record for retail sales of upfitted vehicles in August, and every sale in September was that much over its objective, Ball said. He declined to provide specific numbers.

Ball said he thought 1990 would "a flat year." He said he continually analyzes GMC's pool accounts because of their volatility.

The disappearance of companies that run into trouble forces the division to bring in new accounts.

"I analyze companies' performances continually and talk to people daily," Ball said. He watches the retail sales of converters' products to see how fast they sell on dealers' lots. That is the primary basis on which additional allocation is decided.

"It's a very equitable system. Those that move it, get it. The bailment companies are very happy with that. Obviously, they're very aggressive," Ball said.

To some extent, he also watches how much product converters sell to dealers at the wholesale level, "but that's just building up dealer inventory. It's just a stage in the sales process."

GMC has signed some strategic new accounts. Since beginning its focus on pickup and sport-utility conversions, it has looked at new accounts from a regional standpoint, considering such things as freight and shipping costs.

"You may already have a real good pickup outfitter, but a new one, even if he's not quite as good as the original one, may have an edge because of the freight factor. You can't ship vehicles across the country. The cost is much too prohibitive," Ball said.

On the other hand, he concluded, "You can't keep adding new converters in a region. You get to a point of diminishing returns. On pickups, we're locked into geographic considerations."

RVIA re-elects five directors; technician training scheduled

RESTON, Va. — The Recreation Vehicle Industry Association re-elected five members of its 21-member board of directors to a second term that began Oct. 1.

The board members re-elected are: Allen Yoder Jr., president of Jayco Inc. in Middlebury, Ind., chairman; Melvin Adams, president of Coleman Co.'s RV Group in Wichita, Kan., vice chairman; H. Wayne Dahl, president and chief operating officer of Holiday Rambler Corp. in Wakarusa, Ind., second vice president; John Casey Jr., president of Shurflo in Santa Ana, Calif., secretary; and Stepen Decker, president of Skamper Corp. in Bristol, Ind., treasurer.

The directors will serve one-year terms. They, along with Don Cuzzocrea, president of Starcraft Corp. in Goshen, Ind.; RVIA President David J. Humphreys; and RVIA General Counsel Jerome C. Loftus, make up the association's executive committee for 1990.

RVIA said it plans to establish the National Recreation Vehicle Technical Institute next year.

The purpose of the nationwide program of education and training is to attract more and better-qualified service technicians to the industry.

The institute will offer a network of standardized, competency-based training courses for RV service technicians in community colleges and technical institutes.

Scheduled to begin in September 1990, the program is designed to help offset a widely predicted labor shortage that may reduce the number of qualified RV service technicians in the next decade.

The institute's first preparatory training courses will be offered in central Florida; Elkhart, Ind.; and Southern California.

1990 EPA mileage specs

Car Line	Est MPG City	Est MPG Hwy	Displ (liters)	Trans	Fuel Sys
Two Seaters					
Alfa Romeo Spider	23	30	2.0	M5	FI
Buick Reatta	18	27	3.8	L4	FI
Cadillac Allante	15	22	4.5	L4	FI
Chevrolet Corvette	16	25	5.7	M6	FI
Chevrolet Corvette	16	24	5.7	L4	FI
Chevrolet Corvette	16	25	5.7	M6	FI
Chrysler TC by Maserati	18	25	2.2	M5	FI
Chrysler TC by Maserati	17	24	3.0	L4	FI
Nissan 300ZX	19	24	3.0	L4	FI
Nissan 300ZX Turbo	18	24	3.0	L4	FI
Nissan 300ZX Turbo	18	24	3.0	M5	FI
Nissan 300ZX	18	24	3.0	M5	FI
Ferrari Testarossa	10	15	4.9	M5	FI
Honda Civic CRX	29	35	1.5	L4	FI
Honda Civic CRX	32	35	1.5	M5	FI
Honda Civic CRX	28	33	1.6	M5	FI
Honda Civic CRX HF	49	52	1.5	M5	FI
Honda Civic CRX HF	43	49	1.5	M5	FI
Lamborghini Countach	6	10	5.2	M5	FI
Lotus Esprit Turbo	17	27	2.2	M5	FI
Maserati Karif Turbo	15	18	2.8	L4	FI
Maserati Karif Turbo	15	20	2.8	M5	FI
Maserati Spyder Turbo	15	18	2.8	L4	FI
Maserati Spyder Turbo	15	20	2.8	M5	FI
Mazda RX-7	17	23	1.3	L4	FI
Mazda RX-7 Turbo	16	24	1.3	M5	FI
Mazda RX-7	17	25	1.3	M5	FI
Mazda MX-5 Miata	25	30	1.6	M5	FI
Minicompact Cars					
Nissan 240SX	20	25	2.4	L4	FI
Nissan 240SX	20	27	2.4	M5	FI
Maserati 222E Turbo	15	18	2.8	L4	FI
Maserati 222E Turbo	15	20	2.8	M5	FI
Porsche 911 Carrera	16	24	3.6	M5	FI
Porsche 911 Carrera 4wd	15	22	3.6	M5	FI
Porsche 928 S4	15	19	5.0	A4	FI
Porsche 928 S4	13	19	5.0	M5	FI
Porsche 944 S2	17	26	3.0	M5	FI
Volkswagen Cabriolet	23	28	1.8	A3	FI
Volkswagen Cabriolet	25	32	1.8	M5	FI
Subcompact Cars					
Acura Integra	23	27	1.8	L4	FI
Acura Integra	24	28	1.8	M5	FI
Audi Coupe Quattro	18	24	2.3	M5	FI
Audi 80	23	27	2.0	A3	FI
Audi 80	22	30	2.0	M5	FI
Audi 80 Quattro	18	24	2.3	M5	FI
Audi 90	19	22	2.3	A3	FI
Audi 90	20	26	2.3	M5	FI
Audi 90 Quattro 20V	18	24	2.3	M5	FI
BMW M3	17	29	2.3	M5	FI
BMW 325i Convertible	18	23	2.5	L4	FI
BMW 325i Convertible	18	25	2.5	M5	FI
BMW 325i/325is	18	22	2.5	L4	FI
BMW 325i/325is	18	23	2.5	M5	FI
BMW 325ix	19	22	2.5	L4	FI
BMW 325ix	17	23	2.5	M5	FI
Chevrolet Camaro	18	27	3.1	L4	FI
Chevrolet Camaro	17	26	5.0	L4	FI
Chevrolet Camaro	17	24	5.0	L4	FI
Chevrolet Camaro	16	26	5.0	M5	FI
Chevrolet Camaro	17	25	5.0	M5	FI
Chevrolet Camaro	16	24	5.7	L4	FI
Chevrolet Sprint	38	39	1.0	A3	FI
Chevrolet Sprint	46	50	1.0	M5	FI
Chevrolet Turbo Sprint	37	42	1.0	M5	FI
Chrysler LeBaron Convertible Turbo	20	28	2.2	M5	FI
Chrysler LeBaron Convertible Turbo	19	23	2.5	A3	FI
Chrysler LeBaron Convertible	22	27	2.5	L3	FI
Chrysler LeBaron Convertible	19	27	3.0	M5	FI
Daihatsu Charade	38	42	1.0	M5	FI
Daihatsu Charade	31	34	1.3	A3	FI
Daihatsu Charade	35	39	1.3	M5	FI
Nissan Pulsar NX	25	31	1.6	L3	FI
Nissan Pulsar NX	26	34	1.6	M5	FI
Nissan Pulsar NX	21	30	1.8	L4	FI
Nissan Pulsar NX	23	30	1.8	M5	FI
Nissan Sentra	26	31	1.6	L3	FI
Nissan Sentra	29	36	1.6	M4	FI
Nissan Sentra	28	36	1.6	M5	FI
Nissan Sentra Coupe	26	30	1.6	L3	FI
Nissan Sentra Coupe	28	36	1.6	M5	FI
Nissan 300ZX 2 + 2	19	24	3.0	L4	FI
Nissan 300ZX 2 + 2	18	24	3.0	M5	FI
Dodge Colt	27	29	1.5	L3	FI
Dodge Colt	31	36	1.5	M4	FI
Dodge Colt	29	34	1.5	M5	FI
Dodge Colt	23	28	1.6	L4	FI
Dodge Colt	23	28	1.6	M5	FI
Dodge Daytona Turbo	20	28	2.2	M5	FI
Dodge Daytona Turbo	19	23	2.5	A3	FI
Dodge Daytona	22	27	2.5	L3	FI
Dodge Daytona Turbo	20	29	2.5	M5	FI
Dodge Daytona	24	32	2.5	M5	FI
Dodge Daytona	19	27	3.0	M5	FI
Dodge Omni	25	30	2.2	L3	FI
Dodge Omni	25	34	2.2	M5	FI
Eagle Talon	22	27	2.0	L4	FI
Eagle Talon Turbo 4wd	20	25	2.0	M5	FI
Eagle Talon Turbo	22	29	2.0	M5	FI
Eagle Talon	22	29	2.0	M5	FI
Ford Festiva	31	33	1.3	A3	FI
Ford Festiva	35	41	1.3	M5	FI
Ford Mustang	21	27	2.3	L4	FI
Ford Mustang	23	29	2.3	M5	FI
Ford Mustang	17	25	5.0	L4	FI
Ford Mustang	17	24	5.0	M5	FI
Geo Metro	37	40	1.0	A3	FI
Geo Metro	46	50	1.0	M5	FI
Geo Metro LSi	37	39	1.0	A3	FI
Geo Metro LSi	46	50	1.0	M5	FI
Geo Metro XFi	53	58	1.0	M5	FI
Geo Prizm	25	29	1.6	L3	FI
Geo Prizm	23	30	1.6	L4	FI
Geo Prizm	25	31	1.6	M5	FI
Geo Prizm	28	34	1.6	M5	FI
Geo Storm	25	31	1.6	A3	FI
Geo Storm	24	32	1.6	L4	FI
Geo Storm	31	36	1.6	M5	FI
Geo Storm	26	34	1.6	M5	FI
Honda Civic	28	33	1.5	L4	FI
Honda Civic	33	37	1.5	M4	FI
Honda Civic	31	34	1.5	M5	FI
Honda Civic	25	29	1.6	L4	FI
Honda Civic	28	32	1.6	M5	FI
Hyundai Excel	28	32	1.5	L4	FI
Hyundai Excel	29	33	1.5	M4	FI
Hyundai Excel	29	36	1.5	M5	FI
Hyundai Precis	28	32	1.5	L4	FI
Hyundai Precis	29	33	1.5	M4	FI
Hyundai Precis	29	36	1.5	M5	FI
Isuzu Impulse	24	32	1.6	L4	FI
Isuzu Impulse	26	34	1.6	M5	FI
Isuzu 4wd Turbo	22	28	1.6	M5	FI
Infiniti M30	19	25	3.0	L4	FI
Maserati 430 Turbo	15	18	2.8	L4	FI
Maserati 430 Turbo	15	20	2.8	M5	FI
Mitsubishi Eclipse	23	30	1.8	L4	FI
Mitsubishi Eclipse	23	32	1.8	M5	FI
Mitsubishi Eclipse 4wd	22	27	2.0	L4	FI
Mitsubishi Eclipse Turbo	20	25	2.0	M5	FI
Mitsubishi Eclipse Turbo	22	29	2.0	M5	FI
Mitsubishi Eclipse	22	29	2.0	M5	FI
Mitsubishi Mirage	27	29	1.5	L3	FI
Mitsubishi Mirage	31	36	1.5	M4	FI
Mitsubishi Mirage	28	34	1.5	M5	FI
Mitsubishi Mirage	23	28	1.6	L4	FI
Mitsubishi Mirage	23	28	1.6	M5	FI
Plymouth Colt	27	29	1.5	L3	FI
Plymouth Colt	31	36	1.5	M4	FI
Plymouth Colt	28	34	1.5	M5	FI
Plymouth Colt	23	28	1.6	L4	FI
Plymouth Colt	23	28	1.6	M5	FI
Plymouth Horizon	25	30	2.2	L3	FI
Plymouth Horizon	25	34	2.2	M5	FI
Plymouth Laser	23	30	1.8	L4	FI
Plymouth Laser	23	32	1.8	M5	FI
Plymouth Laser	22	27	2.0	L4	FI
Plymouth Laser Turbo	22	29	2.0	M5	FI
Plymouth Laser	22	29	2.0	M5	FI
Pontiac Firebird Trans Am	18	27	3.1	L4	FI
Pontiac Firebird Trans Am	17	24	5.0	L4	FI
Pontiac Firebird Trans Am	17	26	5.0	L4	FI
Pontiac Firebird Trans Am	16	26	5.0	M5	FI
Pontiac Firebird Trans Am	17	25	5.0	M5	FI
Pontiac Firebird Trans Am	16	24	5.7	L4	FI
Pontiac Firefly	38	39	1.0	A3	FI
Pontiac Firefly	46	50	1.0	M5	FI
Pontiac Sunbird Convertible Turbo	21	28	2.0	L3	FI
Pontiac Sunbird Convertible	24	33	2.0	M5	FI
Pontiac Sunbird Convertible Turbo	21	30	2.0	M5	FI
Pontiac Firefly Turbo	37	42	1.0	M5	FI
Rolls-Royce Bentley Continental	10	13	6.8	A3	FI
Rolls-Royce Corniche III	10	13	6.8	A3	FI
Saab 900 Convertible Turbo	18	21	2.0	A3	FI
Saab 900 Convertible Turbo	21	28	2.0	M5	FI
Subaru Justy	33	37	1.2	M5	2bc
Subaru Justy	34	35	1.2	AV	FI
Subaru Justy	33	37	1.2	M5	FI
Subaru Justy 4wd	32	32	1.2	AV	FI
Subaru Justy 4wd	29	33	1.2	M5	FI
Subaru XT	23	29	1.8	L4	FI
Subaru XT	25	31	1.8	M5	FI
Subaru XT	20	28	2.7	L4	FI
Subaru XT 4wd	22	28	1.8	L4	FI
Subaru XT 4wd	24	29	1.8	M5	FI
Subaru XT 4wd	19	25	2.7	L4	FI
Subaru XT 4wd	18	25	2.7	M5	FI
Suzuki Swift	38	39	1.0	A3	FI
Suzuki Swift	46	50	1.0	M5	FI
Suzuki Swift	31	34	1.3	A3	FI
Suzuki Swift	40	44	1.3	M5	FI
Suzuki Swift GT	25	28	1.3	A3	FI
Suzuki Swift GT	29	36	1.3	M5	FI
Toyota Celica	25	33	1.6	L4	FI
Toyota Celica	28	33	1.6	M5	FI
Toyota Celica Turbo	19	24	2.0	M5	FI
Toyota Celica	22	28	2.2	L4	FI
Toyota Celica	24	31	2.2	L4	FI
Toyota Celica	23	29	2.2	M5	FI
Toyota Corolla	26	29	1.6	L3	FI
Toyota Corolla 4wd	24	29	1.6	L4	FI
Toyota Corolla	25	33	1.6	L4	FI
Toyota Corolla	28	33	1.6	M5	FI
Toyota Corolla	25	31	1.6	M5	FI
Toyota Corolla	22	28	1.6	M5	FI
Toyota Supra	18	23	3.0	L4	FI
Toyota Supra Turbo	18	23	3.0	L4	FI
Toyota Supra	18	23	3.0	M5	FI
Toyota Supra Turbo	17	22	3.0	M5	FI
Toyota Tercel	29	32	1.5	L3	1bc
Toyota Tercel	31	36	1.5	M4	1bc
Toyota Tercel	30	36	1.5	M5	1bc
Toyota Tercel	27	31	1.5	L3	FI
Volkswagen Corrado	21	28	1.8	M5	FI
Volkswagen Fox	25	30	1.8	M4	FI
Volkswagen Fox	24	29	1.8	M5	FI
Compact Cars					
Acura Legend	18	22	2.7	L4	FI
Acura Legend	19	24	2.7	M5	FI
BMW 525i	18	23	2.5	L4	FI
BMW 525i	18	25	2.5	M5	FI
BMW 535i	15	21	3.4	L4	FI
BMW 535i	15	23	3.4	M5	FI
Buick Skylark	23	31	2.3	L3	FI
Buick Skylark	23	31	2.5	L3	FI
Buick Skylark	20	27	3.3	L3	FI
Chevrolet Beretta	24	31	2.2	L3	FI
Chevrolet Beretta	24	34	2.2	M5	FI
Chevrolet Beretta	22	31	2.3	M5	FI
Chevrolet Beretta	20	27	3.1	L3	FI
Chevrolet Beretta	19	28	3.1	M5	FI
Chevrolet Cavalier	25	33	2.2	L3	FI
Chevrolet Cavalier	25	36	2.2	M5	FI
Chevrolet Cavalier	20	27	3.1	L3	FI
Chevrolet Cavalier	19	28	3.1	M5	FI
Chrysler LeBaron Turbo	20	28	2.2	M5	FI
Chrysler LeBaron Turbo	19	23	2.5	A3	FI
Chrysler LeBaron	22	27	2.5	L3	FI
Chrysler LeBaron	19	28	3.0	M5	FI
Nissan Stanza	21	27	2.4	L4	FI
Nissan Stanza	22	29	2.4	M5	FI
Dodge Shadow	23	28	2.2	L3	FI
Dodge Shadow Turbo	20	28	2.2	M5	FI
Dodge Shadow	24	31	2.2	M5	FI
Dodge Shadow Turbo	20	23	2.5	A3	FI
Dodge Shadow	22	27	2.5	L3	FI
Dodge Shadow Turbo	21	29	2.5	M5	FI
Dodge Shadow	24	32	2.5	M5	FI
Eagle Summit	27	29	1.5	L3	FI
Eagle Summit	28	34	1.5	M5	FI
Eagle Summit	23	28	1.6	L4	FI
Eagle Summit	23	28	1.6	M5	FI
Ford Escort	27	31	1.9	A3	FI
Ford Escort	32	42	1.9	M4	FI
Ford Escort	27	36	1.9	M5	FI
Ford Escort	24	30	1.9	M5	FI
Ford Probe Turbo	19	25	2.2	L4	FI
Ford Probe	21	28	2.2	L4	FI
Ford Probe Turbo	21	27	2.2	M5	FI
Ford Probe	24	30	2.2	M5	FI
Ford Probe	19	26	3.0	L4	FI
Ford Probe	19	26	3.0	M5	FI
Ford Tempo	22	26	2.3	A3	FI
Ford Tempo 4wd	19	23	2.3	A3	FI
Ford Tempo	23	33	2.3	M5	FI
Ford Tempo	21	28	2.3	M5	FI
Honda Accord	22	28	2.2	L4	FI
Honda Accord	24	30	2.2	M5	FI
Isuzu Stylus	27	32	1.6	A3	FI
Isuzu Stylus	32	37	1.6	M5	FI
Isuzu Stylus	25	33	1.6	M5	FI
Jaguar	17	22	4.0	L4	FI
Lexus ES250	19	25	2.5	L4	FI
Lexus ES250	19	26	2.5	M5	FI
Mercury Topaz 4wd	19	23	2.3	A3	FI
Mercury Topaz	22	26	2.3	A3	FI
Mercury Topaz	23	33	2.3	M5	FI
Mercury Topaz	21	28	2.3	M5	FI
Mazda 323/323 Protege	26	33	1.6	L4	FI
Mazda 323/323 Protege	29	37	1.6	M5	FI
Mazda 323/323 Protege	23	29	1.8	L4	FI
Mazda 323/323 Protege	24	31	1.8	L4	FI
Mazda 323/323 Protege 4wd	21	26	1.8	L4	FI
Mazda 323/323 Protege	25	30	1.8	M5	FI
Mazda 323/323 Protege	28	36	1.8	M5	FI
Mazda 323/323 Protege 4wd	24	29	1.8	M5	FI
Mitsubishi Galant	22	27	2.0	L4	FI
Mitsubishi Galant	21	27	2.0	M5	FI
Mitsubishi Galant 4wd	20	23	2.0	M5	FI
Mitsubishi Galant	23	29	2.0	M5	FI
Mitsubishi Sigma	18	22	3.0	A4	FI
Oldsmobile Cutlass Calais	23	31	2.3	L3	FI
Oldsmobile Cutlass Calais	22	31	2.3	M5	FI
Oldsmobile Cutlass Calais	23	31	2.5	L3	FI
Oldsmobile Cutlass Calais	22	33	2.5	M5	FI
Oldsmobile Cutlass Calais	20	27	3.3	L3	FI
Peugeot 405	20	25	1.9	L4	FI
Peugeot 405 16V	20	28	1.9	M5	FI
Peugeot 405	20	27	1.9	M5	FI
Plymouth Sundance	23	28	2.2	L3	FI
Plymouth Sundance	24	31	2.2	M5	FI
Plymouth Sundance Turbo	20	23	2.5	A3	FI
Plymouth Sundance	22	27	2.5	L3	FI
Plymouth Sundance	24	32	2.5	M5	FI
Plymouth Sundance Turbo	21	29	2.5	M5	FI
Pontiac Grand Am	23	31	2.3	L3	FI
Pontiac Grand Am	22	31	2.3	M5	FI
Pontiac Grand Am	23	31	2.5	L3	FI
Pontiac Grand Am	22	33	2.5	M5	FI
Pontiac LeMans	27	33	1.6	L3	FI
Pontiac LeMans	29	38	1.6	M4	FI
Pontiac LeMans	31	40	1.6	M5	FI
Pontiac LeMans	23	30	2.0	L3	FI
Pontiac LeMans	25	31	2.0	M5	FI
Pontiac Sunbird Turbo	21	28	2.0	L3	FI
Pontiac Sunbird	24	32	2.0	L3	FI
Pontiac Sunbird	26	36	2.0	M5	FI
Pontiac Sunbird Turbo	21	30	2.0	M5	FI
Saab 900 Turbo	19	23	2.0	A3	FI
Saab 900	19	22	2.0	A3	FI
Saab 900	22	28	2.0	M5	FI
Saab 900 Turbo	21	28	2.0	M5	FI
Saab 900 Turbo	22	29	2.0	M5	FI
Subaru Legacy	21	28	2.2	L4	FI
Subaru Legacy	23	30	2.2	M5	FI
Subaru Legacy 4wd	20	26	2.2	L4	FI
Subaru Legacy 4wd	21	27	2.2	M5	FI
Subaru Loyale Turbo	22	24	1.8	A3	FI
Subaru Loyale	24	26	1.8	L3	FI
Subaru Loyale	25	32	1.8	M5	FI
Subaru Loyale 4wd Turbo	20	26	1.8	L4	FI
Toyota Camry	21	24	2.0	L4	FI
Toyota Camry	25	31	2.0	L4	FI
Toyota Camry	24	31	2.0	L4	FI
Toyota Camry	22	27	2.0	M5	FI
Toyota Camry	26	34	2.0	M5	FI
Toyota Camry	19	25	2.5	L4	FI
Toyota Camry	19	26	2.5	M5	FI
Toyota Cressida	19	24	3.0	L4	FI
Volkswagen Golf/GTI	23	28	1.8	A3	FI
Volkswagen Golf/GTI	25	32	1.8	M5	FI
Volkswagen GTI 16V	22	28	2.0	M5	FI
Volkswagen Jetta Diesel	37	43	1.6	M5	FI
Volkswagen Jetta	23	28	1.8	A3	FI
Volkswagen Jetta	25	32	1.8	M5	FI
Volkswagen GLI 16V	22	28	2.0	M5	FI
Volvo 240	20	25	2.3	A4	FI
Volvo 240	21	28	2.3	M5	FI
Volvo 780 Turbo	18	21	2.3	A4	FI
Volvo 780	17	21	2.8	A4	FI
Mid-Size Cars					
ASC Grand Prix Turbo	17	25	3.1	L4	FI
Audi V8	14	18	3.6	L4	FI
Audi 100	18	22	2.3	A3	FI
Audi 100	18	23	2.3	L4	FI
Audi 100 Quattro	18	24	2.3	M5	FI
Audi 200 Turbo	18	22	2.2	A3	FI
Audi 200 Quattro Turbo	17	25	2.2	M5	FI
Bentley Eight/Mulsanne	10	13	6.8	A3	FI
BMW 735i	15	21	3.4	L4	FI
BMW 735i	15	23	3.4	M5	FI
BMW 735i	15	21	3.4	L4	FI
BMW 750iL	12	18	5.0	L4	FI
Buick Century	23	31	2.5	L3	FI
Buick Century	20	27	3.3	L3	FI
Buick Century	20	29	3.3	L4	FI
Buick Regal	19	30	3.1	L4	FI
Buick Riviera	18	27	3.8	L4	FI
Cadillac Eldorado	16	25	4.5	L4	FI
Cadillac Seville	16	25	4.5	L4	FI
Chevrolet Corsica	24	31	2.2	L3	FI
Chevrolet Corsica	24	34	2.2	M5	FI
Chevrolet Corsica	20	27	3.1	L3	FI
Chevrolet Corsica	19	28	3.1	M5	FI
Chevrolet Lumina	21	27	2.5	L3	FI
Chevrolet Lumina	19	27	3.1	L3	FI
Chevrolet Lumina	19	30	3.1	L4	FI
Chrysler New Yorker	19	26	3.3	L4	FI
Nissan Maxima	19	26	3.0	L4	FI
Nissan Maxima	20	26	3.0	M5	FI
Dodge Dynasty	22	27	2.5	L3	FI
Dodge Dynasty	19	26	3.3	L4	FI
Dodge Spirit Turbo	19	23	2.5	A3	FI
Dodge Spirit	22	27	2.5	L3	FI
Dodge Spirit Turbo	21	29	2.5	M5	FI
Dodge Spirit	24	32	2.5	M5	FI
Ford Taurus	20	26	2.5	A3	FI
Ford Taurus	20	29	3.0	L4	FI
Ford Taurus	18	27	3.0	M5	FI
Ford Taurus	19	28	3.8	L4	FI
Ford Thunderbird	17	23	3.8	L4	FI
Ford Thunderbird	19	27	3.8	L4	FI
Ford Thunderbird	17	24	3.8	M5	FI
Hyundai Sonata	21	26	2.4	L4	FI
Hyundai Sonata	21	28	2.4	M5	FI
Hyundai Sonata	18	24	3.0	A4	FI
Infiniti Q45	16	22	4.5	L4	FI
Lexus LS400	18	23	4.0	L4	FI
Lincoln Mark VII	17	24	5.0	L4	FI
Mercury Cougar	17	23	3.8	L4	FI
Mercury Cougar	19	27	3.8	L4	FI
Mercury Cougar	17	24	3.8	M5	FI
Mercury Sable	20	29	3.0	L4	FI
Mercury Sable	19	28	3.8	L4	FI
Maserati 228 Turbo	15	18	2.8	L4	FI
Maserati 228 Turbo	14	19	2.8	M5	FI
Mazda 626/MX-6	22	28	2.2	L4	FI
Mazda 626/MX-6 Turbo	19	25	2.2	L4	FI
Mazda 626/MX-6 Turbo	21	28	2.2	M5	FI
Mazda 626/MX-6	24	31	2.2	M5	FI
Mazda 929	19	23	3.0	L4	FI
Mazda 929	18	22	3.0	L4	FI
Oldsmobile Cutlass Ciera	23	31	2.5	L3	FI
Oldsmobile Cutlass Ciera	20	27	3.3	L3	FI
Oldsmobile Cutlass Ciera	20	29	3.3	L4	FI
Oldsmobile Cutlass Supreme	22	29	2.3	L3	FI
Oldsmobile Cutlass Supreme	19	30	3.1	L4	FI
Oldsmobile Trofeo/Toronado	18	27	3.8	L4	FI
Plymouth Acclaim	22	27	2.5	L3	FI
Plymouth Acclaim Turbo	21	29	2.5	M5	FI
Plymouth Acclaim	24	32	2.5	M5	FI
Pontiac Grand Prix	22	29	2.3	L3	FI
Pontiac Grand Prix	19	30	3.1	L4	FI
Pontiac 6000	23	31	2.5	L3	FI
Pontiac 6000	20	27	3.1	L3	FI
Pontiac 6000 4wd	17	23	3.1	L3	FI
Pontiac 6000	19	30	3.1	L4	FI
Rolls-Royce Silver Spirit II	10	13	6.8	A3	FI
Volkswagen Passat	20	29	2.0	L4	FI
Volkswagen Passat	21	30	2.0	M5	FI
Volvo 740 Turbo	18	21	2.3	A4	FI
Volvo 740	20	26	2.3	L4	FI
Volvo 740 Turbo	20	25	2.3	M4	FI
Volvo 740	21	28	2.3	M5	FI
Volvo 740 16V	18	24	2.3	L4	FI
Volvo 740 16V	18	26	2.3	M4	FI
Volvo 780 Turbo	18	21	2.3	A4	FI
Volvo 780	17	21	2.8	A4	FI

1990 EPA FUEL-ECONOMY ESTIMATES

10 BEST CARS

Model	Engine	Transmission	MPG City	MPG Highway
Geo Metro XFI	1-L I-3	M5	53	58
Honda Civic CRX HF	1.5-L I-4	M5*	49	52
Geo Metro	1-L I-3	M5	46	50
Geo Metro LSI	1-L I-3	M5	46	50
Suzuki Swift	1-L I-3	M5	46	50
Honda Civic CRX HF	1.5-L I-4	M5*	43	49
Suzuki Swift	1.3-L I-4	M5	40	44
Daihatsu Charade	1-L I-3	M5	38	42
Suzuki Swift	1-L I-3	A3	38	39
Volkswagen Jetta	1.6-L I-4**	M5	37	43

10 WORST CARS

Model	Engine	Transmission	MPG City	MPG Highway
Lamborghini Countach	5.2-L V-12	M5	6	10
Bentley Continental	6.8-L V-8	A3	10	13
Rolls-Royce Corniche III	6.8-L V-8	A3	10	13
Rolls-Royce Silver Spirit/Spur	6.8-L V-8	A3	10	13
Bentley Eight/Mulsanne	6.8-L V-8	A3	10	13
Ferrari Testarossa	4.9-L V-12	M5	10	15
BMW 750iL	5-L V-12	L4	12	18
Porsche 928-S4	5-L V-8	M5	13	19
Audi V8	3.6-L V-8	L4	14	18
Maserati 228	2.8-L V-6	M5	14	19

M5: 5-speed manual transmission
A3: 3-speed automatic transmission
L4: 4-speed automatic transmission with lock-up torque converter
* The higher fuel-economy version is equipped with a shift indicator light which alerts the driver to the most economical shift points
**diesel

SPECIFICATIONS

Car Line	Est MPG City	Est MPG Hwy	Displ (liters)	Trans	Fuel Sys
Large Cars					
Buick Electra/Park Avenue	18	27	3.8	L4	FI
Buick LeSabre	18	27	3.8	L4	FI
Cadillac Brougham	17	24	5.0	L4	4bc
Cadillac Brougham	14	21	5.7	L4	FI
Cadillac Fleetwood/DeVille	16	25	4.5	L4	FI
Chevrolet Caprice	19	27	4.3	L4	FI
Chevrolet Caprice	16	25	5.0	L4	FI
Chevrolet Caprice (Police)	14	20	5.7	L4	FI
Chrysler New Yorker Fifth Avenue	18	25	3.3	L4	FI
Dodge Monaco	17	26	3.0	L4	FI
Eagle Premier	17	26	3.0	L4	FI
Ford LTD Crown Victoria	17	24	5.0	L4	FI
Ford LTD Crown Victoria (Police)	13	19	5.8	L4	2bc
Lincoln Continental	18	25	3.8	L4	FI
Lincoln Town Car	17	24	5.0	L4	FI
Mercury Grand Marquis	17	24	5.0	L4	FI
Oldsmobile Eighty-Eight	18	27	3.8	L4	FI
Oldsmobile Ninety-Eight/Touring	18	27	3.8	L4	FI
Pontiac Bonneville	18	27	3.8	L4	FI
Saab 9000	18	24	2.0	L4	FI
Saab 9000 Turbo	18	24	2.0	L4	FI
Saab 9000	21	28	2.0	M5	FI
Saab 9000 Turbo	20	26	2.0	M5	FI
Small Station Wagons					
Chevrolet Cavalier Wagon	24	31	2.2	L3	FI
Chevrolet Cavalier Wagon	25	36	2.2	M5	FI
Chevrolet Cavalier Wagon	20	27	3.1	L3	FI
Chevrolet Cavalier Wagon	19	28	3.1	M5	FI
Nissan Sentra Wagon	26	30	1.6	L3	FI
Nissan Sentra Wagon	27	36	1.6	M5	FI
Dodge Colt Vista	22	23	2.0	L3	FI
Dodge Colt Vista	23	29	2.0	M5	FI
Dodge Colt Wagon	27	29	1.5	L3	FI
Dodge Colt Wagon	28	34	1.5	M5	FI
Ford Escort Wagon	26	31	1.9	A3	FI
Ford Escort Wagon	27	36	1.9	M5	FI
Honda Civic Wagon	28	32	1.5	L4	FI
Honda Civic Wagon	31	34	1.5	M5	FI
Honda Civic Wagon 4wd	24	26	1.6	L4	FI
Honda Civic Wagon 4wd	24	26	1.6	M5	FI
Mitsubishi Mirage Wagon	27	29	1.5	L3	FI
Mitsubishi Mirage Wagon	28	34	1.5	M5	FI
Mitsubishi Space Wagon	22	23	2.0	L3	FI
Plymouth Colt Vista	22	23	2.0	L3	FI
Plymouth Colt Vista	23	29	2.0	M5	FI
Plymouth Colt Wagon	27	29	1.5	L3	FI
Plymouth Colt Wagon	28	34	1.5	M5	FI
Subaru Legacy Wagon	21	28	2.2	L4	FI
Subaru Legacy Wagon	23	30	2.2	M5	FI
Subaru Legacy Wagon 4wd	20	25	2.2	L4	FI
Subaru Legacy Wagon 4wd	20	26	2.2	M5	FI
Subaru Loyale Wagon Turbo	22	24	1.8	A3	FI
Subaru Loyale Wagon	24	26	1.8	L3	FI
Subaru Loyale Wagon	25	30	1.8	M5	FI
Subaru Loyale Wagon 4wd Turbo	20	26	1.8	L4	FI
Toyota Camry Wagon	25	31	2.0	L4	FI
Toyota Camry Wagon	19	25	2.5	L4	FI
Toyota Corolla All-Trac Wagon	24	29	1.6	L4	FI
Toyota Corolla All-Trac Wagon	22	28	1.6	M5	FI
Toyota Corolla Wagon	26	29	1.6	L3	FI
Toyota Corolla Wagon	28	33	1.6	M5	FI
Volkswagen Fox Wagon	25	30	1.8	M4	FI
Mid-Size Station Wagons					
Audi Quattro Wagon Turbo	17	24	2.2	M5	FI
Buick Century Wagon	21	27	2.5	L3	FI
Buick Century Wagon	19	26	3.3	L3	FI
Buick Century Wagon	20	29	3.3	L4	FI
Chevrolet Celebrity Wagon	23	31	2.5	L3	FI
Chevrolet Celebrity Wagon	19	30	3.1	L4	FI
Ford Taurus Wagon	20	29	3.0	L4	FI
Ford Taurus Wagon	18	25	3.8	L4	FI
Ford Taurus Wagon V6 A/C	19	26	3.0	L4	FI
Mercury Sable Wagon	20	29	3.0	L4	FI
Mercury Sable Wagon	18	25	3.8	L4	FI
Mercury Sable Wagon V6 A/C	19	26	3.0	L4	FI
Oldsmobile Cutlass Cruiser	21	27	2.5	L3	FI
Oldsmobile Cutlass Cruiser	20	29	3.3	L4	FI
Peugeot 405 Wagon	20	24	1.9	L4	FI
Peugeot 405 Wagon	20	26	1.9	M5	FI
Peugeot 505 Wagon Turbo	18	21	2.2	L4	FI
Peugeot 505 Wagon	19	21	2.2	L4	FI
Peugeot 505 Wagon	18	22	2.2	M5	FI
Pontiac 6000 Wagon	21	27	2.5	L3	FI
Pontiac 6000 Wagon	19	30	3.1	L4	FI
Volkswagen Passat Wagon	20	29	2.0	L4	FI
Volvo 240 Wagon	19	24	2.3	A4	FI
Volvo 240 Wagon	21	27	2.3	M5	FI
Volvo Wagon Turbo	18	21	2.3	A4	FI
Volvo 740 Wagon	20	26	2.3	L4	FI
Volvo 740 Wagon Turbo	20	25	2.3	M4	FI
Volvo Wagon	21	28	2.3	M5	FI
Volvo 740 16V Wagon	18	26	2.3	M4	FI
Volvo 760 Wagon Turbo	18	21	2.3	A4	FI
Large Station Wagons					
Buick LeSabre/Electra Wagon	17	24	5.0	L4	4bc
Chevrolet Caprice Wagon	17	24	5.0	L4	4bc
Ford LTD Crown Victoria	17	24	5.0	L4	FI
Mercury Grand Marquis Wagon	17	24	5.0	L4	FI
Oldsmobile Custom Cruiser	17	24	5.0	L4	4bc
Small Pickup Trucks/2wd					
Chevrolet S10 Pickup	21	27	2.5	L4	FI
Chevrolet S10 Pickup	23	27	2.5	M5	FI
Chevrolet S10 Pickup	19	26	2.8	M5	FI
Chevrolet S10 Pickup	18	23	4.3	L4	FI
Chevrolet S10 Pickup	17	23	4.3	M5	FI
Nissan Hardbody	22	26	2.4	L4	FI
Nissan Hardbody	23	27	2.4	M5	FI
Nissan Hardbody	18	24	3.0	L4	FI
Nissan Hardbody	19	23	3.0	M5	FI
Dodge Ram 50	19	23	2.4	L4	FI
Dodge Ram 50	19	24	2.4	M5	FI
Ford Ranger Pickup	21	25	2.3	L4	FI
Ford Ranger Pickup	24	29	2.3	M5	FI
Ford Ranger Pickup	17	21	2.9	L4	FI
Ford Ranger Pickup	18	23	2.9	M5	FI
GMC S15 Pickup	21	27	2.5	L4	FI
GMC S15 Pickup	23	27	2.5	M5	FI
GMC S15 Pickup	19	26	2.8	M5	FI
GMC S15 Pickup	18	23	4.3	M5	FI
GMC S15 Pickup	17	23	4.3	M5	FI
Isuzu Pickup	22	24	2.3	M5	2bc
Isuzu Pickup	19	23	2.6	L4	FI
Isuzu Pickup	19	24	2.6	M5	FI
Mitsubishi Truck	19	23	2.4	L4	FI
Mitsubishi Truck	19	24	2.4	M5	FI
Small Pickup Trucks/4wd					
Ford Ranger Pickup	21	25	2.3	M5	FI
Ford Ranger Pickup	16	21	2.9	L4	FI
Ford Ranger Pickup	18	22	2.9	M5	FI
Standard Pickup Trucks/2wd					
Chevrolet C1500 Pickup	18	21	4.3	A3	FI
Chevrolet C1500 Pickup	17	22	4.3	L4	FI
Chevrolet C1500 Pickup	18	20	4.3	M4C	FI
Chevrolet C1500 Pickup	18	24	4.3	M5	FI
Chevrolet C1500 Pickup	15	16	5.0	A3	FI
Chevrolet C1500 Pickup	15	20	5.0	L4	FI
Chevrolet C1500 Pickup	15	20	5.0	M5	FI
Chevrolet C1500 Pickup	15	19	5.7	L4	FI
Chevrolet C1500 Pickup	12	14	5.7	M4C	FI
Chevrolet C1500 Pickup	13	18	5.7	M5	FI
Chevrolet C1500 Pickup Diesel	18	22	6.2	L4	FI
Chevrolet C1500 Pickup Diesel	19	21	6.2	M4C	FI
Chevrolet C1500 Pickup	10	11	7.4	A3	FI
Chevrolet C2500 Pickup	16	17	4.3	A3	FI
Chevrolet C2500 Pickup	16	21	4.3	L4	FI
Chevrolet C2500 Pickup	16	18	4.3	M4C	FI
Chevrolet C2500 Pickup	17	24	4.3	M5	FI
Chevrolet C2500 Pickup	14	15	5.0	A3	FI
Chevrolet C2500 Pickup	15	19	5.0	L4	FI
Chevrolet C2500 Pickup	15	19	5.0	M5	FI
Chevrolet C2500 Pickup	13	17	5.7	L4	FI
Chevrolet C2500 Pickup	12	14	5.7	M4C	FI
Chevrolet C2500 Pickup	13	18	5.7	M5	FI
Chevrolet C2500 Pickup Diesel	17	22	6.2	L4	FI
Chevrolet C2500 Pickup Diesel	18	20	6.2	M4C	FI
Dodge Dakota Pickup	21	28	2.5	M5	FI
Dodge Dakota Pickup	16	21	3.9	L4	FI
Dodge Dakota Pickup	16	22	3.9	M5	FI
Dodge D100/D150 Pickup	15	17	3.9	L3	FI
Dodge D100/D150 Pickup	16	21	3.9	L4	FI
Dodge D100/D150 Pickup	15	18	3.9	M4C	FI
Dodge D100/D150 Pickup	13	18	3.9	M5	FI
Dodge D100/D150 Pickup	13	16	5.2	A4	FI
Dodge D100/D150 Pickup	13	16	5.2	L3	FI
Dodge D100/D150 Pickup	13	17	5.2	L4	FI
Dodge D100/D150 Pickup	14	18	5.2	M4	FI
Dodge D100/D150 Pickup	13	16	5.2	M4C	FI
Dodge D100/D150 Pickup	12	14	5.9	A4	FI
Dodge D100/D150 Pickup	10	14	5.9	M4C	FI
Dodge D250 Pickup	15	17	3.9	L3	FI
Dodge D250 Pickup	14	17	3.9	M4C	FI
Dodge D250 Pickup	12	15	5.2	A4	FI
Dodge D250 Pickup	13	17	5.2	L4	FI
Dodge D250 Pickup	12	14	5.2	M4C	FI
Dodge D250 Pickup	11	13	5.9	A4	FI
Dodge D250 Pickup	10	14	5.9	M4C	FI
Jeep Comanche Pickup	18	24	2.5	L4	FI
Jeep Comanche Pickup	22	25	2.5	M4	FI
Jeep Comanche Pickup	20	25	2.5	M4	FI
Jeep Comanche Pickup	21	24	2.5	M5	FI
Jeep Comanche Pickup	19	24	2.5	M5	FI
Jeep Comanche Pickup	16	21	4.0	L4	FI
Jeep Comanche Pickup	17	23	4.0	M5	FI
Ford F150 Pickup	[illegible]	16	4.9	A3	FI
Ford F150 Pickup	15	20	4.9	L4	FI
Ford F150 Pickup	16	18	4.9	M4C	FI
Ford F150 Pickup	16	20	4.9	M5	FI
Ford F150 Pcikup	13	15	5.0	A3	FI
Ford F150 Pickup	14	18	5.0	L4	FI
Ford F150 Pickup	14	15	5.0	M4C	FI
Ford F150 Pickup	14	18	5.0	M5	FI
Ford F150 Pickup	12	16	5.8	L4	FI
Ford F250 Pickup	14	15	4.9	A3	FI
Ford F250 Pickup	15	19	4.9	L4	FI
Ford F250 Pickup	16	17	4.9	M4C	FI
Ford F250 Pickup	15	19	4.9	M5	FI
Ford F250 Pickup	15	19	4.9	M5C	FI
Ford F250 Pickup	14	18	5.0	L4	FI
Ford F250 Pickup	14	15	5.0	M4C	FI
Ford F250 Pickup	14	18	5.0	M5	FI
Ford F250 Pickup	11	15	5.8	L4	FI
GMC C1500 Sierra	18	21	4.3	A3	FI
GMC C1500 Sierra	17	22	4.3	L4	FI
GMC C1500 Sierra	18	20	4.3	M4C	FI
GMC C1500 Sierra	18	24	4.3	M5	FI
GMC C1500 Sierra	15	16	5.0	A3	FI
GMC C1500 Sierra	15	20	5.0	L4	FI
GMC C1500 Sierra	15	20	5.0	M5	FI
GMC C1500 Sierra	15	19	5.7	L4	FI
GMC C1500 Sierra	12	14	5.7	M4C	FI
GMC C1500 Sierra	13	18	5.7	M5	FI
GMC C1500 Sierra Diesel	18	23	6.2	L4	FI
GMC C1500 Sierra Diesel	19	21	6.2	M4C	FI
GMC C2500 Sierra	16	17	4.3	A3	FI
GMC C2500 Sierra	16	21	4.3	L4	FI
GMC C2500 Sierra	16	18	4.3	M4C	FI
GMC C2500 Sierra	17	24	4.3	M5	FI
GMC C2500 Sierra	14	15	5.0	A3	FI
GMC C2500 Sierra	15	19	5.0	L4	FI
GMC C2500 Sierra	15	19	5.0	M5	FI
GMC C2500 Sierra	13	17	5.7	L4	FI
GMC C2500 Sierra	12	14	5.7	M4C	FI
GMC C2500 Sierra	13	18	5.7	M5	FI
GMC C2500 Sierra Diesel	17	22	6.2	L4	FI
GMC C2500 Sierra Diesel	18	20	6.2	M4C	FI
Isuzu Pickup 1-Ton	18	22	2.6	M5	FI
Toyota Truck	21	23	2.4	M4	2bc
Toyota Truck	21	25	2.4	M5	2bc
Toyota Truck	23	24	2.4	A4	FI
Toyota Truck	23	28	2.4	M4	FI
Toyota Truck	22	26	2.4	M5	FI
Toyota Truck	18	24	3.0	L4	FI
Toyota Truck	19	24	3.0	M5	FI
Toyota Truck 1-Ton	18	24	3.0	L4	FI
Toyota Truck 1-Ton	19	24	3.0	M5	FI
Standard Pickup Trucks/4wd					
Chevrolet K1500 Pickup	16	17	4.3	A3	FI
Chevrolet K1500 Pickup	16	20	4.3	L4	FI
Chevrolet K1500 Pickup	15	17	4.3	M4C	FI
Chevrolet K1500 Pickup	16	20	4.3	M5	FI
Chevrolet K1500 Pickup	13	15	5.0	A3	FI
Chevrolet K1500 Pickup	14	18	5.0	L4	FI
Chevrolet K1500 Pickup	14	18	5.0	M5	FI
Chevrolet K1500 Pickup	13	17	5.7	L4	FI
Chevrolet K1500 Pickup	13	14	5.7	M4C	FI
Chevrolet K1500 Pickup	13	17	5.7	M5	FI
Chevrolet K1500 Pickup Diesel	16	21	6.2	L4	FI
Chevrolet K1500 Pickup Diesel	17	18	6.2	M4C	FI
Chevrolet K2500 Pickup	15	17	4.3	A3	FI
Chevrolet K2500 Pickup	16	20	4.3	L4	FI
Chevrolet K2500 Pickup	15	17	4.3	M4C	FI
Chevrolet K2500 Pickup	16	20	4.3	M5	FI
Chevrolet K2500 Pickup	13	14	5.0	A3	FI
Chevrolet K2500 Pickup	14	17	5.0	L4	FI
Chevrolet K2500 Pickup	14	18	5.0	M5	FI
Chevrolet K2500 Pickup	13	16	5.7	L4	FI
Chevrolet K2500 Pickup	13	14	5.7	M4C	FI
Chevrolet K2500 Pickup	12	16	5.7	M5	FI
Chevrolet K2500 Pickup Diesel	16	21	6.2	L4	FI
Chevrolet K2500 Pickup Diesel	17	18	6.2	M4C	FI
Chevrolet S10 Pickup	17	21	4.3	L4	FI
Chevrolet S10 Pickup	16	20	4.3	M5	FI
Nissan Hardbody	19	22	2.4	M5	FI
Nissan Hardbody	16	19	3.0	L4	FI
Nissan Hardbody	15	19	3.0	M5	FI
Dodge Dakota Pickup	15	20	3.9	L4	FI
Dodge Dakota Pickup	15	19	3.9	M5	FI
Dodge Power Ram 50	15	20	2.4	L4	FI
Dodge Power Ram 50	19	22	2.4	M5	FI
Dodge Power Ram 50	17	20	3.0	L4	FI
Dodge Power Ram 50	17	22	3.0	M5	FI
Dodge W100/W150 Pickup	14	15	3.9	A4	FI
Dodge W100/W150 Pickup	13	16	3.9	M4C	FI
Dodge W100/W150 Pickup	12	14	5.2	A4	FI
Dodge W100/W150 Pickup	12	16	5.2	M4C	FI
Dodge W100/W150 Pickup	11	13	5.9	A4	FI
Dodge W100/W150 Pickup	10	14	5.9	M4C	FI
Dodge W250 Pickup	11	14	5.2	A4	FI
Dodge W250 Pickup	12	15	5.2	M4C	FI
Dodge W250 Pickup	11	13	5.9	A4	FI
Dodge W250 Pickup	10	14	5.9	M4C	FI
Jeep Comanche Pickup	21	24	2.5	M4	FI
Jeep Comanche Pickup	20	24	2.5	M4	FI
Jeep Comanche Pickup	21	24	2.5	M5	FI
Jeep Comanche Pickup	19	24	2.5	M5	FI
Jeep Comanche Pickup	16	20	4.0	L4	FI
Jeep Comanche Pickup	17	22	4.0	M5	FI
Ford F150 Pickup	14	16	4.9	A3	FI
Ford F150 Pickup	14	18	4.9	L4	FI
Ford F150 Pickup	16	17	4.9	M4C	FI
Ford F150 Pickup	15	19	4.9	M5	FI
Ford F150 Pickup	13	13	5.0	A3	FI
Ford F150 Pickup	13	17	5.0	L4	FI
Ford F150 Pickup	13	15	5.0	M4C	FI
Ford F150 Pickup	13	16	5.0	M5	FI
Ford F150 Pickup	11	16	5.8	L4	FI
Ford F250 Pickup	14	17	4.9	M5C	FI
Ford F250 Pickup	13	17	5.0	L4	FI
Ford F250 Pickup	12	14	5.0	M4C	FI
Ford F250 Pickup	13	16	5.0	M5	FI
Ford F250 Pickup	11	15	5.8	L4	FI
GMC K1500 Sierra	16	17	4.3	A3	FI
GMC K1500 Sierra	16	20	4.3	L4	FI
GMC K1500 Sierra	15	17	4.3	M4C	FI
GMC K1500 Sierra	16	20	4.3	M5	FI
GMC K1500 Sierra	13	15	5.0	A3	FI
GMC K1500 Sierra	14	18	5.0	L4	FI
GMC K1500 Sierra	14	18	5.0	M5	FI
GMC K1500 Sierra	13	17	5.7	L4	FI
GMC K1500 Sierra	13	14	5.7	M4C	FI
GMC K1500 Sierra	13	17	5.7	M5	FI
GMC K1500 Sierra	16	21	6.2	L4	FI
GMC K1500 Sierra	17	18	6.2	M4C	FI
GMC K2500 Sierra	15	17	4.3	A3	FI
GMC K2500 Sierra	16	20	4.3	L4	FI
GMC K2500 Sierra	15	17	4.3	M4C	FI
GMC K2500 Sierra	16	20	4.3	M5	FI
GMC K2500 Sierra	13	14	5.0	A3	FI
GMC K2500 Sierra	14	17	5.0	L4	FI
GMC K2500 Sierra	14	18	5.0	M5	FI
GMC K2500 Sierra	13	16	5.7	L4	FI
GMC K2500 Sierra	13	14	5.7	M4C	FI
GMC K2500 Sierra	12	16	5.7	M5	FI
GMC K2500 Sierra Diesel	16	21	6.2	L4	FI
GMC K2500 Sierra Diesel	17	18	6.2	M4C	FI
GMC S15 Pickup	17	21	4.3	L4	FI
GMC S15 Pickup	16	20	4.3	M5	FI
Isuzu Pickup	16	19	2.6	M5	FI
Mitsubishi Truck	18	20	2.4	L4	FI
Mitsubishi Truck	19	22	2.4	M5	FI
Mitsubishi Truck	17	22	3.0	M5	FI
Suzuki Samurai Hardtop	28	29	1.3	M5	FI
Suzuki Samurai Soft-Top	28	29	1.3	M5	FI
Suzuki Sidekick Hardtop	24	25	1.6	L3	FI
Suzuki Sidekick Hardtop	26	28	1.6	M5	FI
Suzuki Sidekick Soft-Top	24	25	1.6	L3	FI
Suzuki Sidekick Soft-Top	26	28	1.6	M5	FI
Toyota Land Cruiser Wagon	12	14	4.0	L4	FI
Toyota 4-Runner	17	19	2.4	L4	FI
Toyota 4-Runner	19	21	2.4	M5	FI
Toyota 4-Runner	15	19	3.0	L4	FI
Toyota 4-Runner	16	19	3.0	M5	FI
Toyota Truck	18	20	2.4	L4	FI
Toyota Truck	19	22	2.4	M5	FI
Toyota Truck	15	20	3.0	L4	FI
Toyota Truck	16	19	3.0	M5	FI
Special Purpose Vehicles/Cab Chassis					
Cadillac Commercial Chassis	16	25	4.5	L4	FI
Chevrolet S10 Cab Chassis 2wd	18	19	2.5	L3	FI
Dodge Dakota Cab Chassis 2wd	12	12	3.9	L4	FI
Dodge Dakota Cab Chassis 2wd	13	17	3.9	M5	FI
Dodge D250 Cab Chassis 2wd	11	13	5.9	A4	FI
Buick Coachbuilder Wagon	17	24	5.0	L4	4bc
Toyota Cab/Chassis 2wd	11	11	3.0	L4	FI
Toyota Cab/Chassis 2wd	12	12	3.0	M5	FI
Cargo Vans					
Chevrolet Astro AWD	17	21	4.3	L4	FI
Chevrolet Astro	19	25	2.5	L4	FI
Chevrolet Astro	21	26	2.5	M5	FI
Chevrolet Astro	17	22	4.3	L4	FI
Chevrolet G10/20 Van	16	18	4.3	A3	FI
Chevrolet G10/20 Van	17	22	4.3	L4	FI
Chevrolet G10/20 Van	14	15	5.0	A3	FI
Chevrolet G10/20 Van	15	20	5.0	L4	FI
Chevrolet G10/20 Van	15	19	5.7	L4	FI
Chevrolet G10/20 Van Diesel	17	23	6.2	L4	FI
Chevrolet G30 Van	14	14	4.3	A3	FI
Chevrolet G30 Van	16	21	4.3	L4	FI
Dodge B150/B250 Van	15	18	3.9	A4	FI
Dodge B150/B250 Van	15	17	3.9	L3	FI
Dodge B150/B250 Van	13	18	3.9	M5	FI
Dodge B150/B250 Van	13	16	5.2	A4	FI
Dodge B150/B250 Van	13	16	5.2	L3	FI
Dodge B150/B250 Van	13	17	5.2	L4	FI
Dodge B150/B250 Van	12	14	5.9	A4	FI
Dodge B350 Van	13	15	5.2	A4	FI
Dodge B350 Van	13	17	5.2	L4	FI
Dodge B350 Van	11	14	5.9	A4	FI
Ford Aerostar	17	23	3.0	L4	FI
Ford Aerostar Van	17	23	3.0	M5	FI
Ford E150 Econoline	14	15	4.9	A3	FI
Ford E150 Econoline	15	19	4.9	L4	FI
Ford E150 Econoline	13	17	5.0	L4	FI
Ford E150 Econoline	11	15	5.8	L4	FI
Ford E250 Econoline	14	15	4.9	A3	FI
Ford E250 Econoline	14	17	4.9	L4	FI
Ford E250 Econoline	13	16	5.0	L4	FI
Ford E250 Econoline	11	15	5.8	L4	FI
GMC G15/25 Vandura	16	18	4.3	A3	FI
GMC G15/25 Vandura	17	22	4.3	L4	FI
GMC G15/25 Vandura	14	15	5.0	A3	FI
GMC G15/25 Vandura	15	20	5.0	L4	FI
GMC G15/25 Vandura	15	19	5.7	L4	FI
GMC G15/25 Vandura Diesel	17	23	6.2	L4	FI
GMC G35 Vandura	14	14	4.3	A3	FI
GMC G35 Vandura	16	21	4.3	L4	FI
GMC Safari AWD	17	21	4.3	L4	FI
GMC Safari	19	25	2.5	L4	FI
GMC Safari	21	26	2.5	M5	FI
GMC Safari	17	22	4.3	L4	FI
Mitsubishi Van	20	22	2.4	L4	FI
Passenger Vans					
Chevrolet Astro AWD	16	20	4.3	L4	FI
Chevrolet Astro	17	22	4.3	L4	FI
Chevrolet G10/20 Sportvan	16	21	4.3	L4	FI
Chevrolet G10/20 Sportvan	14	17	5.0	L4	FI
Chevrolet G10/20 Sportvan	13	17	5.7	L4	FI
Chevrolet G10/20 Sportvan Diesel	16	22	6.2	L4	FI
Chevrolet G30 Sportvan	13	18	5.7	L4	FI
Nissan Van	17	20	2.4	L4	FI
Nissan Van	18	21	2.4	M5	FI
Dodge B150/B250	15	17	3.9	A4	FI
Dodge B150/B250	15	17	3.9	L3	FI
Dodge B150/B250	13	17	3.9	M5	FI
Dodge B150/B250	12	15	5.2	A4	FI
Dodge B150/B250	13	16	5.2	L3	FI
Dodge B150/B250	13	17	5.2	L4	FI
Dodge B150/B250	11	13	5.9	A4	FI
Dodge B350	12	15	5.2	A4	FI
Dodge B350	13	17	5.2	L4	FI
Dodge B350	10	13	5.9	A4	FI
Ford Aerostar	16	22	3.0	L4	FI
Ford Aerostar	17	22	3.0	M5	FI
Ford E150 Club Wagon	14	17	4.9	L4	FI
Ford E150 Club Wagon	13	16	5.0	L4	FI
Ford E150 Club Wagon	11	15	5.8	L4	FI
GMC G15/25 Rally	16	21	4.3	L4	FI
GMC G15/25 Rally	14	17	5.0	L4	FI
GMC G15/25 Rally	13	17	5.7	L4	FI
GMC G15/25 Rally Diesel	16	22	6.2	L4	FI
GMC G35 Rally	13	18	5.7	L4	FI
GMC Safari AWD	16	20	4.3	L4	FI
GMC Safari	17	22	4.3	L4	FI
Mitsubishi Wagon	18	21	2.4	L4	FI
Volkswagen Vanagon Syncro 4wd	16	16	2.1	M5C	FI
Volkswagen Vanagon	17	18	2.1	A3	FI
Volkswagen Vanagon	18	19	2.1	M4	FI
Special Purpose Vehicles/2wd					
Chevrolet APV	18	23	3.1	L3	FI
Chevrolet R1500 Suburban	13	18	5.7	L4	FI
Chevrolet R1500 Suburban Diesel	16	23	6.2	L4	FI
Chevrolet S10 Blazer	18	23	4.3	L4	FI
Chevrolet S10 Blazer	17	23	4.3	M5	FI
Nissan Axxess	20	24	2.4	L4	FI
Nissan Axxess	21	27	2.4	M5	FI
Nissan Pathfinder	16	19	3.0	L4	FI
Nissan Pathfinder	15	19	3.0	M5	FI
Chrysler Town & Country	18	24	3.3	L4	FI
Dodge AD150 Ramcharger	13	16	5.2	A4	FI
Dodge AD150 Ramcharger	12	14	5.9	A4	FI
Dodge Caravan/Ram Van Turbo	19	23	2.5	A3	FI
Dodge Caravan/Ram Van	21	23	2.5	L3	FI
Dodge Caravan/Ram Van	22	28	2.5	M5	FI
Dodge Caravan/Ram Van Turbo	18	26	2.5	M5	FI
Dodge Caravan/Ram Van	19	24	3.0	L3	FI
Dodge Caravan/Ram Van	19	24	3.0	L4	FI
Dodge Caravan/Ram Van	18	24	3.3	L4	FI
Jeep Cherokee	18	24	2.5	L4	FI
Jeep Cherokee	21	24	2.5	M5	FI
Jeep Cherokee	19	24	2.5	M5	FI
Jeep Cherokee	16	21	4.0	L4	FI
Jeep Cherokee	17	23	4.0	M5	FI
Ford Bronco II	17	21	2.9	L4	FI
Ford Bronco II	18	22	2.9	M5	FI
GMC R1500 Suburban	13	18	5.7	L4	FI
GMC R1500 Suburban Diesel	16	23	6.2	L4	FI
GMC S15 Jimmy	18	23	4.3	L4	FI
GMC S15 Jimmy	17	23	4.3	M5	FI
Isuzu Amigo	19	22	2.3	M5	2bc
Isuzu Amigo	17	21	2.6	M5	FI
Mazda MPV	19	24	2.6	L4	FI
Mazda MPV	20	24	2.6	M5	FI
Mazda MPV	17	22	3.0	L4	FI
Mazda MPV	18	22	3.0	M5	FI
Oldsmobile Silhouette	18	23	3.1	L3	FI
Pontiac Trans Sport	18	23	3.1	L3	FI
Plymouth Voyager Turbo	19	23	2.5	A3	FI
Plymouth Voyager	21	23	2.5	L3	FI
Plymouth Voyager	22	28	2.5	M5	FI
Plymouth Voyager Turbo	18	26	2.5	M5	FI
Plymouth Voyager	19	24	3.0	L3	FI
Plymouth Voyager	19	24	3.0	L4	FI
Plymouth Voyager	18	24	3.3	L4	FI
Suzuki Sidekick	27	28	1.6	M5	FI
Toyota 4-Runner	19	20	2.4	A4	FI
Toyota 4-Runner	16	20	3.0	L4	FI
Special Purpose Vehicles/4wd					
Chevrolet S10 Blazer	17	21	4.3	L4	FI
Chevrolet S10 Blazer	16	20	4.3	M5	FI
Chevrolet V1500 Blazer	13	16	5.7	L4	FI
Chevrolet V1500 Blazer	12	14	5.7	M4C	FI
Chevrolet V1500 Blazer Diesel	16	21	6.2	L4	FI
Chevrolet V1500 Suburban	12	16	5.7	L4	FI
Chevrolet V1500 Suburban	12	14	5.7	M4C	FI
Chevrolet V1500 Suburban Diesel	16	20	6.2	L4	FI
Daihatsu	23	23	1.6	M5	FI
Nissan Axxess	18	22	2.4	L4	FI
Nissan Axxess	19	23	2.4	M5	FI
Nissan Pathfinder	15	18	3.0	L4	FI
Nissan Pathfinder	15	19	3.0	M5	FI
Dodge AW150 Ramcharger	11	14	5.2	A4	FI
Dodge AW150 Ramcharger	12	15	5.2	M4C	FI
Dodge AW150 Ramcharger	11	13	5.9	A4	FI
Dodge AW150 Ramcharger	10	14	5.9	M4C	FI
Dodge Colt Vista	19	25	2.0	M5	FI
Dodge Colt Wagon	23	28	1.8	M5	FI
Dodge Raider	16	19	2.6	M5	2bc
Dodge Raider	16	18	3.0	L4	FI
Dodge Raider	16	19	3.0	M5	FI
Jeep Cherokee	18	23	2.5	L4	FI
Jeep Cherokee	21	24	2.5	M5	FI
Jeep Cherokee	19	24	2.5	M5	FI
Jeep Cherokee	16	20	4.0	L4	FI
Jeep Cherokee	17	22	4.0	M5	FI
Jeep Grand Wagoneer	11	13	5.9	A3	2bc
Jeep Wagoneer	16	20	4.0	L4	FI
Jeep Wrangler	18	20	2.5	M5	FI
Jeep Wrangler	16	20	2.5	M5	FI
Jeep Wrangler	15	16	4.2	A3	2bc
Jeep Wrangler	16	20	4.2	M5	2bc
Ford Bronco II	16	21	2.9	L4	FI
Frod Bronco II	17	22	2.9	M5	FI
Ford Bronco	14	17	4.9	L4	FI
Ford Bronco	14	18	4.9	M5	FI
Ford Bronco	12	13	5.0	A3	FI
Ford Bronco	13	17	5.0	L4	FI
Ford Bronco	13	16	5.0	M5	FI
Ford Bronco	11	15	5.8	L4	FI
Geo Tracker Convertible	24	25	1.6	L3	FI
Geo Tracker Convertible	28	28	1.6	M5	FI
Geo Tracker	24	25	1.6	L3	FI
Geo Tracker	28	28	1.6	M5	FI
GMC S15 Jimmy	17	21	4.3	L4	FI
GMC S15 Jimmy	16	20	4.3	M5	FI
GMC V1500 Jimmy	13	16	5.7	L4	FI
GMC V1500 Jimmy	12	14	5.7	M4C	FI
GMC V1500 Jimmy Diesel	16	21	6.2	L4	FI
GMC V1500 Suburban	12	16	5.7	L4	FI
GMC V1500 Suburban	12	14	5.7	M4C	FI
GMC V1500 Suburban Diesel	16	20	6.2	L4	FI
Isuzu Amigo	16	19	2.6	M5	FI
Isuzu Trooper	15	18	2.6	L4	FI
Isuzu Trooper	16	18	2.6	M5	FI
Isuzu Trooper	15	18	2.8	L4	FI
Isuzu Trooper	15	18	2.8	M5	FI
Mitsubishi Montero	16	19	2.6	M5	2bc
Mitsubishi Montero	16	18	3.0	L4	FI
Mitsubishi Montero	16	19	3.0	M5	FI
Mazda MPV 4x4	16	20	3.0	L4	FI
Mazda MPV 4x4	16	20	3.0	M5	FI
Plymouth Colt Vista	19	25	2.0	M5	FI
Plymouth Colt Wagon	23	28	1.8	M5	FI
Range Rover	13	16	3.9	L4	FI
Subaru Loyale Wagon	22	23	1.8	A3	FI
Subaru Loyale Wagon	24	29	1.8	M5	FI

NOTES: Transmissions: M – Manual; A – Automatic; L – Lockup; C – Creeper; AV – Continuously Variable

U.S. AUTOMOTIVE TRADE BY QUANTITY

Passenger cars

Country	Trade	June 1988	June 1989	July 1987-June 1988	July 1988-June 1989
Japan	Export	1,167	932	10,020	22,282
	Import	167,077	168,631	2,266,942	2,155,882
Canada	Export	52,471	20,891	578,724	462,539
	Import	121,302	100,496	1,087,524	1,135,341
West Germany	Import	16,165	11,335	294,294	253,774
South Korea	Import	20,793	22,907	453,376	399,618
Sweden	Import	10,505	7,409	110,091	112,920
Mexico	Import	12,380	17,202	146,789	154,202
Yugoslavia	Import	1,177	0	46,910	6,861
United Kingdom	Import	2,581	1,717	44,032	29,364
Italy	Import	199	921	7,380	7,168
France	Import	763	655	14,415	12,160
Brazil	Import	3,198	6,437	68,179	46,210
Others	Export	15,163	9,461	101,609	145,772
	Import	1,792	1,346	18,327	24,322
Car total	Export	68,801	31,284	690,353	630,925
	Import	357,932	339,116	4,558,259	4,337,822
TRADE BALANCE		(289,131)	(307,832)	(3,867,906)	(3,706,897)
Light trucks (up to 10,000 lbs. GVW)					
Canada	Export	13,685	9,517	170,372	141,016
	Import	29,584	40,570	242,669	377,366
Japan	Import	46,025	35,493	604,879	482,784
Mexico	Import	5	0	3,093	11
Others	Export	3,226	1,027	24,939	24,475
	Import	16	12	1,727	1,523
Truck total	Export	16,911	10,544	195,312	165,491
	Import	75,630	76,075	852,368	861,684
Trade balance		(58,719)	(65,531)	(657,056)	(696,193)
Car and truck total	Export	85,712	41,828	885,665	796,416
	Import	433,562	415,191	5,410,627	5,199,506
TRADE BALANCE		(347,850)	(373,363)	(4,524,962)	(4,403,090)

Compiled by Automotive News from official statistics of the U.S. Commerce Department, as reported by the U.S. International Trade Commission. Because of rounding, figures may not add to the totals shown.

U.S. AUTOMOTIVE TRADE BY VALUE

(x $1,000)

Passenger cars

Country	Trade	June 1988	June 1989	July 1987-June 1988	July 1988-June 1989
Japan	Export	$ 14,533	$ 14,856	$ 133,608	$ 296,274
	Import	1,536,215	1,725,948	20,539,718	20,583,375
Canada	Export	518,305	277,139	6,000,215	5,102,049
	Import	1,344,378	1,136,571	12,070,535	12,757,366
West Germany	Import	467,345	265,897	7,364,064	5,870,105
South Korea	Import	111,455	128,258	2,394,113	2,279,194
Sweden	Import	164,106	119,601	1,671,675	1,806,466
Mexico	Import	105,952	150,120	1,275,848	1,342,247
Yugoslavia	Import	3,914	0	122,285	17,900
United Kingdom	Import	78,872	59,502	1,157,017	948,762
Italy	Import	10,336	25,365	171,906	196,890
France	Import	7,165	7,598	153,884	137,834
Brazil	Import	19,103	39,524	366,371	275,668
Others	Export	194,103	130,272	1,328,402	1,864,423
	Import	30,406	19,227	291,119	376,088
Car total	Export	726,941	422,267	7,462,2[illegible]	7,262,746
	Import	3,879,246	3,677,610	47,578,536	46,591,896
Trade balance		(3,170,305)	(3,255,343)	(40,116,311)	(39,329,150)
Light trucks (up to 10,000 lbs. GVW)					
Canada	Export	$ 128,797	$ 105,939	$ 1,704,149	$ 1,540,076
	Import	337,502	524,493	2,621,777	4,518,471
Japan	Import	261,115	206,425	3,390,992	3,046,467
Mexico	Import	1,492	104	29,019	7,414
Others	Export	40,561	11,502	315,058	298,128
	Import	12,016	2,461	134,530	79,670
Truck total	Export	169,358	117,441	2,019,207	1,838,204
	Import	612,124	733,483	6,176,318	7,652,023
Trade balance		(442,766)	(616,042)	(4,157,111)	(5,813,819)
Car and truck total	Export	896,299	539,708	9,481,432	9,100,950
	Import	4,491,370	4,411,093	53,754,854	54,243,919
VEHICLE TRADE BALANCE		(3,595,071)	(3,871,385)	(44,273,422)	(45,142,969
TOTAL U.S. Merchandise trade (customs value)	Export	26,706,000	30,914,300	291,110,100	345,972,000
	Import	37,303,600	39,084,600	427,306,300	458,633,600
TRADE BALANCE		(10,597,600)	(8,170,300)	(136,196,200)	(112,661,600)

Major decline in exports boosts auto trade deficit

WASHINGTON — The U.S. trade deficit for passenger cars and light trucks increased 7.7 percent in June because of a 39.8 percent drop in the value of exports. The value of imports declined 1.8 percent for the month.

The latest figures from the U.S. Commerce Department show the automotive trade deficit in June was $3.87 billion compared with a deficit of $3.60 billion in June last year.

The U.S. balance of trade in finished vehicles has been worsening throughout the year, despite a generally encouraging improvement for American trade overall. The total U.S. trade deficit was $8.2 billion in June, down 22.9 percent from a year ago.

The annualized U.S. automotive trade deficit grew 2.0 percent in June to $45.14 billion. The deficit for the 12-month period ended June 1988 was $44.27 billion.

June's big drop in the value of U.S. exports was reflected in a 46.5 percent decline in the value of passenger-car exports to Canada and a 32.9 percent drop in the value of passenger-car exports to countries labeled "others" by the Commerce Department. The value of passenger-car exports to Japan increased 2.2 percent in June.

The value of light-truck exports fell 30.7 percent in June, led by a 71.6 percent drop in the value of exports to countries identified as "others" and a 17.7 percent drop in the value of light-truck exports to Canada.

During the most recent 12 months, U.S. exports have fallen 10.1 percent, from 885,655 units in the year ended June 1988, to 796,416 in the year ended June 1989.

Imports of cars and light trucks also declined on an annualized basis, but from a much higher base. The number of vehicles imported for the year ended June 1988 was 5.41 million. That number fell to 5.20 million units for the year ended June 1989.

Imports in June 1989 totaled 339,116 cars. June imports of light trucks totaled 76,075 vehicles.

Imports of Japanese passenger cars in June were 168,631, up 0.9 percent over 167,077 a year earlier. Imports of Japanese light trucks fell 22.9 percent to 35,493 from 46,025.

Imports of cars from Canada were down 17.2 percent, while Canada's truck shipments to the United States jumped 37.1 percent.

West German car imports fell 29.5 percent in June to 11,395 units, after a 22.3 percent increase the previous month.

The number of cars shipped from South Korea increased 10.2 percent in June to 22,907.

Swedish car imports fell 29.5 percent to 7,409 in June, although Swedish imports were up 2.6 percent on an annualized basis.

Mexico sent 38.9 percent more cars to the United States in June, while Yugoslavia shipped no cars to the United States that month.

Car shipments from the United Kingdom were down 33.5 percent from June a year ago. Italy shipped significantly more cars to the United States in June, 921 compared with 199 a year ago. But Italian car imports were down 2.9 percent on an annualized basis.

In June, 655 cars were imported from France, compared with 768 last year. French imports were 15.6 percent below last year's annualized tally.

Brazilian car shipments were up 101.3 percent to 6,437 in June, but down 32.2 percent for 12 months.

Nations classed as "others" exported 1,346 passenger cars to the United States in June compared with 1,792 a year earlier. On an annualized basis, those shipments increased 32.7 percent.

Classic Caddy grille

E&G Classics, Columbia, Md., offers a custom grille for the Cadillac Brougham, model years 1980-1990. Estimated retail price is $767.

GM, Robotic Vision sign pact

HAUPPAUGE, N.Y. — General Motors has signed an agreement with Robotic Vision Systems that provides nearly $2 million in financing and extends and modifies a warrant held by the automaker.

The agreement provides Robotic Vision Systems with a $700,000 contract for work related to the company's newest product, a three-dimensional surface mapper. The surface mapper will be used in all phases of GM's manufacturing including design and assembly.

The agreement also provides the firm with $1.1 million in short-term financing.

As part of the deal, GM extended and modified its warrant that covers about 1.1 million Robotic Vision Systems shares. The warrant was to expire Dec. 12, 1989. The new agreement extends the expiration to Dec. 12, 1993. The $7 per share price was increased to $9.67 to reflect Robotic Vision Systems' current growth expectations.

GM owns about 19 percent of Robotic Vision Systems, a maker of inspection systems.

INCENTIVE WATCH

	Customer Incentives						Dealer Incentives	
	Rebates	Finance Rates (Pct.) — Months — 24	36	48	60	Expiration Date	Type	Expiration Date
Chrysler Motors (1988-89 models)								
Chrysler	$500 - $2,000	0.0*	5.9	6.9	10.9	None		
Dodge Cars	$500 - $1,500	0.0*	5.9	6.9	10.9	None		
Dodge Trucks	$500 - $2,500	0.0*	5.9	6.9	10.9	None		
Eagle	$1,000 - $2,000	0.0*	5.9	6.9	10.9	None		
Jeep Cherokee, Wagoneer Ltd.	$1,000	4.9	7.9	10.9	11.9	None		
Other Jeep	$500 - $1,000	0.0*	5.9	6.9	10.9	None		
Plymouth	$500 - $1,500	2.9	5.9	6.9	10.9	None		
*2.9 percent on some models								
Chrysler Motors (1990 models)								
Dodge Trucks	**$500 - $2,000**	**2.9***	**5.9**	**6.9**	**10.9**	**None**		
Jeep	**$500 - $1,000**	**2.9***	**5.9**	**6.9**	**10.9**	**None**		
***9 percent on some models**								
Ford Motor Co. (1989 models)								
Ford Cars	$500 - $1,000	6.9	8.9	9.9	10.9	None		
Festiva, Escort							$200 - $500, quota	Nov. 7
Taurus SHO							$1,000	
Ford Trucks*	$500 - $1,250	6.9	8.9	9.9	10.9	None		
Ranger, Bronco II							$250	Nov. 7
Lincoln	$1,000 - $1,500					None		
Mercury	$600 - $1,500	6.9	8.9	9.9	10.9	None		
Merkur	$3,000 - $4,000					None	$1,000	Nov. 7**
*Ford truck finance incentive applies only to Ranger and Bronco II **No expiration date for Scorpio								
Ford Motor Co. (1990 models)								
Ford Cars	**$500 - $800**	**6.9**	**8.9**	**9.9**	**10.9**	**None**		
Festiva, Escort							**$200 - $500, quota**	**Nov. 7**
Tempo							**$250**	**Nov. 7**
Taurus SHO							**$1,000**	**Nov. 7**
Ranger, Bronco II	**$1,000 - $1,250**	**6.9**	**8.9**	**9.9**	**10.9**	**None**	**$200 - $500, quota**	**Nov. 7**
Mercury Topaz, Cougar, Sable	**$600**	**6.9**	**8.9**	**9.9**	**10.9**	**None**		
Continental							**$1,000**	**Nov. 7**
General Motors (1989 models)								
Buick								
Chevrolet Cars	$400 - $1,000	6.9	8.9	9.9	10.9	None		
Chevrolet Trucks	$500 - $1,250	6.9	8.9	9.9	10.9	None		
GMC	$500 - $1,250	6.9	8.9	9.9	10.9	None		
Oldsmobile	$200 - $2,500*	6.9	8.9	9.9	10.9	None		
Pontiac	$600 - $1,000	6.9	8.9	9.9	10.9	None		
*Based on option package selected.								
General Motors (1990 models)								
Buick	**$200 - $1,000***	**6.9**	**8.9**	**9.9**	**10.9**	**None**	**$1,000 - $2,000 on Reatta, Riviera, Park Avenue Ultra**	**Nov. 30**
Chevrolet Cars	**$750 - $800 on Corsica, Lumina, Prizm**	**6.9**	**8.9**	**9.9**	**10.9**	**None**		
Chevrolet Trucks	**$1,000 - $1,250 on S-10 Pickup, Blazer**	**6.9**	**8.9**	**9.9**	**10.9**	**None**		
GMC	**$1,000 - $1,250 on S-15 Pickup, Blazer**	**6.9**	**8.9**	**9.9**	**10.9**	**None**		
Oldsmobile	**$200 - $1,000***	**6.9**	**8.9**	**9.9**	**10.9**	**None**		
Pontiac	**$600 - $1,000**	**6.9**	**8.9**	**9.9**	**10.9**	**None**		
***Based on option package selected.**								
Audi (1989 models)							$1,800 - $4,500, quota	Oct. 31
Hyundai (1988-89 models)								
California dealers							$400	Nov. 2
Other dealers							$300 - $1,000, quota	Nov. 2
Isuzu (1989 models)							$1,500, based on quota	Dec. 31
Mazda trucks (1989)	$750					Nov. 1		
Mitsubishi (1989-90)							$500 - $1,000	Oct. 31
Nissan								
Stanza (1989)	$1,500 - $2,000			7.9	9.9	Dec. 4		
Axxess, trucks							up to $2,000	Dec. 4
Peugeot							$1,000	Dec. 31
Sterling	$3,500 - $5,000					Nov. 30		
Subaru	$500 - $3,000*					Nov. 2	$500 - $3,000*	Nov. 2
*Rebates go to the customer in some regions and to the dealer in other regions								
Toyota Cressida							$1,500	Nov. 2
Corolla, Camry							$500	Nov. 2
Volkswagen	$500 - $3,000	2.9	6.9	7.9	9.9	Oct. 31		

MAZDA

FROM PAGE 1

to schedule more overtime during the early production of the new 626 to repair a huge backlog of defective and unshippable cars. In exchange, Local 3000 bargainers held out for a new attendance policy and other changes they had sought for some time.

UAW members at Flat Rock are voting today on provisions that will give them 15 days of no-fault absences per year. Under one option, workers would receive 60 percent pay for all 15 days.

Under a second option, they would receive 60 percent pay for four days. The remaining 11 days would still be considered "no-fault" — that is, time off without a required excuse. The current good-attendance bonus of $500 would be tripled to $1,500.

The workers' third option is to retain the current policy.

A Mazda spokesman denied the buildup of unshippable cars caused the change. "There is no connection between the cars that are in the reprocess system and the current negotiations," the spokesman said. "That is tied to supply of parts and our policy of not letting cars out the door without having them in top Mazda quality condition."

Current negotiations are part of the launch process, the spokesman said. "Nobody is holding anything over anyone's head. There are a number of issues that needed discussion and this is part of the process. We have encouraged our employees to tell us what they think. We look at it as an improvement in the process — having employees tell us where improvement needs to be made," he said.

In the negotiations that led to the vote, Mazda also promised to hire temporary employees — the controversial "support members" — if they have been on the job for 90 days.

Some 135 support members were hired Oct. 1, and the company pledged to review the status of temporary employees monthly. Support members are paid less and have fewer union rights. They are deployed as needed throughout the plant.

Previously, some support members had worked overtime up to nine months without achieving regular status. That gave rise to bitter accusations that the union had caved in to management in allowing second-class status for support members.

Local union officials at Mazda who ran on the dissident New Directions slate credited their gains to the support of Bob King, the new director of UAW Region 1A. The international's support of the local officials, who won their posts early this year by defeating candidates appointed by the former regional director, Ernest Lofton, may be a sign the UAW is prepared to back stronger union demands at unionized transplants.

That the gains were won at a transplant with new local leaders make them "particularly interesting," said Harley Shaiken, professor of work and technology at the University of California at San Diego. "That combination raises important issues with the entire industry. This is not quite on the eve of the 1990 (contract) talks, but it's close," said Shaiken.

Shaiken said the new provisions are a breakthrough. "They reflect the strength of the local union and the fact that Mazda wants to have a constructive relationship with the local and is willing to provide the workforce an important level of flexibility.

"Flexibility is a term we've come to associate strictly with managerial prerogative, and here Mazda appears to be giving their workers an important degree of flexibility," he said.

Bargainers from UAW Local 3000 at Flat Rock won the new rights and others in exchange for "relaxed launch language" during the launch of the Mazda 626, said Greg Drudi, bargaining chairman.

Following a buildup at one time of nearly 4,000 carsthat needed repairs, Mazda sought and won the right to schedule overtime seven days a week for 250 repairmen until Thanksgiving.

Parts shortages and defective parts caused the buildup of unshippable cars, Drudi said. The situation recalls earlier problems Mazda experienced with suppliers.

In March 1988, Mazda President Osamu Nobuto, in widely publicized comments to the University of Michigan's International Automotive Industry Conference, complained about local suppliers, saying Americans have tolerated late deliveries as a way of life.

Nobuto also told the conference that the parts defect rate for local American firms "is anywhere from three to five times higher than among Japanese firms."

Drudi said the defective and missing parts included mirrors and visors.

It is not known if Ford Probe and Mazda MX-6 production at the plant has been affected by the parts problem.

Negotiators at Flat Rock originally settled on the first absence program option (15 days at 60 percent pay with no fault) early in September, which was to have begun Oct. 1. But in the intervening weeks the number of unexcused absences soared at the plant, as workers learned they would be starting with clean slates Oct. 1.

"There were so many absences they almost couldn't run the plant," said a local UAW official who did not wish to be identified. "People were blowin' off days. That's an indication of the morale here. Happy campers don't skip whenever they can," he said.

Management, including Nobuto, then pushed for the second option, which puts a premium on attendance by tripling the good attendance bonus.

The Mazda spokesman said, "The attendance level at the Mazda plant is better than or equal to industry standards. However, we aren't satisified with that, and I don't think anyone can be satisfied with industry standards. All employees understand that the success of the operation depends on their active participation. We have an ongoing commitment to carry on ongoing discussions. This absentee question is part of our negotiations."

Since the union contract prohibits strikes for any reason, the workforce's right to take days off without penalty could prove an alternative weapon during disputes. But Shaiken said, "Having the ability to take the days off doesn't necessarily mean they will be used in a disruptive way."

On the contrary, Shaiken believes Mazda's new program could actually improve morale and labor relations at the plant. Mazda's decision to change attendance policy "moves in a different direction than some of the changes we've seen in transplants and the Big 3 where the trend has been towards increased workforce discipline rather than some openness. This may work in Mazda's favor.

"The ironic result is it gives Mazda more stability with its workforce," Shaiken said.

PRODUCTION: '89 MODEL YEAR

OUTPUT, MODEL YEAR 1989 vs. 1988

U.S. CAR

U.S. CAR	1989 Model Year	Pct of Output	1988 Model Year	Pct of Output	Pct. of Change '89 vs. '88
Horizon	45,341	0.64	66,997	0.97	– 0.33
Sundance	104,150	1.47	97,488	1.41	0.06
Reliant	36,012	0.51	138,091	2.00	– 1.49
Acclaim	77,752	1.10	0	0.00	– 1.10
Caravelle	202	0.00	22,060	0.32	– 0.32
Gran Fury	4,985	0.07	11,434	0.17	– 0.10
Total Plymouth	268,442	3.80	336,070	4.87	– 1.07
LeBaron K	0	0.00	29,091	0.42	– 0.42
LeBaron J	99,633	1.41	88,540	1.28	0.13
LeBaron GTS	6,549	0.09	19,406	0.28	– 0.19
New Yorker E-Class	0	0.00	9,605	0.14	– 0.14
New Yorker C-Class	100,461	1.42	82,616	1.20	0.22
Fifth Avenue	17,454	0.25	49,029	0.71	– 0.46
Total Chrysler	224,097	3.17	278,287	4.03	– 0.86
Omni	46,239	0.65	64,740	0.94	– 0.28
Daytona	80,878	1.14	74,852	1.08	0.06
Shadow	99,743	1.41	102,619	1.49	– 0.08
Aries	36,932	0.52	123,533	1.79	– 1.27
Dodge 600	0	0.00	21,221	0.31	– 0.31
Dynasty	137,718	1.95	68,143	0.99	0.96
Lancer	5,019	0.07	13,829	0.20	– 0.13
Spirit	68,181	0.96	0	0.00	0.96
Diplomat	6,429	0.09	20,708	0.30	– 0.21
Total Dodge	481,139	6.81	489,645	7.09	– 0.29
CHRYSLER MOTORS	973,678	13.78	1,104,002	15.99	– 2.22
Escort	363,122	5.14	422,035	6.11	– 0.98
Mustang	209,769	2.97	211,225	3.06	– 0.09
Tempo	151,934	2.15	163,409	2.37	– 0.22
Taurus	395,261	5.59	387,577	5.61	– 0.02
Thunderbird	114,868	1.63	147,243	2.13	– 0.51
Total Ford Div.	1,234,954	17.47	1,331,489	19.29	– 1.81
Topaz	66,930	0.95	58,412	0.85	0.10
Cougar	97,312	1.38	119,162	1.73	– 0.35
Sable	130,657	1.85	121,285	1.76	0.09
Total Mercury	294,899	4.17	298,859	4.33	– 0.16
Continental	57,775	0.82	41,287	0.60	0.22
Mark VII	29,658	0.42	38,259	0.55	– 0.13
Lincoln Town Car	128,533	1.82	201,113	2.91	– 1.09
Total Lincoln	215,966	3.06	280,659	4.07	– 1.01
Total L-M Division	510,865	7.23	579,518	8.39	– 1.17
FORD MOTOR CO.	1,745,819	24.70	1,911,007	27.68	– 2.98
Skyhawk	23,359	0.33	29,134	0.42	– 0.09
Skylark/Somerset	61,540	0.87	54,792	0.79	0.08
Century	152,809	2.16	113,258	1.64	0.52
Regal (rwd)	0	0.00	10,635	0.15	– 0.15
Riviera	21,189	0.30	8,625	0.12	0.17
Electra	83,566	1.18	91,913	1.33	– 0.15
LeSabre (fwd)	149,572	2.12	136,044	1.97	0.15
LeSabre (rwd)	7,743	0.11	9,659	0.14	– 0.03
Reatta	7,009	0.10	4,708	0.07	0.03
Total Buick	506,787	7.17	458,768	6.65	0.53
Cimarron	0	0.00	6,454	0.09	– 0.09
Eldorado	30,925	0.44	33,210	0.48	– 0.04
Seville	22,909	0.32	22,968	0.33	– 0.01
Brougham (rwd)	40,260	0.57	53,130	0.77	– 0.20
Deville (fwd)	178,938	2.53	152,513	2.21	0.32
Allante	3,298	0.05	2,569	0.04	0.01
Total Cadillac	276,330	3.91	270,844	3.92	– 0.01
Cavalier	376,626	5.33	322,939	4.68	0.65
Camaro	110,739	1.57	96,275	1.39	0.17
Celebrity	153,268	2.17	197,289	2.86	– 0.69
Corsica/Beretta	411,409	5.82	377,764	5.47	0.35
Monte Carlo	0	0.00	30,174	0.44	– 0.44
Caprice	197,044	2.79	189,086	2.74	0.05
Corvette	26,412	0.37	22,789	0.33	0.04
Total Chevrolet	1,275,498	18.05	1,236,316	17.91	0.14
Calais	109,891	1.55	110,276	1.60	– 0.04
Firenza	0	0.00	12,260	0.18	– 0.18
Cutlass Ciera	79,953	1.13	21,620	0.31	0.82
Cutlass Supreme	100,026	1.42	94,723	1.37	0.04
Cutlass Supreme Classic	0	0.00	27,678	0.40	– 0.40
Toronado	9,877	0.14	16,496	0.24	– 0.10
88 (fwd)	152,039	2.15	160,913	2.33	– 0.18
88 (rwd)	8,929	0.13	11,114	0.16	– 0.03
Olds 98	73,103	1.03	79,935	1.16	– 0.12
Total Oldsmobile	533,818	7.55	535,015	7.75	– 0.20
Sunbird	139,644	1.98	93,694	1.36	0.62
Grand Am	246,418	3.49	235,371	3.41	0.08
Firebird	64,406	0.91	62,467	0.90	0.01
Grand Prix	136,747	1.93	86,357	1.25	0.68
Pontiac 6000	100,586	1.42	61,446	0.89	0.53
Bonneville	108,653	1.54	108,580	1.57	– 0.04
Safari/Paris	5,146	0.07	6,397	0.09	– 0.02
Fiero	0	0.00	26,402	0.38	– 0.38
Total Pontiac	801,600	11.34	680,714	9.86	1.48
GENERAL MOTORS	3,394,033	48.02	3,181,657	46.09	1.93
HONDA	347,432	4.92	358,274	5.19	– 0.27
Civic	116,113	1.64	97,859	1.42	0.23
Accord	231,319	3.27	260,415	3.77	– 0.50
MAZDA	228,756	3.24	105,616	1.53	1.71
NISSAN	116,644	1.64	91,281	1.33	0.31
NUMMI	153,080	2.17	112,034	1.62	0.54
Corolla	69,950	0.99	40,918	0.59	0.40
Nova	83,130	1.18	71,116	1.03	0.15
TOYOTA	108,185	1.53	0	0.00	1.53
VOLKSWAGEN	0	0.00	39,647	0.57	– 0.57
Golf/GTI	0	0.00	25,697	0.37	– 0.37
Jetta	0	0.00	13,950	0.20	– 0.20
Total Cars, U.S.	7,067,627		6,903,518		
Total Cars, U.S., Canada	7,941,090		7,912,574		

CANADIAN CAR

CANADIAN CAR	1989 Model Year	Pct of Output	1988 Model Year	Pct of Output	Pct. of Change '89 vs. '88
Eagle	0	0.00	2,305	0.23	– 0.23
Premier	43,179	4.94	45,546	4.51	0.43
CHRYSLER MOTORS	43,179	4.94	47,851	4.74	0.20
Tempo	136,851	15.67	149,853	14.85	0.82
Topaz	61,205	7.01	53,474	5.30	1.71
Crown Victoria	134,103	15.35	125,189	12.41	2.95
Grand Marquis	138,913	15.90	121,067	12.00	3.91
FORD MOTOR CO.	471,072	53.93	449,583	44.55	9.38
Celebrity	22,452	2.57	49,314	4.89	– 2.32
Cutlass Ciera	159,636	18.28	229,116	22.71	– 4.43
Pontiac 6000	0	0.00	58,609	5.81	– 5.81
Regal	88,757	10.16	130,000	12.88	– 2.72
GENERAL MOTORS	270,845	31.01	467,039	46.28	– 15.28
HONDA	71,520	8.19	38,010	3.77	4.42
TOYOTA	10,236	1.17	0	0.00	1.17
VOLVO	6,611	0.76	6,573	0.66	0.10
Total Cars, Canada	873,463		1,009,056		

U.S. TRUCK

U.S. TRUCK	1989 Model Year	Pct of Output	1988 Model Year	Pct of Output	Pct. of Change '89 vs. '88
Caravan	102,555	2.47	90,927	2.20	0.27
Dakota	102,388	2.46	107,377	2.60	– 0.13
Caravan C/V	7,985	0.19	11,545	0.28	– 0.09
Ram pickups	102,458	2.47	111,990	2.71	– 0.24
Total Dodge	315,386	7.59	321,839	7.79	– 0.20
Cherokee	203,213	4.89	177,715	4.30	0.59
Comanche	33,376	0.80	47,065	1.14	– 0.34
Pickup	0	0.00	300	0.01	– 0.01
Grand Wagoneer	12,856	0.31	16,025	0.39	– 0.08
Wagoneer	8,680	0.21	12,246	0.30	– 0.09
Total Jeep	258,125	6.21	253,351	6.13	0.08
Voyager	95,776	2.30	83,755	2.03	0.28
Town & Country	1,798	0.04	0	0.00	0.04
Total C-P Div.	97,574	2.35	83,755	2.03	0.32
CHRYSLER MOTORS	671,085	16.15	658,945	15.95	0.20
Aerostar	257,436	6.19	174,629	4.23	1.97
Bronco	69,470	1.67	58,964	1.43	0.24
Bronco II	103,591	2.49	150,161	3.63	– 1.14
Econoline	241,531	5.81	224,077	5.42	0.39
Mediums/Heavies	61,031	1.47	58,680	1.42	0.05
Light trucks	517,444	12.45	477,316	11.55	0.90
Ranger	266,526	6.41	369,812	8.95	– 2.54
Total Ford Div.	1,517,029	36.50	1,513,639	36.63	– 0.13
FORD MOTOR CO.	1,517,029	36.50	1,513,639	36.63	– 0.13
Astro	172,407	4.15	169,533	4.10	0.05
Blazer	28,274	0.68	28,446	0.69	– 0.01
Mediums/Heavies	14,797	0.36	19,430	0.47	– 0.11
P-Model	36,067	0.87	40,633	0.98	– 0.12
Pickups	402,723	9.69	390,080	9.44	0.25
S-10	267,388	6.43	276,785	6.70	– 0.26
S-10 Blazer	184,657	4.44	157,264	3.81	0.64
Sportsvan/Van	89,991	2.17	87,254	2.11	0.05
Suburban	73,438	1.77	70,660	1.71	0.06
Total Chevrolet	1,269,742	30.55	1,240,085	30.01	0.54
Jimmy	7,899	0.19	8,503	0.21	– 0.02
Mediums/Heavies	21,429	0.52	39,198	0.95	– 0.43
P-Model	4,498	0.11	5,414	0.13	– 0.02
Pickups	122,108	2.94	120,786	2.92	0.02
S-15	61,315	1.48	64,453	1.56	– 0.08
S-15 Jimmy	51,592	1.24	50,940	1.23	0.01
Safari	44,564	1.07	42,947	1.04	0.03
Suburban	30,180	0.73	31,163	0.75	– 0.03
Vandura/Rally Vans	25,716	0.62	31,625	0.77	– 0.15
Total GMC	369,301	8.89	395,029	9.56	– 0.67
GENERAL MOTORS	1,639,043	39.44	1,635,114	39.57	– 0.13
NAVISTAR*	82,185	1.98	84,233	2.02	– 0.04
NISSAN	89,783	2.16	101,879	2.47	– 0.31
AM GENERAL*	22,320	0.54	22,680	0.55	– 0.01
MISCELLANEOUS*	134,820	3.23	115,920	2.81	0.42
Total Trucks, U.S.	4,156,265		4,132,410		

CANADIAN TRUCK

CANADIAN TRUCK	1989 Model Year	Pct of Output	1988 Model Year	Pct of Output	Pct. of Change '89 vs. '88
Caravan	144,708	15.18	134,588	14.04	1.14
Caravan C/V	11,073	1.16	11,834	1.23	– 0.07
Ram Wagon	29,175	3.06	23,980	2.50	0.56
Ram Van	78,476	8.23	62,323	6.50	1.73
Total Dodge	263,432	27.63	232,725	24.27	3.35
Voyager	125,575	13.17	121,362	12.66	0.51
Total Plymouth	125,575	13.17	121,362	12.66	0.51
Wrangler	71,025	7.45	46,131	4.81	2.64
Total Jeep	71,025	7.45	46,131	4.81	2.64
CHRYSLER MOTORS	460,032	48.24	400,218	41.74	6.50
FORD MOTOR (lt. trks.)	158,005	16.57	159,730	16.66	– 0.09
Light trucks	162,153	17.00	209,07[illegible]	21.80	– 4.80
Vans	63,533	6.66	63,401	6.61	0.05
Total Chevrolet	225,686	23.67	272,472	28.42	– 4.75
Light trucks	69,887	7.33	87,855	9.16	– 1.83
Vans	28,659	3.01	27,251	2.84	0.16
Total GMC	98,546	10.33	115,106	12.00	– 1.67
GENERAL MOTORS	324,232	34.00	387,578	40.42	– 6.42
NAVISTAR*	11,306	1.19	11,338	1.18	0.01
Total Trucks, Canada	953,575		958,864		
U.S., Canada Trucks	5,109,840		5,091,274		

*Est.

Model year shows slight output gain

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

U.S. and Canadian car and truck production rose slightly in the 1989 model year from the 1988 model year.

The two countries' car and truck makers built 13,050,930 units, 0.36 percent more than the 13,003,848 built in the previous model year.

Both car and truck output increased 0.36 for the 1989 model year. Car output rose 28,516 units to 7,941,090 compared with the 1988 total of 7,912,574. Truck output was 5,109,840, compared with 5,091,274 in the 1988 model year.

In the 1989 model year, transplant and joint-venture companies accounted for 8.62 percent of the units or 1,125,636 cars and trucks. The figures jumped from 6.26 percent or 813,667 cars and trucks produced in the 1988 model year.

With the Big 3 and Navistar International reporting production decreases, the transplant and joint-venture makers posted the only increases for the model year.

General Motors' output of 5,628,153 cars and trucks in the United States and Canada fell 0.76 percent from 5,671,388 in the 1988 season.

Ford Motor Co.'s vehicle output totaled 3,891,925 units, 3.52 percent below the previous model year's 4,033,959, and Chrysler Motors' output of 2,147,974 dipped 2.75 percent from 2,208,711.

Navistar International's plants in Springfield, Ohio, and Chatham, Ontario, produced 93,491 trucks during the model year, 2.18 percent below the 95,571 built in 1988.

Honda, which assembles cars in Marysville, Ohio, and Alliston, Ontario, and is the largest of the transplant companies, built 418,952 cars during the 1989 model year, up 5.72 percent from the 1988 total of 396,284.

Mazda Motor Manufacturing (U.S.A.) in Flat Rock, Mich., built 228,756 U.S. cars in the model year, more than double the 1988 total of 105,616.

Nissan Motor Manufacturing Co. U.S.A., in Smyrna, Tenn., reported production of 206,427 cars and trucks in the model year, 6.87 percent more than the 193,160 built last year.

New United Motor Manufacturing Inc. built 153,080 cars at its Fremont, Calif., plant, 36.64 percent above the 112,034 cars assembled in the 1988 model year.

Toyota, which builds cars in Georgetown, Ky., and Cambridge, Ontario, assembled 118,421 units. Toyota did not produce cars at Georgetown in the 1988 model year and did not report Cambridge production that year.

Volvo built 6,611 cars during the model year at its plant in Halifax, Nova Scotia, up 0.58 percent from 6,573 in 1988.

Diamond-Star Motors, the Chrysler-Mitsubishi joint venture in Normal, Ill., reported no production for the 1989 model year. It has been building 1990 models since it started production late in 1988.

Chevrolet Corsica/Beretta was the car production volume leader in the 1989 model year with 411,409 units, followed by Ford Taurus, 395,261; Chevrolet Cavalier, 376,626; Ford Escort, 363,122; and Pontiac Grand Am, 246,418.

DOMESTIC CAR SALES, YEAR TO DATE

	Sept. 21 to Sept. 30, 1989	Same Period, 1988	Sept. 1989	Same Month, 1988	Jan. 1, to Sept. 30, 1989	Same Period, 1988
Alliance	0	0	0	497	0	4,418
Eagle	0	0	0	0	0	1,392
Talon	658	0	1,323	0	2,106	0
Premier	1,372	1,745	3,412	4,046	35,290	29,686
Total Eagle	2,030	1,745	4,735	4,543	37,396	35,496
Horizon	648	2,237	4,818	5,756	33,549	49,350
Laser	626	0	1,529	0	14,576	0
Sundance	2,370	2,726	8,610	6,489	67,831	66,412
Turismo	0	0	0	0	0	1,115
Reliant	1,108	3,857	2,776	7,867	28,640	87,017
Acclaim	3,911	0	7,892	0	65,735	0
Caravelle	0	183	0	601	733	12,080
Gran Fury	0	346	0	852	1,443	10,635
Total Plymouth	8,663	9,349	25,625	21,565	212,507	226,609
LeBaron K	0	517	0	1,233	787	18,900
LeBaron J	3,497	2,496	7,227	5,911	67,474	78,842
LeBaron GTS	155	536	394	1,371	3,896	13,135
Fifth Avenue (rwd)	155	650	430	1,660	10,750	30,900
Fifth Avenue (fwd)	1,282	0	2,282	0	1,962	0
New Yorker C	1,595	3,605	4,067	8,357	65,273	56,317
New Yorker E	0	23	0	47	237	14,381
Total Chrysler	6,684	7,827	14,400	18,579	150,379	212,475
Omni	657	2,004	4,646	5,685	33,790	47,521
Shadow	2,055	2,519	6,773	5,922	63,659	68,991
Charger	0	0	0	0	0	1,022
Daytona	1,889	1,959	4,531	4,902	54,558	58,697
Aries	888	3,287	2,491	6,504	28,013	77,193
Lancer	111	317	265	851	2,647	8,507
Spirit	3,255	0	6,195	0	53,714	0
Diplomat	0	652	0	1,672	2,551	16,573
Dynasty	2,872	3,505	6,548	7,449	84,584	55,189
Dodge 600	0	150	0	471	808	10,999
Total Dodge	11,727	14,393	31,449	33,456	324,324	344,692
CHRYSLER MOTORS	29,104	33,314	76,209	78,143	724,606	819,272
Escort	16,504	13,529	32,309	33,760	273,149	294,610
Mustang	3,702	4,246	9,987	10,749	135,769	133,631
Tempo	6,822	9,787	16,496	21,635	173,163	216,696
Taurus	12,214	9,729	26,761	20,016	272,527	286,917
Thunderbird	4,316	2,989	10,979	8,067	97,603	97,362
Probe	4,232	4,488	10,032	10,551	107,109	45,647
Crown Victoria	3,145	3,000	8,437	7,623	88,128	88,083
Total Ford Div.	50,935	47,768	115,001	112,401	1,147,448	1,162,946
Lynx/Tracer	1,901	2,677	4,535	5,494	50,056	46,284
Topaz	3,884	3,702	7,164	7,508	69,054	68,429
Sable	3,593	3,561	8,116	7,048	89,214	93,548
Cougar	4,634	2,547	10,097	7,212	83,251	86,966
Grand Marquis	3,860	3,656	9,586	8,836	90,517	87,716
Total Mercury	17,872	16,143	39,498	36,098	382,092	382,943
Continental	1,867	1,684	3,951	4,018	42,362	30,732
Lincoln	3,626	4,405	8,577	10,568	89,122	92,990
Mark VII	735	813	1,399	1,886	20,793	16,289
Total Lincoln	6,228	6,902	13,927	16,472	152,277	140,011
Total L-M Division	24,100	23,045	53,425	52,570	534,369	522,954
FORD MOTOR CO.	75,035	70,813	168,426	164,971	1,681,817	1,685,900
Skyhawk	528	978	1,347	2,018	15,309	20,707
Somerset/Skylark	2,317	1,544	4,633	3,851	49,853	47,264
Century	7,210	5,582	15,514	13,343	104,524	94,440
Regal	4,041	5,563	8,368	12,227	63,687	95,246
LeSabre	6,055	4,795	14,526	10,978	115,693	108,726
Reatta	296	225	647	422	6,156	2,759
Electra	3,368	3,285	8,377	7,934	62,590	65,084
Riviera	881	347	1,778	769	15,169	6,899
Total Buick	24,696	22,319	55,190	51,542	432,981	441,125
Cimarron	7	151	8	383	240	5,133
Allante	131	123	296	223	2,637	2,636
Seville	623	825	1,278	1,648	17,152	16,008
DeVille	8,950	7,306	19,684	12,667	132,829	115,213
Brougham	1,846	2,363	3,805	4,747	27,327	33,354
Eldorado	1,273	1,377	2,702	2,744	24,513	23,302
Total Cadillac	12,830	12,145	27,773	22,412	204,698	195,646
Chevette	0	0	0	0	0	205
Geo Prizm/Nova	4,022	3,425	8,814	8,421	60,973	84,745
Cavalier	11,551	8,467	26,301	20,522	230,666	230,415
Camaro	2,607	2,243	6,168	5,822	83,084	74,715
Celebrity	2,468	7,126	5,869	18,593	134,739	192,950
Corsica/Beretta	10,823	7,451	24,322	19,086	279,800	307,427
Lumina/Monte Carlo	5,956	439	13,290	1,192	60,977	26,651
Caprice	5,972	4,559	14,098	11,123	126,982	128,533
Corvette	1,330	592	2,909	1,382	19,145	18,451
Total Chevrolet	44,729	34,302	101,771	86,141	996,366	1,064,092
Firenza	0	155	0	425	12	7,942
Calais	4,186	3,120	9,463	7,736	76,263	81,799
Cutlass Ciera	11,226	8,562	26,936	22,313	165,794	187,601
Cutlass Supreme	4,191	5,010	10,415	12,268	76,801	85,233
Olds 88	4,997	4,185	12,185	10,646	114,114	124,146
Olds 98	2,202	2,174	[illegible]	5,783	53,940	56,802
Toronado	624	415	1,267	971	6,741	12,285
Total Oldsmobile	27,426	23,621	65,593	60,142	493,665	555,808
Fiero	0	821	0	1,984	1,961	21,605
Pontiac 1000	0	0	0	0	0	154
Sunbird	3,158	2,784	7,981	6,851	75,614	63,740
Firebird	1,357	1,573	3,165	3,821	48,154	46,380
Grand Am	7,169	6,963	18,759	16,003	158,779	173,620
Pontiac 6000	2,142	2,870	5,474	7,010	54,738	75,108
Grand Prix	4,607	4,985	10,284	12,030	91,081	74,711
Bonneville H	3,668	3,410	8,833	7,507	70,486	83,420
Paris./Safari	157	235	341	579	3,616	5,388
Total Pontiac	22,258	23,641	54,837	55,785	504,429	544,128
GENERAL MOTORS	131,939	116,028	305,164	276,022	2,632,139	2,800,797
HONDA	13,036	9,808	29,481	30,397	293,368	277,884
Civic	6,859	[illegible]	13,663	11,703	130,813	85,393
Accord	6,177	[illegible]	15,818	18,694	162,555	192,491
MAZDA	1,386	[illegible]	2,824	2,780	32,576	23,040
MITSUBISHI	1,416	0	3,807	0	21,576	0
NISSAN	4,456	[illegible]	7,069	18,046	81,913	91,958
TOYOTA	9,400	[illegible]	16,762	6,176	151,356	45,250
VOLKSWAGEN	0	0	0	0	0	24,939
DOMESTIC TOTAL	265,772	245,443	609,742	576,535	5,619,351	5,769,040
IMPORT TOTAL			249,300	248,727	2,187,984	2,322,555
INDUSTRY TOTAL			859,042	825,262	7,807,335	8,091,595

U.S.-built Volkswagen models sold after June 30, 1988, are included in import totals.

DOMESTIC CAR SALES MODEL YEAR 1989

	1989	1988
Alliance	0	8,605
Eagle	0	2,911
Talon	2,106	0
Premier	46,476	29,878
Total Eagle	48,582	41,394
Horizon	45,341	57,007
Laser	14576	0
Sundance	90,637	81,857
Turismo	0	2,217
Reliant	51,481	118,050
Acclaim	69,243	0
Caravelle	1,556	19,586
Gran Fury	4,123	12,466
Total Plymouth	276,957	291,183
LeBaron K	2,000	28,550
LeBaron J	88,465	106,871
LeBaron GTS	5,930	18,694
Fifth Ave. (rwd)	15,126	49,547
Fifth Ave. (fwd)	2,653	0
New Yorker C	92,578	64,803
New Yorker E	406	21,572
Total Chrysler	207,158	290,037
Omni	45,933	53,908
Shadow	85,758	85,537
Charger	0	1,989
Daytona	68,032	70,986
Aries	53,309	105,539
Lancer	4,172	11,877
Spirit	57,664	0
Diplomat	6,392	19,968
Dynasty	112,407	58,248
Dodge 600	1,752	19,885
Total Dodge	435,419	427,937
CHRYSLER MTRS.	968,116	1,050,551
Escort	366,354	381,330
Mustang	172,218	170,601
Tempo	241,609	264,548
Taurus	360,237	367,327
Thunderbird	118,107	127,356
Probe	139,225	45,647
Crown Victoria	114,257	114,534
Total Ford Div.	1,512,007	1,471,343
Lynx/Tracer	62,693	60,845
Topaz	93,348	81,210
Sable	114,884	119,132
Cougar	97,246	109,124
Grand Marquis	117,186	115,302
Total Mercury	485,357	485,613
Continental	59,054	33,507
Lincoln	117,806	126,642
Mark VII	27,030	23,184
Total Lincoln	203,890	183,333
Total L-M Division	689,247	668,946
FORD MTR. CO.	2,201,254	2,140,289
Skyhawk	20,658	29,430
Somerset/Skylark	60,935	58,415
Century	142,078	122,230
Regal	91,312	119,234
LeSabre	148,407	137,154
Reatta	7,911	2,759
Electra	81,959	87,798
Riviera	20,020	9,241
Total Buick	573,280	566,261
Cimarron	976	6,925
Allante	3,066	3,502
Seville	23,583	21,661
DeVille	177,922	148,398
Brougham	37,643	49,400
Eldorado	32,410	29,514
Total Cadillac	275,600	259,400
Chevette	0	550
Prizm/Nova	73,096	98,154
Cavalier	306,518	301,809
Camaro	110,034	93,617
Celebrity	194,830	258,601
Corsica/Beretta	352,674	355,323
Monte Carlo	62,893	41,788
Caprice	171,435	165,573
Corvette	23,975	25,425
Total Chevrolet	1,295,455	1,340,840
Firenza	1,218	12,166
Calais	100,581	100,810
Cutlass Ciera	215,579	233,584
Cutlass Supreme	107,747	100,608
Olds 88	148,173	156,232
Olds 98	70,486	75,441
Toronado	9,343	15,623
Total Oldsmobile	653,127	694,464
Fiero	4,477	27,304
Pontiac 1000	0	365
Sunbird	97,447	77,865
Firebird	60,267	58,459
Grand Am	217,169	222,438
Pontiac 6000	77,556	103,003
Grand Prix	118,870	79,573
Bonneville H	94,761	109,862
Paris./Safari	4,875	7,388
Total Pontiac	675,422	686,257
GENERAL MTRS.	3,472,884	3,547,222
HONDA	391,109	360,035
Civic	173,001	100,825
Accord	218,108	259,210
MAZDA	40,867	24,707
MITSUBISHI	21,576	0
NISSAN	102,080	110,517
TOYOTA	178,480	60,075
VOLKSWAGEN	0	36,150
DOMESTIC TOTAL	7,376,346	7,329,556
IMPORT TOTAL	2,930,819	3,130,075
CAR IND. TOTAL	10,307,165	10,459,631

MARKET SHARES, SEPTEMBER 1989

	Total Sales	Pct. of Total
SUBCOMPACT	97,952	11.40
COMPACT	147,330	17.15
INTERMEDIATE	244,120	28.42
STANDARD	116,488	13.56
SPECIALITY	3,852	0.45
IMPORT	249,300	29.02
TOTAL	859,042	100.00

MARKET SHARES, MODEL YEAR 1989

	Total Sales	Pct. of Total
SUBCOMPACT	1,083,110	10.51
COMPACT	1,893,734	18.37
INTERMEDIATE	3,046,869	29.57
STANDARD	1,313,204	12.74
SPECIALITY	39,429	0.38
IMPORT	2,930,819	28.43
TOTAL	10,307,165	100.00

SALES

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ing to Healy.

There was no ceiling on rebates, analysts said, noting that in the model year, the Big 3 spent $8 billion on incentives. It is estimated that GM spent about half of the total.

"Maybe they did spend too much in the third quarter," said Michael Luckey, Michael Luckey Consulting Group, Cresskill, N.J. "But the long-term objective is to maintain market share."

GM and Ford Motor Co. won bigger combined car and light-truck shares in the model year. GM's car and light-truck share rose from 35 percent to 35.6 percent, mainly due to truck sales gains. In the last two years, GM's truck share has risen five percentage points, according to GM President Robert Stempel.

Ford improved its car sales in 1989 and captured 24.6 percent of the car and light-truck market, compared with 24.1 percent in the 1988.

Ford's vehicle share gain was cemented again with the best-selling car and pickup truck. Escort was the top volume car for the fourth straight year with 366,354 sales, and for the eighth year, Ford's F-series full-size pickup took top honors as the leading volume vehicle with nearly 590,000 sales.

Chrysler Motors' car and light-

see SALES, page 47

IMPORT CAR SALES MODEL YEAR 1989

	1989	1988
Acura	140,713	127,435
Alfa Romeo	3,306	4,959
Audi	20,478	24,418
BMW	69,960	73,724
Chevrolet	113,524	128,038
Chrysler	7,562	10,154
Daihatsu	13,763	8,566
Dodge	39,570	52,796
Eagle	26,632	16,933
Ford	71,683	63,802
Honda	262,628	289,211
Hyundai	201,358	267,099
Isuzu	19,223	28,844
Jaquar	19,695	21,492
Lexus	4,554	0
Maserati	304	887
Mazda	221,476	232,112
Mercedes-Benz	76,152	86,024
Mercury	9,809	14,268
Mitsubishi	77,166	70,334
Nissan	407,082	369,102
Peugeot	6,372	7,536
Plymouth	36,140	47,195
Pontiac	59,236	54,671
Porsche	10,609	16,778
Saab	34,901	39,829
Sterling	5,951	10,882
Subaru	150,701	162,932
Suzuki	5,352	0
Toyota	561,911	627,122
Volkswagen	136,518	143,656
Volvo	102,625	93,620
Yugo	13,864	35,656
TOTAL	2,930,819	3,130,075

IMPORTED CAR SALES, YEAR TO DATE

	Sept. 1989	Sept. 1988	9 Mos., 1989	9 Mos., 1988
Acura	12,011	13,417	110,707	98,232
Alfa Romeo	305	230	2,493	3,663
Audi	2,182	1,734	15,870	18,335
BMW	4,401	6,024	49,887	53,286
Chevrolet	9,625	8,546	91,553	94,464
Chrysler	535	730	5,861	8,172
Daihatsu	1,501	1,021	10,869	8,566
Dodge	3,224	4,305	28,831	41,782
Eagle	1,917	1,935	19,752	12,435
Ford	6,225	5,768	55,982	53,466
Honda	16,843	22,079	185,427	187,921
Hyundai	13,602	17,194	146,042	208,966
Isuzu	845	2,478	14,563	19,860
Jaquar	1,482	1,832	13,882	14,913
Lexus	4,554	0	4,554	0
Maserati	20	59	220	649
Mazda	17,922	18,427	171,280	174,523
Mercedes-Benz	6,886	6,160	56,330	63,905
Mercury	314	1,634	6,320	11,772
Mitsubishi	11,060	6,687	62,364	55,273
Nissan	35,971	29,347	321,352	275,015
Peugeot	520	505	4,762	5,094
Plymouth	3,198	3,530	26,800	37,463
Pontiac	4,079	5,252	41,254	46,055
Porsche	656	1,071	7,333	12,460
Saab	2,627	2,983	26,270	29,859
Sterling	418	910	4,544	7,493
Subaru	10,064	14,710	111,175	118,420
Suzuki	618	0	4,618	0
Toyota	56,655	46,282	393,300	447,828
Volkswagen	10,025	12,703	104,657	112,000
Volvo	8,038	8,664	80,807	76,679
Yugo	977	2,510	8,325	26,408
TOTAL	249,300	248,727	2,187,984	2,322,555

LIGHT-DUTY TRUCK SALES, YEAR TO DATE

	Sept 1989	Sept 1988	9 Mos., 1989	9 Mos., 1988
Vans	13,536	14,771	133,037	143,787
Aerostar	13,945	14,879	150,607	142,500
Club Wagon	1,475	2,328	19,416	20,169
Ranger	23,710	27,253	213,924	239,167
Bronco	5,619	3,938	47,262	39,473
Bronco II	10,191	11,884	83,358	96,359
Pickups	44,085	42,747	447,650	442,047
Ford	**112,561**	**117,800**	**1,095,254**	**1,123,502**
Vans	11,676	6,688	95,903	97,354
Sportsvan	491	529	7,996	9,930
Geo Tracker	1,229	14	7,317	14
Astro	14,525	9,274	117,729	124,426
Lumina APV	0	0	68	0
S-10	26,942	19,959	182,188	189,090
S-10 Blazer	20,363	14,494	138,773	130,181
El Camino	0	0	0	420
Blazer	2,298	1,420	17,101	19,684
Suburban	6,653	3,682	50,273	48,756
Pickups	49,717	37,662	422,223	385,566
Chevrolet	**133,894**	**93,722**	**1,039,571**	**1,005,421**
Vans	3,962	3,877	55,263	44,816
Ram Wagon	1,708	2,214	19,331	19,732
Voyager	12,375	13,283	141,567	149,146
Caravan	13,929	14,564	153,843	160,975
Caravan C/V	898	1,205	11,120	15,429
Town & Country	292	0	850	0
Ram 50	2,601	3,985	22,934	44,278
Raider	1,183	652	6,945	5,103
Ramcharger	1,134	1,200	15,165	14,481
Dakota	7,360	7,151	68,435	73,158
Pickups	7,726	5,814	64,808	64,061
Chrysler	**53,168**	**53,945**	**560,261**	**591,179**
Vans	3,720	2,988	32,999	36,234
Safari	3,101	2,251	25,678	26,416
S-15	5,793	3,972	40,355	39,927
S-15 Jimmy	5,002	3,850	33,568	31,713
Jimmy	662	414	4,963	5,547
Caballero	0	0	0	60
Suburban	2,316	1,315	17,628	16,979
Pickups	14,724	9,855	119,917	107,308
P Model	449	456	2,968	3,370
W-4	118	111	984	1,157
GMC	**35,885**	**25,212**	**279,060**	**268,711**
Wrangler	4,065	3,451	40,799	31,067
Wagoneer	634	773	5,052	6,517
Cherokee	14,195	12,522	121,695	108,025
Grand Wagoneer	951	1,337	8,287	10,431
Comanche	1,843	3,131	19,826	30,398
J-10/J-20	0	0	0	221
Jeep	**21,688**	**21,214**	**195,659**	**186,679**
Toyota	17,459	21,664	174,015	191,883
Nissan	7,795	16,819	119,404	131,667
Mazda	6,652	8,344	62,774	75,014
Isuzu	8,649	8,718	72,918	65,169
Mitsubishi	2,693	3,323	29,962	33,466
Suzuki	2,368	761	19,787	50,517
Subaru	0	0	0	10
Range Rover	414	329	3,562	2,527
Imports	**46,030**	**59,958**	**482,422**	**550,253**
Industry Total	**403,226**	**371,851**	**3,652,227**	**3,725,745**

Compiled by Karen Detkowski

LIGHT-DUTY TRUCKS MODEL YEAR 1989

	1989	1988
Vans	176,961	187,591
Aerostar	192,685	177,039
Club Wagon	27,065	27,728
Ranger	273,336	303,666
Bronco	62,913	54,848
Bronco II	111,108	124,917
Pickups	589,772	588,452
Ford	**1,433,840**	**1,464,241**
Vans	120,240	129,148
Sportsvan	10,402	12,842
Geo Tracker	9,448	14
Astro	150,136	160,291
Lumina APV	68	0
S-10	241,866	235,452
S-10 Blazer	193,092	160,586
El Camino	0	2,567
Blazer	24,597	28,540
Suburban	68,414	64,845
Pickups	552,294	489,882
Chevrolet	**1,370,557**	**1,284,167**
Vans	69,788	56,634
Ram Wagon	25,292	26,642
Voyager	184,694	187,715
Caravan	203,786	205,223
Caravan C/V	14,913	19,019
Town & Country	968	0
Ram 50	31,939	56,342
Raider	9,703	9,382
Ramcharger	19,993	19,955
Dakota	88,673	91,850
Pickups	82,642	88,666
Chrysler	**732,391**	**761,428**
Vans	42,014	46,396
Safari	32,430	34,785
S-15	53,003	49,939
S-15 Jimmy	46,388	41,768
Jimmy	7,036	8,179
Caballero	0	325
Suburban	23,393	22,224
Pickups	153,938	137,003
P Model	3,743	4,919
W-4	1,403	1,549
GMC	**363,348**	**347,087**
Wrangler	51,788	39,962
Wagoneer	7,673	9,397
Cherokee	163,236	141,279
Grand Wagoneer	12,338	14,779
Comanche	27,399	39,224
J-10/J-20	0	454
Jeep	**262,434**	**245,095**
Toyota	229,209	257,643
Nissan	157,347	181,122
Mazda	81,047	98,012
Isuzu	98,154	82,633
Mitsubishi	40,028	46,858
Suzuki	26,334	66,607
Subaru	0	81
Range Rover	4,462	3,564
Imports	**636,581**	**736,520**
Industry Total	**4,799,151**	**4,838,538**

Compiled by Karen Detkowski

U.S. CAR SALES BY MARKETING UNITS, YEAR TO DATE

	Sept. 1989	Percent Share	Sept. 1988	Percent Share	9 Mos., 1989	Percent Share	9 Mos., 1988	Percent Share
Alfa Romeo	305	0.04	230	0.03	2,493	0.03	3,663	0.05
American Honda	58,335	6.79	65,893	7.98	589,502	7.55	564,037	6.97
BMW	4,401	0.51	6,024	0.73	49,887	0.64	53,286	0.66
Buick	55,190	6.42	51,542	6.25	432,981	5.55	441,125	5.45
Cadillac	27,773	3.23	22,412	2.72	204,698	2.62	195,646	2.42
Chevrolet	111,396	12.97	94,687	11.47	1,087,919	13.93	1,158,556	14.32
Chrysler	14,935	1.74	19,309	2.34	156,240	2.00	220,647	2.73
Daihatsu	1,501	0.17	1,021	0.12	10,869	0.14	8,566	0.11
Dodge	34,673	4.04	37,761	4.58	353,155	4.52	386,474	4.78
Eagle	6,652	0.77	6,478	0.78	57,148	0.73	47,931	0.59
Ford	121,226	14.11	118,169	14.32	1,203,430	15.41	1,216,412	15.03
Hyundai	13,602	1.58	17,194	2.08	146,042	1.87	208,966	2.58
Isuzu	845	0.10	2,478	0.30	14,563	0.19	19,860	0.25
Jaguar	1,482	0.17	1,832	0.22	13,882	0.18	14,913	0.18
Lexus	4,554	0.53	0	0.00	4,554	0.06	0	0.00
Lincoln	13,927	1.62	16,472	2.00	152,277	1.95	140,011	1.73
Maserati	20	0.00	59	0.01	220	0.00	649	0.01
Mazda	20,746	2.42	21,207	2.57	203,856	2.61	197,563	2.44
Mercedes	6,886	0.80	6,160	0.75	56,330	0.72	63,905	0.79
Mercury	39,812	4.63	37,732	4.57	388,412	4.97	394,715	4.88
Mitsubishi	14,867	1.73	6,687	0.81	83,940	1.08	55,273	0.68
Nissan	43,040	5.01	47,393	5.74	403,265	5.17	366,973	4.54
Oldsmobile	65,593	7.64	60,142	7.29	493,665	6.32	555,808	6.87
Peugeot	520	0.06	505	0.06	4,762	0.06	5,094	0.06
Plymouth	28,822	3.36	25,095	3.04	239,307	3.07	264,072	3.26
Pontiac	58,916	6.86	61,037	7.40	545,683	6.99	590,181	7.29
Porsche	656	0.08	1,071	0.13	7,333	0.09	12,460	0.15
Saab	2,627	0.31	2,983	0.36	26,270	0.34	29,859	0.37
Sterling	418	0.05	910	0.11	4,544	0.06	7,493	0.09
Subaru	10,064	1.17	14,710	1.78	111,175	1.42	116,420	1.44
Suzuki	618	0.07	0	0.00	4,618	0.06	0	0.00
Toyota	73,417	8.55	52,458	6.36	544,656	6.98	493,078	6.09
Volvo	8,038	0.94	8,664	1.05	80,807	1.04	76,679	0.95
VWoA	12,207	1.42	14,437	1.75	120,527	1.54	155,274	1.92
Yugo	977	0.11	2,510	0.30	8,325	0.11	26,006	0.32
TOTAL	859,042	100.00	825,262	100.00	7,807,335	100.00	8,091,595	100.00
TOTAL GM	318,868	37.12	289,820	35.12	2,764,946	35.41	2,941,316	36.36
TOTAL FORD	174,965	20.37	172,373	20.89	1,744,119	22.34	1,751,138	21.64
TOTAL CHRYSLER	85,083	9.90	88,643	10.74	805,850	10.32	919,124	11.36
TOTAL JAPANESE	227,987	26.54	211,847	25.67	1,970,998	25.25	1,821,770	22.51
TOTAL EUROPEAN	38,537	4.49	45,385	5.50	375,380	4.81	449,281	5.55
TOTAL KOREAN	13,602	1.58	17,194	2.08	146,042	1.87	208,966	2.58

Big 3 totals include their captive imports. Percent share may contain error of one or two points due to rounding.
Sales charts compiled by Karen Detkowski

For the eighth year, Ford's F-series pickup was the best selling vehicle.

SALES

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truck share fell from 14.3 percent to 13.7 percent. Nearly 48 percent of Chrysler's sales were trucks, compared with 46.08 percent in 1988.

Except for Mazda, Japanese companies with transplant operations reported car sales gains and better market shares in 1989. But Toyota, Mazda and Nissan also reported light-truck sales losses in 1989.

Toyota was the volume leader among Japanese vehicle makers in 1989. Its car and light-truck share rose to 6.4 percent, up from 6.2 percent in 1988.

Nissan and Honda continued to outpace their 1988 sales totals. Nissan had 4.4 percent of the car and light-truck market, compared with 4.3 percent last year. Honda's share rose to 4.3 percent, up from 4.2 percent.

Mazda sold fewer cars and trucks in 1989. Its share declined from 2.3 percent to 2.2 percent.

Other foreign car and light-truck makers sold 10.71 percent fewer vehicles. Their vehicle share declined to 8.8 percent from 9.6 percent in 1988.

It was a good year for U.S. light-truck manufacturers — particularly GM — and an anemic one for foreign-based light-duty truck producers.

GM's penetration jumped to 28.56 percent from 26.54 percent in 1988. It still trailed industry leader Ford, though, whose share slipped to 29.88 percent from 30.26 percent in 1988.

Chrysler's share, as represented by Dodge and Plymouth truck models, dropped to 15.26 percent from 15.74 percent in 1988.

GMC's share climbed to 7.57 percent from 7.17 percent, and Jeep's to 5.47 percent from 5.07 percent in 1988.

Foreign-based manufacturers' share dropped to 13.26 percent from 15.22 percent in 1988.

As a result of expensive rebates put in effect from mid-July, third-quarter car and light-truck sales rose 4.06 percent above the same period in 1988. There were 3,933,653 cars and trucks sold, compared with 3,780,181 in the third quarter of 1988. But third-quarter sales lagged behind the second quarter of 1989 by 2.71 percent.

Despite adversities like Hurricane Hugo hitting dealers in North and South Carolina, September car and light-truck sales rose 5.44 percent from last year.

U.S.-built and import-car sales climbed 4.09 percent ahead of September 1988.

Bouyed by a 6.13 percent increase in the final 10 days of September, the eight U.S. carmakers sold 5.75 percent more cars this year. GM, Ford, Mazda and Toyota reported higher U.S.-built car deliveries.

In September, U.S. light-duty truck sales, bolstered by special incentives, set a monthly record. Some 403,226 trucks were retailed last month, up 8.44 percent from 371,851 in like 1988.

Chevrolet's September light-truck sales rose 42.84 percent over year-ago sales, and Ford's light-duty sales declined 4.45 percent. GMC had posted a gain of 42.33 percent.

Imports continued their decline. Their sales dropped 23.23 percent from a year ago.

TOP 10 NAMEPLATES, MODEL YEAR 1989

Car	Units
1. Escort	366,354
2. Accord	362,435
3. Taurus	360,237
4. Corsica/Beretta	352,674
5. Cavalier	306,518
6. Camry	264,598
7. Tempo	241,609
8. Civic	238,967
9. Grand Am	217,169
10. Cutiass Ciera	215,579

U.S. CAR SALES BY MARKETING UNITS MODEL YEAR 1989

	1989	1988
Alfa Romeo	3,306	4,959
American Honda	794,450	776,681
BMW	69,960	73,724
Buick	573,280	566,261
Cadillac	275,600	259,400
Chevrolet	1,408,979	1,468,878
Chrysler	214,720	300,191
Daihatsu	13,763	8,566
Dodge	474,989	480,733
Eagle	75,214	58,327
Ford	1,583,689	1,535,145
Hyundai	201,358	267,099
Isuzu	19,223	28,844
Jaguar	19,696	21,492
Lexus	4,554	0
Lincoln	203,890	183,333
Maserati	304	887
Mazda	262,343	256,823
Mercedes	76,152	86,024
Mercury	495,136	499,881
Mitsubishi	98,742	70,334
Nissan	509,162	479,619
Oldsmobile	653,127	694,464
Peugeot	6,372	7,536
Plymouth	313,097	338,378
Pontiac	734,658	740,928
Porsche	10,609	16,778
Saab	34,901	39,829
Sterling	5,951	10,882
Subaru	150,701	162,932
Suzuki	5,352	0
Toyota	740,371	687,198
Volvo	102,625	93,620
VWoA	156,996	204,233
Yugo	13,895	35,652
TOTAL	10,307,165	10,459,631
TOTAL GM	3,645,644	3,729,931
TOTAL FORD	2,282,715	2,218,359
TOTAL CHRYSLER	1,078,020	1,177,629
TOTAL JAPANESE	2,588,661	2,470,907
TOTAL EUROPEAN	500,767	595,616
TOTAL KOREAN	201,358	267,099

Big 3 totals include their captive imports. Percent share may contain error of one or two points due to rounding.
Sales charts compiled by Karen Detkowski

Truck output for quarter is 3-year low

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Third-quarter truck production of 887,175 was the lowest for that quarter since 1986 when 867,031 were built.

Last quarter's truck output was 5.06 percent less than the year-ago quarter's 934,439.

September's truck production of 309,388 was the lowest for that month since 1985 when 292,066 units were completed. Last month's output was 12.35 percent below August's 353,000 and 14.05 percent below the year-ago month's 359,981.

Last week's targeted truck production of 63,409 dipped 20.40 percent from the prior week's 79,658 and slipped 23.34 percent from the year-ago week's 82,712.

Car production in the third quarter totaled 1,393,099 units, 6.55 percent below the year-ago quarter's 1,490,730.

Last month's car output of 575,698 increased 7.14 percent over the August build of 537,308 but was 7.61 percent less than the year-ago month's 623,100.

Automakers scheduled 131,879 cars last week, 12.79 percent below the prior week's 151,228 and 13.20 percent lower than the year-ago week's 151,932.

Last week's scheduled production was split as follows: General Motors, 44.95 percent; Ford Motor Co., 25.34 percent; Chrysler Motors, 11.79 percent; Honda of America Manufacturing, 4.66 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.40 percent; Toyota Motor Manufacturing U.S.A., 3.07 percent; New United Motor Manufacturing Inc., 2.73 percent; Diamond-Star Motors, 2.37 percent; and Nissan Motor Manufacturing Corp. U.S.A., 1.69 percent.

GM's Wilmington, Del.; Linden, N.J.; Moraine, Ohio; Pontiac, Mich.; and Shreveport, La., plants remain idle due to slow sales.

Ford's Cougar/Thunderbird line in Lorain, Ohio, will be down until Oct. 16 due to sluggish sales.

Chrysler's Warren, Mich., plant will be closed until Oct. 16 because of high inventory.

Canada notches quarterly gains

Canadian automakers built 202,015 cars in the third quarter, 8.77 percent above the year-ago quarter's 185,721. September output of 83,324 cars was 23.66 percent more than August's 67,382 and 0.86 percent above the year-ago month's 82,611.

Truck output totaled 190,708 units during the three-month span, 18.65 percent more than the year-ago quarter's 160,735. Last month's truck output of 81,900 dipped 4.37 percent from the year-ago month's 85,640.

Ford Motor Co.'s Oakville, Ontario, plant was idle last week due to slow sales. The plant was expected to resume output today.

Chrysler Motors closed its Brampton, Ontario, plant last week to balance inventory. It is slated to reopen Oct. 16.

U.S. CAR	Week Ended Oct. 7, 1989	Week Ended Oct. 8, 1988	Week Ended Sept. 30, 1989	Sept. Total	Jan. 1 to Oct. 7, 1989	Jan. 1 to Oct. 8, 1988
Horizon	1,000	1,558	1,019	2,039	23,906	62,851
Sundance	1,900	2,247	1,959	7,996	80,175	79,391
Reliant	0	2,234	0	0	0	68,759
Acclaim	2,600	0	2,884	11,772	97,159	0
Caravelle	0	0	0	0	0	9,265
Gran Fury	0	187	0	0	0	17,009
Total Plymouth	5,500	6,226	5,862	21,807	201,240	237,275
LeBaron K	0	0	0	0	0	7,912
LeBaron J	0	2,163	2,734	10,963	80,293	60,687
LeBaron GTS	0	240	0	0	2,946	7,262
N. Yorker C-Class	750	2,192	893	3,418	65,334	81,077
Fifth Avenue	1,300	974	1,977	7,662	17,302	24,090
Imperial	100	0	180	212	312	0
Total Chrysler	2,150	5,569	5,784	22,255	166,187	181,028
Omni	1,100	1,542	1,126	2,245	25,311	61,671
Daytona	0	1,524	1,846	7,329	63,229	59,211
Shadow	2,100	2,154	2,138	8,039	77,404	78,664
Aries	0	2,172	0	0	0	67,273
Dodge 600	0	0	0	0	0	8,549
Dynasty	2,000	2,554	1,790	7,881	102,057	82,267
Lancer	0	149	0	0	1,528	7,038
Spirit	2,700	0	3,547	13,535	84,405	0
Diplomat	0	380	0	0	0	15,382
Total Dodge	7,900	10,475	10,447	39,029	353,934	38,055
CHRYSLER MOTORS	15,550	22,270	22,093	83,091	721,361	798,358
Escort	9,694	10,812	9,273	34,485	262,477	310,573
Mustang	3,685	4,410	3,385	8,897	157,200	157,539
Tempo	3,067	3,837	2,929	11,934	115,230	142,867
Taurus	7,915	7,793	7,784	24,193	276,586	306,221
Thunderbird	0	0	3,278	11,706	115,889	90,935
Total Ford Div.	24,361	26,852	26,649	91,215	927,382	1,008,135
Topaz	1,333	1,660	1,361	5,537	54,058	54,618
Cougar	0	0	2,186	8,678	98,569	70,348
Sable	2,837	2,765	2,864	9,549	91,185	104,050
Total Mercury	4,170	4,425	6,411	23,764	243,812	229,016
Continental	1,468	1,135	1,159	4,014	49,093	38,339
Mark VII	486	557	384	1,322	15,864	20,268
Lincoln	2,930	1,696	2,317	8,005	93,282	97,651
Total Lincoln	4,884	3,388	3,860	13,341	158,239	156,258
Total L-M Division	9,054	7,813	10,271	37,105	402,051	385,274
FORD MOTOR CO.	33,415	34,665	36,920	128,320	1,329,433	1,393,409
Skyhawk	0	1,041	0	0	6,913	14,538
Skylark/Somerset	1,920	0	1,758	6,953	47,908	37,452
Century	2,693	4,828	2,839	11,339	101,850	99,915
Riviera	538	550	528	1,793	14,869	6,620
Electra	1,668	2,379	1,734	8,390	61,781	65,153
LeSabre (fwd)	3,281	2,925	3,273	12,852	117,472	104,489
LeSabre (rwd)	228	176	193	808	5,600	7,675
Reatta	202	231	195	814	4,592	7,546
Total Buick	10,530	12,130	10,520	42,949	360,985	343,388
Cimarron	0	0	0	0	0	3,693
Eldorado	601	647	635	1,966	22,625	27,294
Seville	394	509	455	1,343	16,613	17,380
Brougham (rwd)	1,570	887	0	16,480	42,358	26,177
Deville (fwd)	3,950	3,792	4,064	4,274	141,654	116,242
Allante	75	75	75	240	2,392	1,459
Total Cadillac	6,590	5,910	5,229	24,303	225,642	192,245
Cavalier	8,119	7,654	9,020	27,638	278,495	279,693
Camaro	2,280	2,947	2,214	8,352	79,653	71,503
Celebrity	0	3,264	0	0	70,720	141,392
Corsica/Beretta	4,320	10,116	9,130	35,995	298,180	330,477
Caprice	1,333	4,117	1,334	11,077	137,706	161,859
Corvette	0	562	580	2,240	19,336	17,365
Total Chevrolet	16,052	28,660	22,278	85,302	884,090	1,002,289
Calais	1,680	0	1,843	7,481	70,093	87,167
Firenza	0	0	0	0	0	5,230
Cutlass Ciera	1,628	1,511	1,325	5,335	68,102	21,823
Cutlass Supreme	4,043	3,567	4,033	15,660	83,557	108,630
Toronado	538	277	452	1,568	7,099	11,870
88 (fwd)	3,889	3,803	3,977	13,046	107,175	121,212
88 (rwd)	295	170	0	469	6,100	9,019
Olds 98	1,250	1,650	1,274	5,490	55,757	56,127
Total Oldsmobile	13,323	10,978	12,904	49,049	397,883	421,078
Sunbird	3,265	2,711	3,693	12,348	111,902	83,186
Grand Am	4,800	6,001	4,850	19,259	185,534	184,764
Firebird	1,170	1,739	1,115	4,832	44,323	49,071
Grand Prix	0	4,000	4,067	15,473	99,335	106,237
Pontiac 6000	1,465	2,874	1,621	6,466	64,032	68,015
Bonneville	2,082	3,506	2,047	9,236	73,180	90,579
Safari/Parisienne	0	98	0	0	2,691	6,238
Fiero	0	0	0	0	0	13,297
Total Pontiac	12,782	20,929	17,393	67,614	580,997	601,387
GENERAL MOTORS	59,277	78,607	68,324	269,217	2,449,597	2,560,387
DIAMOND-STAR	3,120	0	2,599	12,125	58,965	0
HONDA	6,150	7,730	6,474	27,025	285,044	284,890
Civic	3,561	2,436	3,688	13,658	103,504	83,049
Accord	2,589	5,294	2,786	13,367	181,540	201,841
MAZDA†	4,485	5,503	4,640	17,850	157,617	107,911
NISSAN	2,232	2,876	2,612	10,475	91,628	87,344
NUMMI	3,600	281	3,793	13,523	154,497	111,577
Corolla	1,400	281	1,580	5,329	62,381	42,288
Geo Prizm/Nova	2,200	0	2,213	8,194	92,116	69,289
TOYOTA	4,050	0	3,773	14,072	107,497	0
VOLKSWAGEN	0	0	0	0	0	35,997
Golf/GTI	0	0	0	0	0	30,444
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	131,879	151,932	151,228	575,698	5,355,639	5,379,873
Total Cars, Canada	18,327	20,471	23,090	83,324	742,372	821,978
U.S., Canada Cars	150,206	172,403	174,318	659,022	6,098,011	6,201,851
U.S., Canada Cars and Trucks	231,155	273,734	274,639	1,050,310	10,078,647	10,093,381

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe

CANADIAN CAR	Week Ended Oct. 7, 1989	Week Ended Oct. 8, 1988	Week Ended Sept. 30, 1989	Sept. Total	Jan. 1 to Oct. 7, 1989	Jan. 1 to Oct. 8, 1988
Premier	1,020	1,016	514	1,789	28,269	46,375
CHRYSLER MOTORS	1,020	1,016	514	1,789	28,269	46,375
Tempo	0	3,283	3,345	12,915	100,084	135,190
Topaz	0	1,636	1,415	5,525	42,542	52,093
Crown Victoria	2,376	2,791	2,233	8,442	91,174	98,917
Grand Marquis	2,520	2,932	2,603	9,671	98,412	100,321
FORD MOTOR CO.	4,896	10,642	9,596	36,553	332,212	386,521
Celebrity	537	569	436	1,342	17,116	15,870
Cutlass Ciera	984	2,951	836	2,299	98,233	180,731
Lumina	5,790	0	6,150	20,288	122,009	0
Pontiac 6000	0	0	0	0	0	29,690
Regal	2,370	3,967	2,894	11,592	62,128	124,437
GENERAL MOTORS	9,681	7,487	10,316	35,521	299,486	350,728
HONDA	2,000	1,146	1,942	7,108	64,204	33,916
TOYOTA	550	0	542	1,710	12,011	0
VOLVO	180	180	180	643	6,190	4,438
Total Cars, Canada	18,327	20,471	23,090	83,324	742,372	821,978

U.S. TRUCK☆	Week Ended Oct. 7, 1989	Week Ended Oct. 8, 1988	Week Ended Sept. 30, 1989	Sept. Total	Jan. 1 to Oct. 7, 1989	Jan. 1 to Oct. 8, 1988
Caravan	2,300	783	2,500	9,694	81,869	74,788
Dakota	0	2,381	2,252	8,759	74,226	82,865
Caravan C/V	50	90	102	410	5,295	10,272
Ram pickups	0	2,372	2,251	8,826	74,290	61,378
Total Dodge	2,350	5,626	7,105	27,689	235,680	229,303
Cherokee	4,000	4,519	4,088	16,799	170,661	141,118
Comanche	500	872	498	1,937	22,365	34,827
Grand Wagoneer	0	350	325	585	8,127	10,493
Wagoneer	100	277	164	545	6,242	8,418
Total Jeep	4,600	6,018	5,075	19,866	207,395	194,856
Voyager	2,300	708	2,274	8,614	76,528	69,603
Town & Country	50	0	128	594	2,911	0
Total C-P Div.	2,350	708	2,402	9,208	79,439	68,966
CHRYSLER MOTORS	9,300	12,352	14,582	56,763	522,514	490,216
Aerostar	4,026	4,939	4,323	16,422	174,066	160,097
Bronco	1,198	907	1,163	3,522	57,211	42,124
Bronco II	2,403	454	2,247	6,885	91,341	95,146
Econoline	4,204	5,549	4,210	12,079	173,538	184,648
Mediums/Heavies	0	1,309	1,292	3,841	46,047	51,064
Light trucks	10,606	10,033	9,357	36,945	406,371	379,029
Ranger	5,214	2,903	6,460	21,462	241,973	260,789
Total Ford Div.	27,651	26,094	29,052	101,156	1,188,547	1,172,897
FORD MOTOR CO.	27,651	26,094	29,052	101,156	1,188,547	1,172,897
Astro	2,928	4,001	3,311	12,658	127,054	136,560
Blazer	407	550	446	2,065	21,907	20,412
Mediums/Heavies	277	321	196	830	5,119	15,540
P-Model	0	911	0	2,198	23,656	31,999
Pickups	7,389	9,523	7,147	30,286	313,912	275,883
S-10	370	6,218	3,532	16,552	196,052	235,282
S-10 Blazer	0	4,319	2,045	11,718	142,853	129,436
Sportsvan/Van	1,787	2,148	1,564	6,495	75,126	74,303
Suburban	968	1,976	1,145	5,421	60,550	54,106
Total Chevrolet	14,126	29,967	19,386	88,223	966,229	973,521
Jimmy	296	279	262	748	6,925	5,805
Mediums/Heavies	483	569	502	2,052	9,133	28,725
P-Model	0	111	0	203	3,202	4,268
Pickups	2,151	2,399	2,715	9,432	95,393	84,944
S-15	0	1,350	2,524	6,536	48,568	53,658
S-15 Jimmy	0	1,172	495	4,147	40,937	36,548
Safari	832	1,126	1,130	4,283	34,159	34,867
Suburban	1,137	509	971	3,007	25,881	24,212
Vandura/Rally Vans	673	742	881	2,704	22,856	26,615
Total GMC	5,572	8,257	9,480	33,112	287,054	299,642
GENERAL MOTORS	19,698	38,224	28,866	121,335	1,253,283	1,273,163
NAVISTAR	1,370	1,909	1,379	6,066	62,591	66,629
NISSAN	1,940	1,383	2,329	9,578	93,188	72,217
AM GENERAL	450	450	450	1,890	17,640	17,910
MISCELLANEOUS	3,000	2,300	3,000	12,600	111,600	91,540
Total Trucks, U.S.	63,409	82,712	79,658	309,388	3,249,363	3,184,572

CANADIAN TRUCK	Week Ended Oct. 7, 1989	Week Ended Oct. 8, 1988	Week Ended Sept. 30, 1989	Sept. Total	Jan. 1 to Oct. 7, 1989	Jan. 1 to Oct. 8, 1988
Caravan	2,740	2,497	3,462	13,734	111,865	108,146
Caravan C/V	110	189	104	627	8,467	9,711
Ram Wagon	500	615	507	2,113	20,344	19,716
Ram Van	1,850	1,746	1,943	7,553	55,642	53,475
Total Dodge	5,200	5,047	6,016	24,027	196,318	191,048
Voyager	2,270	2,482	2,736	10,503	96,792	97,493
Total Plymouth	2,270	2,482	2,736	10,503	96,792	97,493
Wrangler	0	889	1,700	7,109	62,273	38,889
Total Jeep	0	889	1,700	7,109	62,273	38,889
CHRYSLER MOTORS	7,470	8,418	10,452	41,639	355,383	327,430
FORD MTR. (lt. trks.)	3,040	3,584	3,062	11,605	120,796	124,617
Light trucks	3,370	2,816	3,233	13,871	123,713	118,745
Vans	1,405	1,385	1,312	5,162	45,550	45,159
Total Chevrolet	4,775	4,201	4,545	19,033	169,263	163,904
Light trucks	1,510	1,612	1,959	6,858	55,678	59,060
Vans	545	530	443	1,931	21,321	23,056
Total GMC	2,055	2,142	2,402	8,789	76,999	82,116
GENERAL MOTORS	6,830	6,343	6,947	27,822	246,262	246,020
NAVISTAR	200	274	202	834	8,832	8,891
Total Trks., Canada	17,540	18,619	20,663	81,900	731,273	706,958
U.S., Canada Trks.	80,949	101,331	100,321	391,288	3,980,636	3,891,530

☆—Includes window van production *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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GM shifts production, 3 plants may close

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors last week began the wholesale shuffling of vehicle production among North American assembly plants, sending chills over next year's labor negotiations.

Job security will be the foremost contract issue in 1990. And with its production shifts, GM jeopardized at least two entire assembly plants and part of a third.

The shifts, which will ultimately lead to at least one plant closing, had been expected as the No. 1 automaker struggled with excess capacity born of lost market share.

In a series of announcements made Thursday at affected plants across North America, GM said:

- A Flint, Mich., truck plant will take on full-sized van production from two other plants, saving the Flint plant from closing;
- A part of the Lordstown, Ohio, complex that builds vans will close, idling 2,500 workers; and
- Plants in Scarborough, Ontario; Ste. Therese, Quebec; and Van Nuys, Calif. will have to await approval of future products before learning their fates. Scarborough and Van Nuys are potential candidates for closing.

The Scarborough plant will lose its van production to the Flint plant. GM has said a replacement product will be sought for the plant.

AUTOMOTIVE NEWS/JOE WILSSENS

UAW officials of Local 598 in Flint talk after learning that GM will move van production to their plant. "The place went wild" when word arrived, said financial secretary Charlie Phillips, center.

The Ste. Therese plant will produce the next-generation Pontiac Firebird and Chevrolet Camaro — if GM proceeds with the new-car program.

The vehicles would debut in the 1992-93 [illegible] Ste. Therese had been rumored to [illegible] closing list for as early as next Se[illegible] now builds the Chevrolet Celebri[illegible] or the Canadian market and the O[illegible] Cutlass Ciera, sold in Canada and the United States.

Selection of the potential manufacturing site for the F-car, as the Camaro/Firebird is known within GM, moves the vehicle program a step closer to corporate approval. GM sources now expect the redesigned F-car to be approved within six months. The new F-car has been on shaky-ground with GM's finance people.

GM PLANT SHUFFLE

Plant	Now	Next (when)
Flint trk.	Blazer +	Vans (91/92)
Janesville	Cavalier +	Blazer + (92)
Lordstown trk.	Vans	Closing
Scarborough	Vans	Waiting
Ste. Therese	Celebrity/Ciera	Camaro + (92/93)
Van Nuys	Camaro +	Waiting
Pontiac	Waiting	Waiting
Oklahoma City	6000/Ciera +	6000?/Ciera +

+ = More models

The current version of the Firebird and Camaro are built at the Van Nuys plant. Unless another product is assigned there, that plant could close when the new Firebird and Camaro debut.

GM has told plant employees to continue studying producing a variety of vehicles to be sold on the West Coast.

The shutdown at Lordstown and the previous closings of other plants, coupled with the prospect of more plant closings, will strain contract talks between GM and the UAW. Their contract expires next September, and early talks have begun.

UAW Vice President Stephen Yokich, who assumed control of the union's GM department last summer, said he is disturbed by the flurry of announcements.

"It suggests not only disarray but flagrant insensitivity and disregard for UAW-represented GM workers who are meeting the challenge of boosting GM's quality and pro-

see GM, page 51

GM, Ford, Renault broaden quest for small Europeans

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — The day of reckoning may be at hand in the European auto industry as three independent prestige carmakers — each with profits strained by tough U.S. competition — appear ready to merge with or be acquired by volume makers.

Several developments last week suggest the start of a long-awaited European shakeout that will affect the car and truck industries both here and in the United States. Among them:

see EUROPE, page 50

TRANSPLANT LIGHT-DUTY TRUCK CAPACITY
(In thousands of units)
(Unofficial est.)

	1989	1990	1992	1994
Nissan	100	100	150	200
Isuzu		60	60	90
Suzuki		40	40	40
Mazda		15	15	15
Toyota			100	150
Subaru				30
TOTALS	100	215	375	525

LIGHT-DUTY TRUCK SALES
(In thousands of units)

	Total	Imports
1986	4,604	940
1987	4,668	868
1988	4,807	704
1989 (est.)	4,700	635

Truck battle looms

Transplants building capacity for 525,000 units

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

NASHVILLE, Tenn. — While the domestic industry worries about its shrinking share of the U.S. car market, a gritty battle is shaping up in the important light-duty-truck market.

Truck imports have fallen sharply since 1986, and the Big 3 have developed the segment into a strong profit center. But Japan's major carmakers are positioning themselves to take a larger share of pickup, van and sport-utility-vehicle sales with increased U.S. plant capacity.

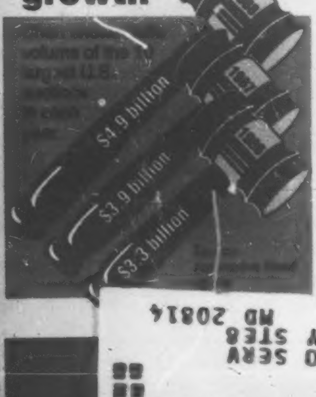
By the mid-1990s, transplants and joint ventures with the Big 3 could be supplying more than 10 percent of the U.S. light-duty-truck market. Transplant facilities will yield about 375,000 pickups and utility vehicles annually by 1992, an increase from 100,000 this year. By 1994, new plants and expansions could raise transplant truck capacity to more than 500,000 units a year.

"The light-truck market is really the only area in the industry where the Japanese have taken a beating," said analyst David Healy of Drexel Burnham Lambert. "Bringing more production to the U.S. can only improve their situation."

The stakes are high on both sides of the fence. For offshore manufacturers, light trucks represent a growing segment of a crowded industry. Although sales were flat for the first half of this year, the segment has

see TRUCKS, page 46

Auction growth



Auctions reach peak

Anglo, GE, Manheim own 10 biggest

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Auto auction officials are cheering 1988 as another record year for sales. It was a year that saw the three leading chains completely take over the list of the top 10 sellers.

The three chains are Manheim Auctions, GE Capital Auto Auctions and Anglo American Auto Auct

The industry's 10 leading auctions had combined sales of $4.7 billion on a unit volume of about 700,000 vehicles, up from $3.9 billion on a unit volume of 630,000 vehicles the previous year.

Cars from daily rental agencies plus fleet and lease vehicles continued to spur industry growth.

Although the industry does not compile its own statistics, 1989

see AUCTION, page 51

Automakers reveal marketing strategies

Marketing managers talk straight in Marketing Extra, after Page 23.

"And we intend to do it with the sometimes controversial, yet always entertaining, Isuzu sense of humor. With what we've been up against — the voluntary restraint agreement, U.S. Customs, etc. — had we taken this all too seriously, we would have slit our wrists a long time ago!"

Fritz Kern
Vice President
American Isuzu Motors

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NEWSPAPER

2 more Ford programs over budget

Explorer and Escort/Tracer join Thunderbird in overrun column

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

In the face of a massive cost-cutting offensive, two more major Ford Motor Co. product programs are over budget.

John O'Connor, Ford Motor Co. vice president and controller, said both the Explorer sport-utility-vehicle project and the new Escort/Tracer program are coming in "slightly" above original projections. But Ford does not yet know how much over budget they are, he said.

O'Connor

They are the second and third over-budget major product programs at Ford in the last year. The other was Thunderbird/Cougar, which was introduced in December 1988. Ford's upper management sharply criticized Team Thunderbird product managers. Ford said at the time that many problems that beset the Thunderbird project were identified and would be settled in the future.

O'Connor said the cost overruns on the Thunderbird/Cougar project were much larger than those Ford is experiencing with the Explorer and Escort/Tracer.

Ford has said in the past that, like Chrysler Motors and General Motors, it is battling rising costs of vehicle production. Incentives, employee health care, more expensive materials and labor are contributing to the cost rise.

O'Connor blames the Escort/Tracer and Explorer cost overruns on the high price of meeting regulatory requirements — such as safety, emissions and fuel economy standards — as well as unfavorable exchange rates on parts and components sourced abroad and product competition.

Ford will work "right up to Job One" trying to reduce program costs, O'Connor said.

Ford has already established a full-time cost reduction group in its North American automotive operations to work with suppliers in cutting costs. The program, patterned after one at Mazda Motor Corp. in Japan, looks at all parts of the vehicle and determines if a particular part can be made less expensively or better.

Ford said it will work with suppliers to reduce costs on specific parts. Bumpers, interior trim, wiring and instrument panels will be the first four areas under review. A fifth area may be powertrains.

O'Connor acknowledged that North American automotive operations has several cost reduction efforts in effect, although many are not as "formal" as the supplier program. An automotive analyst

see FORD, page 49

AUTOMOTIVE NEWS/JOE WILSSENS

John Middlebrook has helped steer Pontiac down the road to success.

Pontiac chief Middlebrook has the job he hoped to get

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — With great anticipation, John Middlebrook approached the office of Lloyd Reuss, General Motors executive vice president, one day in late May.

Reuss had summoned Middlebrook, then GM vice president in charge of corporate marketing and product planning, to his office to detail personnel changes.

William Lane, Oldsmobile general manager, was moving to a newly created post to work on dealer issues, Reuss told Middlebrook. "My first thought was that maybe I was heading out to Oldsmobile," Middlebrook recalled.

Reuss continued. J. Michael Losh, Pontiac general manager, would replace Lane at Oldsmobile.

"You mean . . . " Middlebrook blurted out.

"Yes. You're going to Pontiac," Reuss told him.

"That's what I wanted to hear," said Middlebrook, who had long been rumored to be next in line for the top Pontiac post. He kids that he started those stories.

"Oldsmobile was my original home, and I'm from Lansing, but my heart is at Pontiac," he said. Patting his chest, he added: "I've got a Pontiac crest on my chest from all my years there."

In fact, Middlebrook had a hand in Pontiac's turnaround.

An engineering graduate of General Motors Institute, Middlebrook started his GM career in 1959 at Oldsmobile. He worked briefly in engineering, then moved to sales. After taking an educational leave to obtain a master's degree in marketing at Michigan State University, Middlebrook joined Pontiac where he worked in sales analysis and marketing.

In 1981, Middlebrook, as Pontiac manager of product planning and development, was charged by the general manager at the time, William Hoglund, with gathering the troops for a conference on what to do about the beleaguered division. Sales for once-strong Pontiac had plummeted to the point that there was even talk within GM of doing away with the division.

"We didn't know where we'd be then," recalled Middlebrook. "The thing that we knew back then was that we needed to pick a direction and consistently stay with it long enough to know whether it was right or not."

That was contrary to what Pontiac had done in the recent past. In the 1960s, Pontiac had gained a reputation for performance and styling. In those glory days, Pontiac owned 10 percent of the mar-

see PONTIAC, page 49

'90 Escort to stay after '91 bows in Feb.

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

To help meet fuel-economy standards and to maintain Escort's nameplate sales leadership, Ford Motor Co. will continue to build the 1990 Escort until next even though production of all-new 1991 Escorts will begin in February.

It is a touchy situation for Ford. Philip Novell, Ford Division general sales manager, said, "We are going to have to develop a strategy so the launch of the 1991 Escort will not affect sales of the 1990 Escort."

Next month's shutdown of Ford's Wayne, Mich., assembly plant for changeover to the 1991 Escort will begin a series of crucial production shifts for Ford.

Ford hopes to maintain Escort as the best-selling nameplate in the United States, a title it has held for the last four model years.

In the 1989 model year, Ford sold 366,354 Escorts to beat Honda Accord by 3,919 units.

Ford also needs the fuel-efficient Escort for its domestic corporate average fuel economy numbers. But the downtime for model changeover threatens both sales leadership and CAFE.

"In our conservative numbers, we get down to relatively low days' supply — like around 40 days — when we get out into April," said Thomas Wagner, general manager of Ford Division, at a press preview in Dearborn, Mich. "That's much lower than we typically would like to be, and there's some risk that we are losing some sales

see ESCORT, page 49

POPULAR MECHANICS/JIM DUNNE

The redesigned 1991 Escort is based on the underpinnings of Mazda 323.

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Quebec fire cuts off supply of powder to inflate air bags

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

A fire at a Canadian chemical plant could play havoc with North American air-bag production at a time when U.S. automakers have begun to install the systems in unprecedented numbers.

Part of CIL Corp.'s explosives manufacturing compound in McMasterville, Quebec, was destroyed in an Oct. 8 fire.

The facility, which has been closed, is the Western Hemisphere's only producer of sodium azide, the volatile powder used to inflate air bags. Virtually all air-bag systems produced for North American-built vehicles use the plant's powder.

A CIL spokeswoman said the company has not determined how long production will be halted. She declined to say how severely the facility was damaged. No one was injured.

A source familiar with the situation said production would probably be curtailed at least until mid-November and possibly into December. That raises the possibility that the Big 3 could run out of air bags, one of the devices they are using to comply with federal rules requiring passive restraints in all cars built after Sept. 1.

The CIL spokeswoman said the surviving inventory is "very low" but declined to be specific.

Two key customers of the Quebec plant are the major manufacturers of air-bag modules in North America — TRW Inc. and Morton International. Each supplies approximately 50 percent of the U.S. air-bag market.

An estimated 3.3 million imported and domestic vehicles are expected to be equipped with bags in the 1990 model year, compared to 480,000 in 1989.

TRW made immediate arrangements to source sodium azide from smaller production centers in West Germany and Japan, the only other sodium azide plants in the world. A TRW spokesman said his firm has enough inventory to last through the end of October, not counting what is coming from other plants.

A Morton spokeswoman said it has a several-week supply of the powder and has not attempted to source overseas.

"Based on what we know of the situation, CIL hopes to start production again in several weeks, and Morton should have enough sodium azide that we won't have a problem," the spokeswoman said. Morton is the exclusive air-bag supplier to Chrysler Motors, while TRW supplies most of Ford Motor Co.'s and a large share of General Motors' air bags.

A TRW spokesman was more cautious in estimating the fire's effect. "We understand CIL is putting together a recovery plan, but we are far from being out of the woods yet," he said.

CIL was expanding the plant and had planned to double capacity by year-end. Production equipment for the expansion will now be diverted to bring the damaged plant back to production.

Late last week, Quebec authorities were still investigating the cause of the McMasterville fire, which started in the area where the powder is dried.

Sodium azide reacts violently in the presence of water and can become unstable with humidity or static electricity.

"Everybody's having problems in this area," the TRW spokesman said. "Air-bag demand is growing very fast, and the industry is having to learn about production very quickly."

In the past 10 months, fires and explosions have struck air-bag-module plants in Arizona and Utah, where sodium azide is mixed with other ingredients into production-ready metal-encased tablets.

TRW has been fined twice this year by the Arizona Industrial Commission for fires at two plants in Mesa, Ariz., one in June and another in July. Those accidents occurred as the sodium azide was being blended with other materials. Fires have also occurred at Morton's blending operations in Ogden, Utah.

Automotive News Staff Reporter Diana T. Kurylko in Washington contributed to this report.

OPINION

Chrysler-GM venture may lead to others, and that's a good idea

As startling as it sounded at first, the U.S. Justice Department should give quick approval to the proposed joint venture between two of Detroit's Big 3 automakers.

Chrysler Motors and General Motors hope to combine operations of two component plants. Just a few years ago, such a proposal would have been shocking, even outrageous. Two of the Big 3 ganging up? Don't even ask.

But the manufacturing world has changed, and government regulators ought to recognize that change. Early indications are that they do, and that they will bless the combination of GM's Hydra-matic Division manual transmission plant in Muncie, Ind., and Chrysler's New Process Gear plant in Syracuse, N.Y.

Competitors around the world have been doing similar and even bigger joint ventures for decades. GM's own joint assembly venture with Toyota was much more significant.

But the Chrysler-GM plan may pave the way for more such domestic joint ventures. For the most part, those ventures can only make American industry more competitive.

While the Big 3 are still the biggest three, they are now among 10 companies manufacturing cars in the United States. Many more companies sell vehicles in this most competitive market.

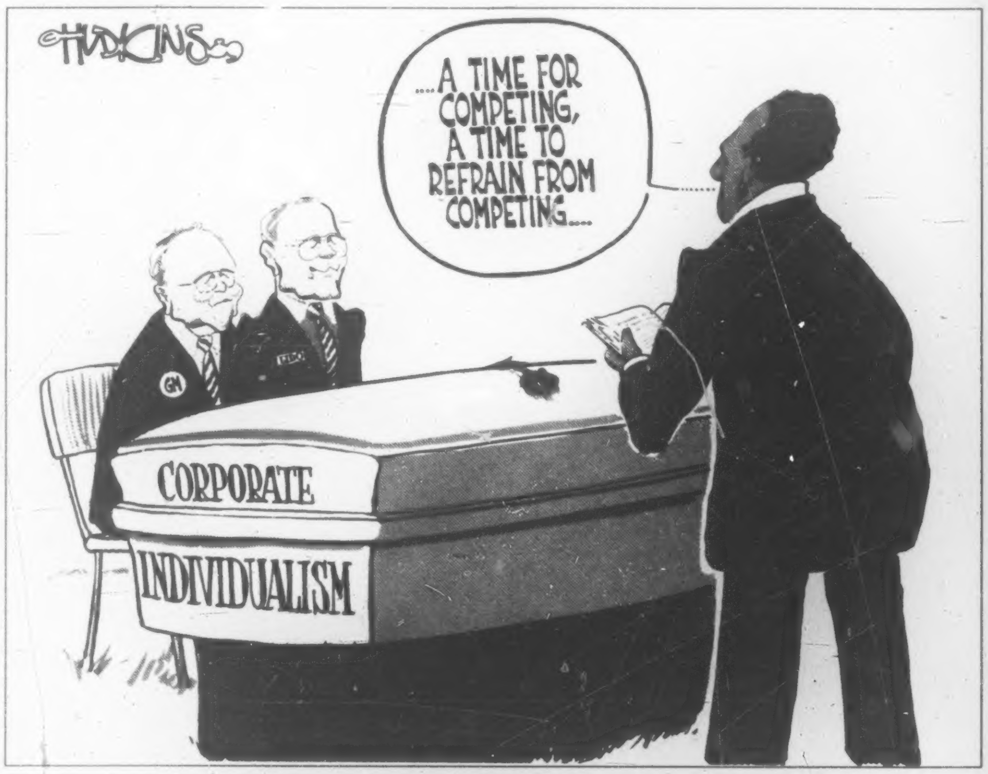
The shoddy, me-too cars of previous decades suggest that fierce competition in America was more illusory than real. But in the 1980s and 1990s, the competition absolutely forces companies to cut costs and improve quality.

The logic of the GM-Chrysler combine is compelling. Chrysler is struggling to hang on to a market share that barely qualifies it for Big 3 status. Its parts-making subsidiary is running full tilt at Syracuse in response to a booming market for four-wheel-drive systems, and the plant has more products coming on line, including products for GM.

Meanwhile, Hydra-matic's Muncie plant is underused. With the combination, everybody wins: the companies, the workers, the communities, consumers and American industry. The Muncie workers have shared the sad story of too many American workers. Since 1979, employment at the plant has dropped from 3,500 to 1,100.

Theoretically, of course, Chrysler could build an expensive new plant out in a cornfield. But the existing communities will be much better off if the companies use the existing Muncie plant.

Japanese automakers coordinate activities that can sensibly be done together. In this global economy, the GM-Chrysler plant makes productive sense.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....A TIME FOR COMPETING, A TIME TO REFRAIN FROM COMPETING....
GM
CORPORATE INDIVIDUALISM

You don't need to worry about BMW

He is handsome. He is young, just 40. He looks like a movie star. But he is nothing of the sort. He is an automotive engineer.

Wolfgang Reitzle is in charge of all development and research for BMW AG. In Munich, I had a chance to spend quite a bit of time with him after the recent Frankfurt Motor Show.

He is the most impressive automobile executive I have ever met.

We spent the better part of an afternoon talking about and wandering around his recently completed research and development facility. Simply put, the BMW center seems to make every other center obsolete. It is huge, something around 2 million square feet — about the size of Chrysler's new tech center in Auburn Hills, Mich.

The new BMW center is very impressive. more impressive is the way Reitzle has redefined the entire function of research, development, design and manufacturing of automobiles, all in one complex.

All traditional boundaries and job functions have been politely thrown out the window. The new R&D center consolidated as many as 20 scattered locations. Reitzle was given a clean sheet of paper for developing automobiles. From design through the pilot assembly lines, his group does everything from conception to launch.

The most significant aspect of this new center is the complete redefinition of who works together. The real work is not based on titles or even job descriptions, but on who should be communicating with each other. The basis for the layout is Reitzle's premise that when people are farther than 100 feet from each other, they will not interact. So he puts the right people in places where they will chat and be creative, even as they walk to the drinking fountain.

The BMW people also have the flexibility to put together work teams within hours or even minutes. They have the manpower, the physical space and the computer facilities to assemble a dozen or so problem-solving or opportunity-creating executives almost on the spur of the moment. Their pilot assembly lines are so close to the engineers and designers that changes can be made right up to launch.

After spending a few days with the new Lexus and Infiniti luxury cars, including high-speed time on the German autobahn, I wonder whether everyone realizes the impact that these Japanese cars will have on the automotive balance of power worldwide. I get nervous about a lot of companies and their resources. But after seeing Wolfgang Reitzle's center, I'm not going to worry about BMW.

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The Audit Bureau

Study predicts changes in growing aftermarket of '90s

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

The successful quick-change automotive specialist will not service just one component — such as mufflers — anymore.

Even if the specialist operates a muffler shop or another outlet featuring a specific product, he will likely offer other services and repairs.

Quick-change specialists are only one facet of the rapidly evolving business of replacement parts and services in the U.S. automotive aftermarket, according to a survey by New York market research firm Frost and Sullivan.

Replacement parts and service was a $94 billion business in 1988 — $162.8 billion if motor fuel is included — according to the study, Automotive Aftermarket in the United States.

That $162.8 billion will grow to $172.2 billion by 1993, Frost and Sullivan predicted.

"Indicators for retail sales in many categories not only point up, but point up sharply," the firm said.

The study forecast that sales of accessories such as air conditioners and audio equipment will grow from $4.9 billion in 1988 to $6.1 billion in 1993.

Sales of electronic accessories, which amounted to $1.3 billion in 1988, are expected to top $2 billion in 1993.

Many factors — from the increase in theft sparking sales of security systems, to the rising consumer demand for special performance tires — influence the aftermarket.

The major factor affecting the aftermarket parts business, according to Frost and Sullivan, is the car itself — now typically four cylinders with front-wheel drive, rack and pinion steering, fuel injection, electronic ignition, multiple electronic sensors, front struts and halogen headlamps.

"The design changes, which began in the early 1980s, are already affecting the replacement market and the effects will increase in the early 1990s," the study predicted. "Fast movers will include such parts categories as constant velocity joints, MacPherson struts, electronic feedback carburetors, rack and pinion steering, electronic fuel pumps and serpentine belts.

"At the other end, negative growth can be expected for conventional carburetors, condensors and point sets, shock absorbers, spark plugs, pistons and piston rings," the study said.

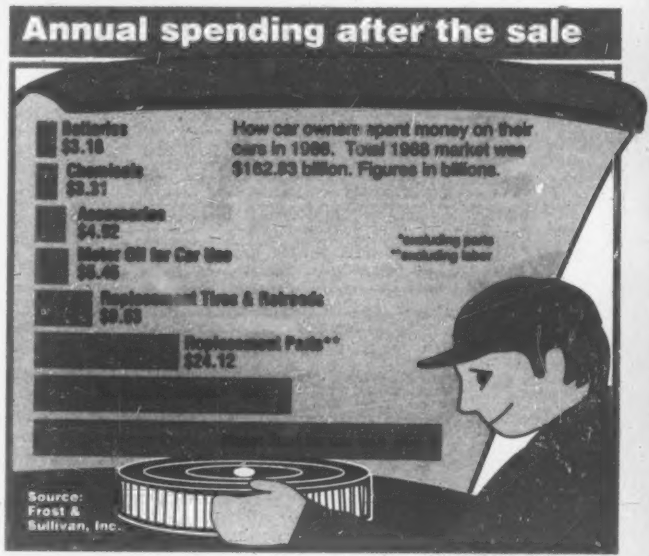
In the service area, not all the traditional outlets have gone the way of the eight-cylinder engine, the firm said.

"Many oil companies are still committed to full-service gasoline stations and, much to the surprise of some observers, the ultimate service generalists, the independent garages, are surviving," Frost and Sullivan said. "Younger car owners, though, do tend to give their business to the well-advertised service specialists."

At the warehouse distributor and jobber levels, the generalists are having a harder time, the study said.

"Parts proliferation is just too great a problem and inventories have climbed 25 to 30 percent over the past four years," Frost and Sullivan said.

The 364-page study notes that specialization is not the only trend in distribution. It also looks at programmed distribution groups and the rapidly growing number of warehouse distributor-owned stores as warehouse distributors redefine their role beyond "making parts available." The study analyzes the aftermarket in all its facets, product by product.



Source: Frost & Sullivan, Inc.

AUTOMOTIVE NEWS / CHRISTINE BEEVER

Dyna develops test device for tires, wheels

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

Dyna Industries of Chicago Heights, Ill., has introduced a portable, steerable diagnostic road-test simulator that is said to permit technicians to easily diagnose and locate the source of mechanical defects and tire vibration problems.

Developed by Gerald Gicewicz, president of Dyna Industries, the simulator is called Chassis-O-Meter. It is being promoted as an aid in diagnosing difficult-to-find constant-velocity-joint problems in front-wheel-drive vehicles.

The Chassis-O-Meter can be used to test each wheel of a vehicle, including those with two- or four-wheel drive, front-wheel or rear-wheel drive or four-wheel steering. The company said the simulator permits testing of vehicle's front and/or rear wheels individually or simultaneously.

Made of metal, the Chassis-O-Meter is 34 inches long, 31 inches wide and 17 inches high and rolls on casters. On top are two nylon rollers. The car is raised and the Chassis-O-Meter is placed under one or more wheels.

The vehicle is then lowered onto the Chassis-O-Meter with the tires placed between the top rollers.

Dyna's road-test simulator

Side rollers track the tire sidewall to prevent the testing unit from moving laterally away from the wheel. The top rollers prevent the vehicle from "climbing" off the Chassis-O-Meter.

By running the vehicle, a technician can diagnose whether the problem is tire- or mechanical-related.

Dyna Industries said the unit is self-contained and operates under power supplied by the vehicle; there is no need for electrical, pneumatic or hydraulic hookups.

Unlike large dynamometers, the Chassis-O-Meter does not require special chaining to prevent lateral runoff of the wheel. Dyna Industries said that is because the unit is the first such machine with a roller that adjusts to the contour of the tire.

As the tire rotates and changes positions, the device maintains its position relative to the tire to prevent lateral tire movement.

The price of the Chassis-O-Meter is about $6,000.

Avis finds an angel for fast-lubes

CHICAGO — Brauvin Real Estate Funds, a real estate investment firm, has entered into an agreement with Avis Service, an affiliate of Avis Rent-a-Car Systems, to provide financing for Avis Lube Fast Oil Change Center franchises.

According to Jerome J. Brault, managing general partner of Brauvin, the company will extend financing to Avis on a sale/leaseback basis, with Brauvin purchasing the franchise sites and leasing the properties to Avis franchise owners. Franchise owners are responsible for aspects of operations, property maintenance, insurance and taxes, he said.

Tom Cassidy, Brauvin vice president, said the firm's sale/leaseback financing program is designed for companies that want to avoid tying up capital in real estate.

Avis Service has 48 fast lube outlets located in 12 Northeastern and Southeastern states.

Scanner measures crash damage

By Patricia A. Kelsey
SPECIAL CORRESPONDENT

PINELLAS PARK, Fla. — MotorBody Scan, a computerized diagnostic tool that calculates collision damage back to factory specifications, is being marketed to body repair shops by Nova Enterprises, the product's first U.S. distributor.

Nova received distribution rights in 11 Southeastern states for the New Zealand-developed and manufactured product from MotorBody Scan North America, Milton, Pa., last March.

Nova President Richard T. Gallant said his distributorship will serve as a model for distributorships in other areas of the country.

Likening the MotorBody Scan to a CAT Scan given to humans, Gallant described it as an automotive measuring system that couples movement of a mechanical probe to a computer.

Unlike other scanners it eliminates setting gauge dimensions, targets or other apparatus to measure the car, he said.

Instead, Gallant said, a single probe or pointer attached to a rotating boom is placed on critical control or alignment points by the technician.

When a button is pushed to activate the system, the computer picks up and registers the damaged areas' length, width and height to serve as a reference to factory specifications.

Measurements are plotted on the computer and master drawings are made on disks from which comparisons are made to factory specifications allowing technicians to repair critical damage points according to specs. Printouts are available for company records, insurance companies and customers.

To market the unit, Nova is sending out videos and merchandising kits to new-car dealers and 80 top collision repair facilities in the Southeast. The company will also tour selected cities to demonstrate the machine.

As further incentive, the first dealer/independent in an area to purchase the unit will get a year's exclusive rights of the MotorBody Scan. The unit costs $50,000. Factory incentives will allow discount prices for the first six units sold, Gallant said.

As guidelines for scan fees, Nova suggests $50 to $70 for an underbody scan, $30 to $50 suspension, $30 to $50 full upper body and $110 to $175 for a full-body scan. The company expects to sell 10 MotorBody Scans by the end of the year and 24 to 30 units in 1990.

Service volume slips for August

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

Service and parts business in the shops of dealerships fell slightly in August, but results for the first eight months of 1989 remained above the year-earlier volume.

In August, shop business dipped 1.3 percent from the volume recorded in the same month in 1988 and was 6.0 percent below the business reported in July 1989, according to the Automotive News Service Index. The August decline was the first since March.

Year-to-date service and parts volume was 2.4 percent ahead of 1988's eight-month volume.

Gross profit on all labor, parts and accessories sales declined 0.2 percent in August.

Total labor sales (customer-paid and warranty) climbed 0.7 percent in August and 3.1 percent for the year-to-date period, while shop parts sales (customer-paid and warranty) were down 3.1 percent for August and up 2.3 percent for the eight-month period.

Sales of all parts and accessories declined 2.9 percent in August compared with the year-ago month, while year-to-date sales rose 1.1 percent from '88 volume.

SERVICE INDEX
98.7*

	Aug., '89 vs. Aug., '88	Jan.-Aug., '89 vs. Jan.-Aug., '88
Gross Profit on All Labor and P&A Sales	−0.2%	+3.8%
Repair Orders Written	Same	−1.8%
Total Labor Sales (Customer & Warranty)	+0.7%	+3.1%
Shop Parts Sales (Customer & Warranty)	−3.1%	+2.3%
Sales of All P&A...........	−2.8%	+0.2%

* Survey by Automotive News shows that dealers' service and parts business in August 1989 was 98.7 percent of business in August 1988. Service business in the first 8 months of 1989 was 102.4 percent of business in the corresponding period in 1988.

Customer check for Mitsubishi

CYPRESS, Calif. — Mitsubishi Motor Sales has launched a customer satisfaction program of telephone follow-up for its network of 319 U.S. dealers.

The program, which is being implemented by Sky Alland Research of Laurel, Md., and funded by Mitsubishi, involves telephone contact with all new Mitsubishi customers within 10 days of their purchase. Additional telephone follow-up on Mitsubishi service customers is also available for dealerships at the dealer's expense.

Inauguration of the new program is designed to ensure that customer satisfaction is maintained during Mitsubishi's projected expansion to 400 dealers by 1990.

Chrysler Motors has also contracted Sky Alland Research to create a national telephone follow-up program.

Chrysler, Mazda 'on-line' to woo computer hacks

Chrysler Motors and Mazda Motor of America are getting ready to join Audi of America, Ford Motor Co. and Buick in letting their customers do a bit of armchair car shopping.

Later this month, the two carmakers will open their new "on-line showrooms" as part of the Prodigy home computer service offered by Prodigy Services Co. of White Plains, N.Y.

Since 1984 Prodigy subscribers have had access to products and in-depth information, including stock market information and news. In 1988, the service expanded to include what it calls automobile on-line showrooms.

While subscribers cannot actually purchase a car via the service, they do have access to detailed color pictures of cars, dealer locations and a manufacturer's suggested retail price.

The service allows subscribers to order brochures and demonstration diskettes from the automakers to run on their home computers.

MARKETING AND MEDIA

ARLENA SAWYERS

Automakers are interested in services such as Prodigy because it offers yet another way of reaching an upscale market that doesn't have a lot of spare time to shop, said Robert Paltos, senior marketing director at Prodigy Services Co. The average Prodigy subscriber is 40, has an annual household income of $68,000 and is a homeowner.

"Our members are a bit more sophisticated — business owners, professionals and entrepreneurs," said Paltos. "They want to get information without going into the dealership."

Prodigy has 140,000 members. It expects its membership to increase to 250,000 by the end of this year and to 750,000 by the end of 1990. Prodigy costs $9.95 a month.

Ford Australia cars

In an effort to help Melbourne, Australia, in its quest to host the 1996 Summer Olympic games, Ford Australia presented eight Ford LTD cars to the Melbourne Olympic Committee.

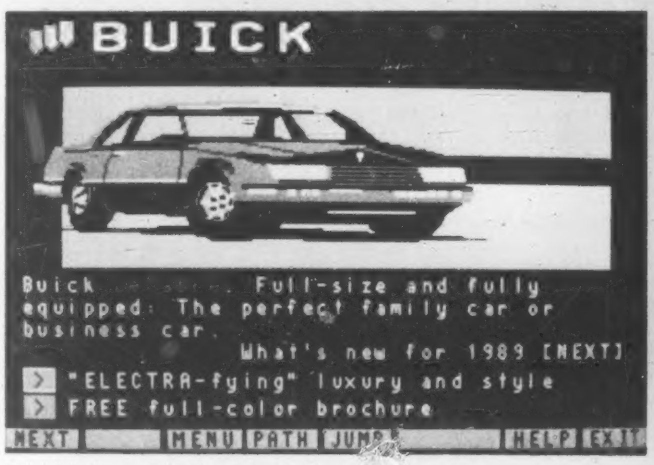
The cars will be used by committee organizers for transporting members of the International Olympic Committee, which is scheduled to visit Melbourne during the next 18 months.

Jeep licensing

Jeep-Eagle signed three additional licenses to its Jeep Licensing program. Modern Shirt International, Modern Shirt Industries, Ltd. and KangaROOS U.S.A. Inc. will distribute Jeep-branded goods in the United States and Canada.

KangaROOS, a St. Louis-based footwear company, will produce and distribute athletic and casual

see MARKETING, page 31



BUICK

Buick . . . Full-size and fully equipped: The perfect family car or business car.

What's new for 1989 [NEXT]

> "ELECTRA-fying" luxury and style

> FREE full-color brochure

Buick lets buyers take the showroom home [illegible] computer.

Auto spending on TV up 20% for first half

By Arlena Sawyers
AUTOMOTIVE NEWS STAFF REPORTER

With General Motors leading the way, automobile manufacturers, importers and dealers spent almost $1.4 billion on television advertising in the first six months of 1989 — a 20 percent increase over the first half of last year.

Twelve of the top 15 carmakers and importers increased their expenditures, according to he Television Bureau of Advertising. Spending numbers from Broadcast Advertisers Reports data compiled in the top 75 markets are analyzed each quarter by the bureau.

Though the bureau's analysis shows large spending increases, advertising rate hikes accounted for about half — 8 to 10 percent — of those increases, said Fred Danzig, editor of the trade paper Advertising Age. He said it is difficult to pinpoint exact increases because manufacturers such as GM are able to wring discounts from the media in exchange for multimillion-dollar contracts.

GM's purchases amounted to $404.6 million, a 32 percent over last year's $306.4 million. Ford Motor Co. ranked second by spending $211.9 million, 26 percent more than last year's $168.5 million.

Chrysler Motors held onto third place, but it cut its spending by 1 percent. It spent $172.3 million, compared with $174.9 million a year ago. On the other hand, Plymouth's television purchases rose to $22.7 million, up 126 percent.

Danzig said that the somewhat distorted television spending picture at Chrysler is the result of its shifting money from other divisions to try to give Plymouth a "super television presence." The fact that Chrysler has been preparing some major print campaigns for its luxury cars also may have contributed to its decrease in television advertising spending.

Network purchases totaled $691.6 million for the first half of 1989. Chrysler Motors sponsored the miniseries, *"Lonesome Dove,"* and Ford Motor Co. was the sole automotive advertiser on the miniseries *"War and Remembrance Part II."*

Super Bowl XXIII advertisers included Volkswagen of America, Chrysler Motors, Nissan Motor Corp. in U.S.A., Hyundai Motor America and Toyota Motor Sales U.S.A.. Among the sponsors of Super Bowl pre-game and post-game shows were GM, American Suzuki Motor Corp. and Mazda Motors of America.

Toyota was the leading purchaser of television advertising among importers. It purchased $105.9 million worth of network and spot television in the first half of 1989, up 26 percent from $84.3 million last year.

Chevrolet remained the leading car advertiser at $72.3 million, up 12 percent over 1988. Pontiac was second at $71.5 million, up 10 percent. It was followed by Ford at $70.6 million, a dip of 3 percent.

Still, Ford led the way in the light-truck category with $76 million, up 86 percent.

Mitsubishi's stepped-up network spending brought it to $34.9 million, a 123 percent increase, partly because of the introduction of the Eclipse.

Individual dealer advertising for the six-month period totaled $174 million, down 9 percent from $191.2 million last year.

Richard O'Donnell, vice president of automotive marketing for the Television Bureau of Advertising, said he believes that the decrease probably was the result of the advertising charge levied on dealers by Chevrolet and GMC Truck. The charge — 1 percent of invoice — pays for dealer association local advertising, 90 percent of which, O'Donnell said, goes to television advertising.

The bureau does not break out dealer association spending; it is included in the factory total.

"The dealers have terribly strong Television exposure through the group; they spend their (advertising) money on other things," said O'Donnell.

The leading automobile dealer was Atlanta Toyota, which poured nearly $2.3 million into television advertising, a whopping 294 percent increase over the year-ago period. Its closest competitor was Foothill Nissan in Los Angeles, which spent $1.9 million — 17 percent more than during the same period last year.

Ron Pearlman, an owner of Foothill Toyota, said television advertising is no longer cost-effective. He said the cost of advertising on independent television stations in the Los Angeles area from 5 p.m. to 10 p.m. increased about 10 percent, but during the prime-time hours of 6 p.m. to 8 p.m., the increase was 25 percent.

O'Donnell's predicted that car advertising on television will remain strong for the rest of 1989.

THE TOP 20

Leading TV advertisers among U.S. auto dealers in the first half of 1989

	Jan.-June 1989
AUTO DEALER CATEGORY TOTAL	$174,001,000
Atlanta Toyota, Atlanta	2,292,400
Foothill Nissan, Los Angeles	1,969,200
Worthington Chevrolet, Houston	1,244,800
Cal Worthington, Los Angeles	1,231,900
Cerritos Autos, Los Angeles	1,215,300
Celozz-Ettleson Chevrolet, Chicago	1,181,300
Autoland, New York	1,132,300
Rosenthal Autos, Washington, D.C.	1,045,700
Wilson Ford, Los Angeles	1,013,900
Cal Worthington, Sacramento	968,200
Ed Mullinax Ford, Cleveland	891,000
Piemonte Autos, Chicago	762,000
Cormier Chevrolet-Hyundai, Los Angeles	684,100
Fox Chevrolet, Baltimore	651,800
Pete Ellis Motors, Los Angeles	622,800
Lynn Hickey Dodge, Oklahoma City	607,100
Malibu Subaru, Phoenix, Ariz.	570,000
Cal Worthington, Seattle	569,500
Long/Lewis Ford, Birmingham, Ala.	554,000
Nationwide Motor Sales, Baltimore	496,400

SOURCE: Television Bureau of Advertising, Broadcast Advertisers Reports

NEW-CAR ADVERTISING BY NAMEPLATE

(Figures in millions)

	Jan.-June 1988		Jan.-June 1989		
	Network TV	Total TV*	Network TV	Total TV*	Percent change
Chevrolet	$31.7	$64.7	$42.4	$72.3	+ 12
Pontiac	33.3	65.1	44.2	71.5	+ 10
Ford	37.5	72.6	33.9	70.6	− 3
Oldsmobile	26.0	63.9	39.1	66.4	+ 4
Toyota	17.2	51.4	24.8	64.3	+ 25
Nissan	17.0	37.5	18.2	57.4	+ 53
Hyundai	12.2	43.0	24.9	54.4	+ 26
Honda	26.5	48.9	23.2	53.4	+ 9
Subaru	16.6	33.2	39.6	49.5	+ 49
Buick	21.4	33.0	30.7	46.8	+ 42
Mercury	15.8	30.8	23.6	38.9	+ 27
Mazda	21.4	36.8	13.5	37.2	+ 1
Mitsubishi	1.9	15.7	17.1	34.9	+123
Cadillac	8.8	22.6	18.9	33.5	+ 48
Dodge	15.5	25.5	14.1	32.5	+ 27
Geo	—	—	20.2	29.6	—
Acura	14.5	20.0	17.7	27.4	+ 37
Plymouth	8.1	10.0	13.5	22.7	+126
Eagle	17.2	27.5	11.2	22.3	− 19
Volkswagen	15.6	28.0	8.6	20.0	− 29

*Includes dealer associations, leasing, spot, national syndication

SOURCE: Television Bureau of Advertising, Broadcast Advertisers Reports

TV ADVERTISING BY MANUFACTURER

(Figures in millions)

	Jan.-June 1988		Jan.-June 1989		
	Network TV	Total TV*	Network TV	Total TV*	Percent change
CATEGORY TOTAL	$571.2	$1,156.6	$691.6	$1,388.9	+20
GM	148.1	306.4	230.6	404.6	+32
Ford	89.1	168.5	116.3	211.9	+26
Chrysler	110.2	174.9	85.4	172.3	− 1
Toyota	27.7	84.3	37.0	105.9	+26
Honda	41.0	69.0	40.9	81.9	+19
Nissan	23.3	57.0	21.2	78.7	+38
Hyundai	12.2	43.0	24.9	54.4	+26
Mazda	23.5	47.0	19.4	52.0	+11
Subaru	16.6	33.2	39.6	49.5	+49
Volkswagen	22.3	35.8	19.6	37.7	+ 5
Mitsubishi	7.3	22.3	17.4	35.5	+59
Suzuki	14.9	24.0	14.9	21.9	− 9
Isuzu	0	13.6	6.7	18.9	+39
BMW	9.3	16.8	6.3	16.3	− 3
Mercedes-Benz	9.9	14.9	9.4	15.9	+ 7

*Includes spot and national syndication

SOURCE: Television Bureau of Advertising, Broadcast Advertisers Reports. Advertising by manufacturer and dealer associations for new passenger cars, trucks and vans, leasing.

NEW-TRUCK ADVERTISING BY NAMEPLATE

(Figures in millions)

	Jan.-June 1988		Jan.-June 1989		
	Network TV	Total TV*	Network TV	Total TV*	Percent change
Ford	$19.1	$41.0	$42.0	$76.0	+ [illegible]
Chevrolet	24.8	43.2	23.7	51.7	+ [illegible]
Toyota	9.1	31.3	8.4	36.7	+ 17
Jeep	17.4	25.8	18.3	34.4	+ 33
Dodge	16.5	29.5	7.3	28.1	− 5
Nissan	5.1	[illegible]	2.9	20.5	+ 13
GMC	.8	12.1	.9	17.0	+ 40
Isuzu	—	11.3	5.3	16.1	+ 43
Mazda	2.1	10.2	5.8	14.7	+ 44
Suzuki	14.9	24.0	7.8	11.5	− 52

*Includes dealer associations, leasing, spot, national syndication

SOURCE: Television Bureau of Advertising, Broadcast Advertisers Reports

TRUCKS

FROM PAGE 1

increased steadily since 1981. Next year is generally expected to see more expansion.

For the Big 3, light trucks have become a profit cornerstone, relatively impervious to import attack. Chrysler Motors has acknowledged that the bulk its ,rofits come from its minivans and Jeeps. And in June, for the first month ever, Chrysler sold more trucks than cars.

"Any addition of Japanese capacity in this segment can only have a negative impact on the domestics," said Wendy Beale Needham, auto analyst with Smith Barney, Harris Upham & Co. "The final result won't be as devastating as with the car market, but the Big 3 need the profits they're getting from their light-duty sales."

The Japanese automakers have focused most of their transplant activity to date on the low end of the segment — compact pickups. Six years ago, Nissan Motor Manufacturing Corp. U.S.A. began producing 100,000 to 120,000 pickups a year in Smyrna, Tenn. Isuzu began production of a light pickup at its Subaru-Isuzu Automotive joint venture in Lafayette, Ind., last month, with plans to produce 30,000 to 60,000 annually. Earlier this year, Toyota Motor Corp. confirmed plans to build 100,000 small pickups a year at its jointly owned New United Motor Manufacturing Inc. in Fremont, Calif., starting in 1991.

Analysts note that low-end pickups are the least profitable niche of the light-truck market. But in the mid-1980s, when the Japanese yen was still undervalued, light pickups could be imported into the United States and sold profitably in the $4,900-$5,500 range. They became an alternative to entry-level cars and were popular among first-time buyers.

When the dollar lost strength against the yen, pickups became less attractive to Japanese importers, especially in view of the 25 percent import duty on imported light trucks. Import prices rose in the late 1980s, and import truck sales fell 25 percent between 1986 and 1988.

Last year, while total U.S. light-truck sales rose more than 100,000 units, Toyota truck sales were down 46,000, or 14 percent. Nissan's sales dropped 22 percent; Mazda's dipped almost 20 percent; Mitsubishi's fell 8 percent, and Suzuki's slipped about 30 percent. Isuzu was the only Japanese importer whose truck sales grew last year, with an increase of about 3,415 units, or 4 percent.

For the first nine months of this year, truck sales for import nameplates were down 5.9 percent from 1988.

But the picture is changing. If price sensitivity limited pickup sales for the Japanese, cost improvements could reactivate them, Healy contends. By shifting production to the United States, Toyota and Isuzu will avoid the 25 percent tariff on two-door truck products and also protect themselves from future currency exchange fluctuations.

Nissan is weighing the possibility of producing the Pathfinder in Tennessee.

"The Japanese got out of that low-end market to a great extent because they couldn't compete on a price basis with that 25 percent tariff," Healy argues. "But when they produce the same vehicles here, they become competitive again."

At the same time, the transplants are moving into more profitable light-truck lines:

- Next spring, Isuzu will begin producing a new sport-utility vehicle called the Rodeo at the Indiana plant. The Rodeo has been designed and built specifically for the U.S. market.
- Fuji Heavy Industries, Isuzu's joint-venture partner, has alluded to the possibility of getting a sport-utility vehicle or a minivan from the Indiana facility for Subaru dealers. Plans call for an additional 120,000 units of annual production at the plant, but both partners say that future products have not been determined.
- Mazda Motors of America will begin receiving 10,000 to 20,000 two-door Ford-built utility vehicles a year in 1990. They will be based on Ford's new Explorer, which replaces the Bronco II. The company has not officially disclosed the planned allotment, but Ford's Louisville, Ky., light-truck plant is nearing completion of a $260 million expansion that will increase capacity by 40,000 units annually.
- Nissan Motor Corp. in U.S.A. will obtain 50,000 minivans a year from a new Ford plant in Avon Lake, Ohio, beginning in 1992. The $1 billion project will build about 135,000 minivans annually, to be shared by Nissan and Ford.
- Nissan's U.S. manufacturing arm is also weighing the possibility of building all its Pathfinders — both two-door and four-door models — in Smyrna.

The company will keep an eye on U.S. sales of the new four-door model this year to determine whether U.S. production is warranted.

- While Toyota is working out the details of its NUMMI truck production, the company is reportedly also weighing a second U.S. truck plant to build mid-sized pickups. Toyota is keenly aware of the need for more large vehicles. Its compact pickup sales are down about 10 percent this year, compared with a decline of only about 4 percent for its larger 4x4 truck.

Robert McCurry, Toyota Motor Sales executive vice president, said recently that Toyota remains dedicated to compact trucks but is continuing to study that larger truck market. At the same time, McCurry forecast flat sales for the small pickup segment for the rest of this year and 1990.

In another truck project, Suzuki will produce 40,000 Sidekick utility vehicles next year at its new CAMI Automotive joint venture with General Motors in Ontario. CAMI currently plans to produce 200,000 vehicles a year, of which 80,000 will be utility vehicles divided equally between Suzuki and GM. The company eventually plans to produce 400,000 units a year, including more light trucks.

Some analysts believe the transplants will find it difficult to penetrate the truck market further. One obstacle may be the Big 3's domination of the lucrative trade in large pickups, a market the Japanese have little incentive to master because there is little demand for large pickups outside the United States.

Nissan seriously considered designing and building a full-sized pickup for the U.S. market two years ago but rejected the concept as impractical, said Jules Clavadetscher, director of product planning for Nissan Motor Corp. in U.S.A.

He said he believes that Toyota is preparing to enter the full-sized pickup market in the early 1990s. Clavadetscher said Nissan decided there would not be room for one more player in the segment, let alone two.

"If we thought there was room for one, we'd be there," Clavadetscher said. "But it's hard to beat the domestics in that market."

Another issue could be dealer networks. The Japanese car companies have yet to penetrate the rural parts of the United States, which remain a bread-and-butter market for Big 3 trucks. More than a fourth of all truck sales are made in the more rural, Mid-America markets, where the imports have fewest dealerships. Toyota and Mitsubishi have targeted the regions for dealership expansion, with Toyota planning to add 15 to 20 dealers there in the next year. But the process could take years for the smaller importers, especially if sales remain sluggis'.

"The small truck market is very price-competitive and nobody makes much money in it," Healy said. "But it's become an important entry-level segment. I suspect you'll see the domestics fighting hard to hang onto it."

Nissan Motor Manufacturing Corp. U.S.A. has been building pickup trucks in the United States since it opened its Smyrna, Tenn., plant in 1983.

Canadian sales by Big 3 drop in August; imports up

By Bill Vance
SPECIAL CORRESPONDENT

TORONTO — Canadian new car and truck sales in August continued the slide begun in early summer, with domestic products again suffering the biggest decline.

Domestic-car sales dropped 12.8 percent. Chrysler Canada's sales was off 23.1 percent, and GM of Canada slipped 14.13 percent. Ford Motor Co. of Canada suffered a relatively light 5.03 percent decline.

Through August, Ford was the only make among the Big 3 in Canada to increase car-market share during the year. It held 19.75 percent of the total import and domestic car market, up from 18.1 percent a year ago.

While domestic sales fell, imports continued to show strength in August. Import sales were up more than 4,000 units, a 13.3 increase over August 1988.

The big gainer among imports was Volkswagen, up 76.9 percent. It was followed by Honda, up 43.4 percent; Chrysler, 23.5 percent; Hyundai, 21.6 percent; and Toyota, 8.85 percent.

Some imports in the upper end of the market suffered, however. Saab sales dropped 27.1 percent; BMW, 22.45 percent; Jaguar, 21.8 percent; and Mercedes-Benz, 17.6 percent. For the year, none of those companies has been able to keep up with last year's sales pace.

On a year-to-date basis, domestic car sales were down 5 9 percent, while imports climbed 1 percent.

As with domestic cars, domestic trucks also took a drubbing in August, down 15.6 percent overall. GM truck sales dropped 35.15 percent. Ford's truck sales, while down 9.73 percent, still were good enough for a rare first-place monthly sales finish over GM. For the calendar year, domestic truck sales were down 6.82 percent.

Import truck sales were up sharply for the month — 50.3 percent. Healthy gains were recorded by GM, Nissan, Mazda, Toyota and Suzuki.

For the first eight months of the year, import truck sales were up 31.2 percent. Total import and domestic truck sales were down 2.7 percent for the same period.

CANADIAN CAR AND TRUCK SALES

Domestic cars	Aug. 1989	Aug. 1988	8 mos., 1989	8 mos., 1988
General Motors	23,931	27,870	222,611	247,693
Ford	14,960	15,753	131,290	126,785
Chrysler	7,662	9,963	85,296	103,020
Honda	2,172	2,378	18,124	9,708
Volvo	335	301	2,672	1,674
Domestic car total	**49,060**	**56,265**	**459,993**	**488,880**
Import cars				
Toyota	7,451	6,845	54,204	48,103
Honda	7,212	5,028	40,451	42,219
Volkswagen	5,073	2,868	21,273	24,892
Hyundai	2,830	2,328	19,036	21,265
Nissan	2,504	2,689	19,360	21,012
General Motors	2,501	3,032	20,632	20,114
Mazda	2,191	2,422	19,167	20,298
Chrysler	1,800	1,458	15,594	8,199
Suzuki	824	1,328	5,551	5,678
Ford	766	728	6,291	4,524
Subaru	732	789	4,198	5,256
Volvo	349	317	2,127	2,621
BMW	335	432	2,953	3,430
Mercedes-Benz	323	392	2,883	2,975
Jaguar	129	165	1,129	1,473
Saab	97	133	862	964
Lada	41	67	481	720
Skoda	14	25	138	265
Peugeot	13	0	160	78
Import car total	**35,185**	**31,046**	**236,510**	**234,086**
TOTAL — ALL CARS	**84,245**	**87,311**	**696,503**	**722,966**
Domestic trucks (including vans)				
Ford	11,073	12,266	98,412	102,670
General Motors	10,105	15,581	107,978	120,824
Chrysler	6,875	5,385	71,998	75,258
Domestic truck total	**28,053**	**33,232**	**278,388**	**298,752**
Import trucks (including vans)				
Nissan	1,481	1,174	9,442	9,402
Toyota	1,429	1,140	11,066	10,329
Mazda	1,371	1,007	11,841	7,991
General Motors	1,099	254	7,094	1,043
Suzuki	712	288	5,471	3,751
Chrysler	110	226	1,747	2,811
Volkswagen	81	88	535	681
Lada	19	15	179	101
Import truck total	**6,302**	**4,192**	**47,375**	**36,109**
TOTAL — ALL TRUCKS	**34,355**	**37,424**	**325,763**	**334,861**
TOTAL — CARS, TRUCKS	**118,600**	**124,735**	**1,022,266**	**1,057,827**

Fiat's pre-tax income rises 27%

NEW YORK — Fiat S.p.A. announced improved earnings for the first half of 1989.

Chairman Giovanni Agnelli said that pre-tax income rose to $1.986 billion, up 27.5 percent from the first half of 1988. Net revenue grew 19.5 percent to $19.177 billion.

Results were announced after the company's first-ever board meeting outside Turin, Italy. The meeting was held in the main boardroom of the New York Stock Exchange at the invitation of stock exchange Chairman John Phelan.

Fiat's shares have been traded on the Big Board since last February.

Fiat officials said 1989 year-end revenue should top $36.78 billion, up about 18 percent from 1988.

'89 MODEL YEAR OUTPUT BY PLANT

Plant	Product	Output
CHRYSLER MOTORS		
Belvidere, Ill.	Dynasty	137,718
	New Yorker C	100,461
Plant total		**238,179**
Detroit	Aries	36,932
	Horizon	20,874
	Omni	21,971
	Reliant	36,012
Plant total		**115,789**
Kenosha, Wis. No. 1	Caravelle	202
	Diplomat	6,429
	Fifth Avenue	17,454
	Gran Fury	4,985
Plant total		**29,070**
Kenosha, Wis. No. 2	Horizon	24,467
	Omni	24,268
Plant total		**48,735**
Newark, Del.	Acclaim	77,752
	Spirit	68,181
Plant total		**145,933**
Sterling Heights, Mich.	Lancer	5,019
	LeBaron GTS	6,549
	Shadow	99,743
	Sundance	104,150
Plant total		**215,461**
St. Louis No. 1	Daytona	80,878
	LeBaron J	99,633
Plant total		**180,511**
U.S. car total		**973,678**
Bramalea, Ontario	Premier	43,179
U.S., Canadian car total		**1,016,857**
St. Louis No. 2	Caravan C/V	7,985
	Grand Caravan	102,555
	Voyager	95,776
	Town & Country	1,798
Plant total		**208,114**
Toledo No. 1	Cherokee	203,213
	Comanche	33,376
Plant total		**236,589**
Toledo No. 2	Grand Wagoneer	12,856
	Wagoneer	8,680
Plant total		**21,536**
Warren, Mich.	Dakota	102,388
	pickups	102,458
Plant total		**204,846**
U.S. truck total		**671,085**
Brampton, Ontario	Wrangler	71,025
Pillette Road (Windsor)	Ram Van	78,476
	Ram Wagon	29,175
Plant total		**107,651**
Windsor, Ontario	Caravan	144,708
	Caravan C/V	11,073
	Voyager	125,575
Plant total		**281,356**
Canadian truck total		**460,032**
U.S., Canadian truck total		**1,131,117**
FORD MOTOR CO.		
Atlanta	Sable	61,890
	Taurus	204,880
Plant total		**266,770**
Chicago	Sable	68,767
	Taurus	190,381
Plant total		**259,148**
Dearborn, Mich.	Mustang	209,769
Edison, N.J.	Escort	96,698
Kansas City, Mo.	Tempo	151,934
	Topaz	66,930
Plant total		**218,864**
Lorain, Ohio	Cougar	97,312
	Thunderbird	114,868
Plant total		**212,180**
Wayne, Mich.	Escort	266,424
Wixom, Mich.	Continental	57,775
	Mark VII	29,658
	Town Car	128,533
Plant total		**215,966**
U.S. car total		**1,745,819**
Oakville, Ontario	Tempo	136,851
	Topaz	61,205
Plant total		**198,056**
St. Thomas, Ontario	Crown Victoria	134,103
	Grand Marquis	138,913
Plant total		**273,016**
Canadian car total		**471,072**
U.S., Canadian car total		**2,216,891**
Kansas City, Mo.	F-series pickups	179,066
Kentucky Truck (Louisville)	mediums/heavies	61,031
Lorain, Ohio	Econoline	241,531
Louisville, Ky.	Bronco II	103,591
	Ranger	175,834
Plant total		**279,425**
Norfolk, Va.	F-series pickups	186,481
St. Louis, Mo.	Aerostar	257,436
Twin Cities, Minn.	F-series pickups	72,133
	Ranger	90,692
Wayne, Mich.	Bronco	69,470
	F-series pickups	79,764
Plant total		**149,234**
U.S. truck total		**1,517,029**
Oakville, Ontario	light-duty trucks	158,005
U.S., Canadian truck total		**1,675,034**
GENERAL MOTORS		
Arlington, Texas	Caprice	133,185
	Fleetwood	40,260
	Olds 88 (rwd)	8,929
Plant total		**182,374**
Bowling Green, Ky.	Corvette	26,412
Detroit-Hamtramck	Allante	3,298
	Eldorado	30,925
	Riviera	21,189
	Seville	22,909
	Toronado	9,877
Plant total		**88,198**
Doraville, Ga.	Cutlass Supreme	100,026
Fairfax, Kans.	Grand Prix	136,747
Flint, Mich.	LeSabre (fwd)	149,572
	Olds 88 (fwd)	11,908
Plant total		**161,480**
Framingham, Mass.	Century	18,215
	Ciera	68,536
Plant total		**86,751**
Janesville, Wis.	Cavalier	229,940
	Skyhawk	23,359
Plant total		**253,299**
Lake Orion, Mich.	DeVille	178,938
	Olds 98	15,084
Plant total		**194,022**
Lakewood, Ga.	Caprice	63,859
	LeSabre (rwd)	7,743
	Paris./Safari	5,146
Plant total		**76,748**
Lansing, Mich.	Calais	109,891
	Grand Am	246,418
	Skylark	61,540
Plant total		**417,849**
Reatta Craft Centre, Lansing, Mich.	Reatta	7,009
Linden, N.J.	Corsica/Beretta	211,038
Lordstown, Ohio	Cavalier	146,686
	Sunbird	139,644
Plant total		**286,330**
Oklahoma City, Okla.	Celebrity	153,268
	Century	56,640
	Ciera	11,417
	Pontiac 6000	83,776
Plant total		**305,101**
Tarrytown, N.Y.	Century	77,954
	Pontiac 6000	16,810
Plant total		**94,764**
Van Nuys, Calif.	Camaro	110,739
	Firebird	64,406
Plant total		**175,145**
Wentzville, Mo.	Bonneville	10,261
	Electra	83,566
	Olds 88 (fwd)	37,580
	Olds 98	58,019
Plant total		**189,426**
Willow Run, Mich.	Bonneville	98,392
	Olds 88 (fwd)	102,551
Plant total		**200,943**
Wilmington, Del.	Corsica/Beretta	200,371
U.S. car total		**3,394,033**
Oshawa, Ontario No. 1	*Lumina	0
Oshawa, Ontario No. 2	Regal	88,757
Ste. Therese, Quebec	Celebrity	22,452
	Ciera	159,636
Plant total		**182,088**
Canadian car total		**270,845**
U.S., Canadian car total		**3,664,878**
Baltimore	Astro	172,407
	Safari	44,564
Plant total		**216,971**
Detroit	P-models	40,565
Flint	Blazer	26,663
	Jimmy	7,899
	Suburban	103,618
Plant total		**138,180**
Fort Wayne, Ind.	CK pickups	239,863
Janesville, Wis.	RV pickups	35,887
Lordstown, Ohio	full-size vans	115,707
Moraine, Ohio	S-15 pickups	243,056
Pontiac, Mich. (Central)	medium-duty trucks	36,226
Pontiac, Mich. (East)	CK pickups	235,596
Pontiac, Mich. (West)	S-10 Blazer	98,044
	S-15 Jimmy	28,554
Plant total		**126,598**
Shreveport, La.	Blazer	86,613
	Jimmy	23,038
	S-10 pickups	69,499
	S-15 pickups	16,148
Plant total		**195,298**
U.S. truck total		**1,639,043**
Oshawa, Ontario	pickups	232,040
Scarborough, Ontario	full-size vans	92,192
Canadian truck total		**324,232**
U.S., Canadian truck total		**1,963,275**
HONDA		
Marysville, Ohio	Accord	231,319
	Civic	116,113
Plant total		**347,432**
Alliston, Ontario	Civic	71,520
U.S., Canadian car total		**418,952**
MAZDA		
Flatrock, Mich.	Ford Probe/Mazda MX-6	228,756
NUMMI		
Fremont, Calif.	Geo Prizm	83,130
	Toyota Corolla	69,950
Plant total		**153,080**
NAVISTAR		
Springfield, Ohio	mediums/heavies	82,185
Chatham, Ontario	mediums/heavies	11,306
U.S., Canadian trucks		**93,491**
NISSAN		
Smyrna, Tenn.	Sentra	116,644
	pickups	122,204
Plant total		**238,848**
TOYOTA		
Georgetown, Ky.	Camry	108,185
Cambridge, Ontario	Corolla	10,236
U.S., Canadian cars		**118,421**
VOLVO		
Halifax, Nova Scotia	740 series	6,611
Total U.S. Car Output		**7,067,627**
Total Canadian Car Output		**873,463**
Total U.S. Truck Output		**4,188,686**
Total Canadian Truck Output		**953,575**
Total U.S., Canadian Output		**13,083,351**

*Built for 1990

GM Lansing tops build of 1989 models

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

In the 1989 model year, General Motors' plant in Lansing, Mich., assembled more vehicles than any other car or truck plant in the United States and Canada.

Assembly of 417,849 cars at Lansing was a mix of the Oldsmobile Calais, Pontiac Grand Am and Buick Skylark.

The second highest output came from a transplant company. Honda of America Manufacturing built 347,432 Accords and Civics at its Marysville, Ohio, plant.

The third highest output came from a Canadian facility. Ford Motor Co. reported that it produced 273,016 cars at its St. Thomas, Ontario, plant. The plant builds the Mercury Grand Marquis and Ford Crown Victoria.

Ford also held the fourth and fifth positions. Its Atlanta plant reported assembly of 266,770 Ford Taurus and Mercury Sable models.

Fifth overall — and first among truck plants — was Ford's St. Louis plant, which produces the Aerostar minivan. St. Louis built 257,436 Aerostars.

The sixth highest total — and the highest for Chrysler Motors — was the Toledo No. 1 Jeep plant, which built 245,269 units. Toledo assembles the Cherokee and Comanche.

The lowest output came from the first transplant to set up shop in the United States or Canada. Volvo in Halifax, Nova Scotia, reported output of 6,611 740-series models.

Of the Big 3, the lowest output during the 1989 model year was at Chrysler's Kenosha (Wis.) No. 1 facility, which closed in December 1989. It assembled 29,070 Plymouth Caravelles and Gran Furys, Dodge Diplomats and Chrysler Fifth Avenues.

Eight transplant/joint-venture companies in the United States and Canada reported production for the 1989 model year. Mazda was second to Honda, drawing 228,756 cars from its Flat Rock, Mich., plant. Flat Rock builds the Mazda MX-6 and Ford Probe.

During the 1989 model year, 78 car and truck assembly plants reported production in the United States and Canada.

GM has 36 plants spread through the United States and Canada — 23 are car plants and 13 are truck plants.

Ford has 19 assembly plants. Ten build car, and nine build trucks.

Chrysler operates seven car plants and eight truck plants for a total of 15. The transplant/joint-venture plants bring the total to 78.

Joining the list of assembly plants for the 1990 model year are a second Honda plant, in East Liberty, Ohio; Diamond-Star Motors in Normal, Ill.; Subaru-Isuzu Automotive in Lafayette, Ind.; CAMI Automotive in Ingersoll, Ontario; and Hyundai Canada in Bromont, Quebec.

Diamond-Star, CAMI Automotive and Hyundai Canada started building cars during the 1989 model year, but they were listed as 1990 models and were not counted in 1989 production. Subaru-Isuzu started production of 1990 models in August. Honda's East Liberty plant will open in November.

TOP 10 AUTO AUCTIONS

1987 Rank	1988 Rank		Volume (millions)	Units sold	Average price
1	1	Florida Auto Auction of Orlando (M)	$741.6	84,968	$8,800
5	2	Southern California Auto Auction (G)	519.3	89,547	5,800
9	3	Nashville Auto Auction (A)	489.9	64,720	7,621
8	4	Aptco Auto Auction, Detroit (A)	471.7	62,580	7,539
—	5	Manheim Auto Auction, Pa. (M)	461.8	54,336	8,500
—	6	Metro Auto Auction of Kansas City (A)	459.0	55,820	8,224
2	7	National Auto Dealers Exchange, N.J. (M)	416.4	80,289	5,200
4	8	California Auto Dealers Exchange (M)	400.9	80,197	5,000
—	9	Bay Cities Auto Auction, Calif. (G)	392.6	67,699	5,800
—	10	Greater Chicago Auto Auction (G)	383.5	66,128	5,800

OWNERSHIP: (A) Anglo American; (G) GE Capital; (M) Manheim

NOTE: Figures were provided by companies. In some cases, figures were rounded or approximated.

AUCTION

FROM PAGE 1

sales promise to be robust despite a three-month industry-wide lag that began in June.

Auction officials say the summer downturn is past. "It caught the entire industry by surprise," said Michael J. Richardson, president and Chief executive officer of Anglo American Auto Auctions, based in Nashville, Tenn.

Florida and California are still the hottest markets for auctions due to the number of car rental agencies.

Estimates by leading auction officials peg 1989 sales as high as 6 million vehicles on registrations of 8 million cars and trucks, up from sales of 3.6 million vehicles 1988 and 6 million registrations in 1988.

The three chains' share of those sales is about 40 percent with independent auctions accounting for the rest.

Richardson said fleet-lease and manufacturer vehicles lead this year's sales activity.

He said dealer consignments at Anglo's 23 auctions are running about 9 percent behind 1989 projections.

But he said fleet-lease is 28 percent higher than expected, and manufacturer vehicles are 30 percent higher.

He predicts a strong fourth quarter and industry growth at less than 10 percent next year, again driven by fleet-lease and manufacturer vehicles.

Another source of cars for the auctions will be banks that entered the retail lease business in the last half of the decade. Those vehicles will begin coming to term next year.

Darryl Ceccoli, executive vice president of Manheim Auctions based in Atlanta, said the huge increases from rental companies and financial institutions have reached a plateau.

"There are probably 700,000 buyback cars in the system," he said. "How many more cars can the rental companies rent? We have reached a saturation point with buybacks."

Figures for Automotive News' survey of auto auctions were provided by the companies. In some instances, figures were estimated.

Manheim, with 24 auctions in the United States and Canada, owns the leading auction in the nation — Florida Auto Auction of Orlando.

Earlier in the year, the auction sold a record 4,927 vehicles in a single day, grossing $49.6 million with an estimated price per vehicle of $10,050.

In 1988, the auction had sales of $741.6 million on 84,968 units, up from $643 million on the sale of 70,000 units the previous year.

Average selling price in 1987 was $9,200. In 1988, the average selling price dipped to $8,800.

Joe Greco, manager of Florida Auto Auction of Orlando, said he couldn't explain why the average vehicle price dropped $400.

Florida Auto Auction of Orlando has a higher average selling price because 40 percent of its business is fleet-lease and buyback vehicles.

Automakers sell vehicles to daily rental companies at a guaranteed depreciation rate, or agree to repurchase them when they reach a certain mileage.

Those low-mileage, newer vehicles, often called "buyback cars," are then remarketed through auto auctions to dealers at closed sales.

The second largest volume auction in 1988 was Southern California Auto Auction in Fontana, Calif.

Owned by GE Capital Auto Auctions of Barrington, Ill., it had estimated volume of $519.3 million on 89,547 vehicles sold.

That was quite a leap for the auction, which had sales of $367.2 million on 72,000 vehicles in 1987.

Liese Spiegelberg, vice president of sales and marketing, said the auction's growth is due to a change in management and addition of customer service features like valet parking for dealers.

She also said the California market has grown dramatically in the last two years.

Anglo's Nashville Auto Auction moved from ninth to third place on volume of $493.2 million in 1988, up from $350.7 million in 1987.

Richardson attributed its growth to the number of factory sales it has every week.

Aptco Auto Auction in Detroit, another Anglo outlet, moved from eighth place to fourth with 1988 sales volume of $471.7 million, up from $353.9 million the previous year.

National Auto Dealers Exchange in Bordentown, N.J., slid to seventh place from second place in last year's survey on sales of $416.4 million, up from $408 million the previous year.

California Auto Dealers Exchange slipped to eighth place from fourth last year. Sales in 1988 were $400 million, up slightly from $395 million in 1987. Both auctions are owned by Manheim.

New to this year's list are Manheim Auto Auction in Manheim, Pa.; Metro Auto Auction of Kansas City (Anglo); Bay Cities Auto Auction (GE) in Hayward, Calif.; and Greater Chicago Auto Auction (GE).

Although independent auctions failed to make the best-seller list, they are healthy. For example, Auto Dealers Exchange of Indianapolis, had sales of $383.5 million on 66,000 vehicles in 1988, up slightly from the prior year. It ranked seventh in last year's survey.

And Southern Auto Auction of East Windsor, Conn., grossed $351 million in 1988 on the sale of 63,900 vehicles, up from $367 million on unit sales of 59,000 vehicles a year earlier. It ranked 10th in the survey last year.

GM

FROM PAGE 1

ductivity," Yokich said.

Yokich already has challenged GM on plant closings when GM recently said it would idle the Lakewood, Ga., plant next March. The discussions between GM and the union may progress to arbitration.

Under the GM-UAW contract, plant "idlings" are allowed only when dictated by declining market conditions. Yet GM has idled plants in Pontiac, Mich., Leeds, Mo., and Framingham, Mass., since the current contract was negotiated.

Dick Long, president of Local 653 at the closed Fiero plant in Pontiac, said GM now faces more trouble persuading workers to make the commitment that Fiero workers made.

The Fiero plant was touted as a model plant for labor-management relations.

Nevertheless, GM closed the plant in 1988 when sales of the two-seater fell.

"This establishes an adversarial atmosphere," Long said of upcoming labor talks.

Although no plants in Canada have been officially closed, the Canadian Auto Workers union was no happier last week than the some UAW locals in the United States.

CAW president Bob White said at a press conference Friday that the shuffling of vehicle production across the border could mean the death of the Scarborough plant as van production moves to Flint, with no specific product lined up to replace it.

Workers at other plants that had bid on the Firebird and Camaro project were disappointed.

Particularly bitter are laid off workers at GM's closed Fiero plant, which produced the plastic-bodied Pontiac Fiero until it was discontinued.

"We thought we had the best shot," said Fiero local President Dick Long. "To say we are very unhappy is to put it mildly."

GM's Oklahoma City plant also lost out on the Firebird/Camaro bid. The plant, the first of a series of new plants opened in the 1980s, had proposed building the F-car along with its present line, the Pontiac 6000, Oldsmobile Cutlass Ciera and Buick Century.

The plant is expected to continue to build the Cutlass and Century when they are redesigned in the 1993 model year. The future of the Pontiac 6000 is undecided; it may be re-designed with the Oldsmobile and Buick or could be dropped.

Nevertheless, the plant has room to build a lot more than the 300,000 vehicles it produces a year.

Only workers in Flint were elated with last week's announcements.

GM will consolidate full-size van production into the Truck & Bus Group's assembly plant in Flint.

The Flint plant now builds full-size sport utilities and full-size crew cabs.

It was to lose those products at the end of calendar 1991 but had been promised a product to replace them. The sport utilities will be moved to GM's Janesville, Wis., plant.

GM said no timetable has been set to move the full-size vans to Flint. Nor will GM guarantee saving all 4,700 jobs at the plant. GM did not say if the Flint plant will build the current version of the van or the next-generation, set to debut in the 1992 model year.

While Lordstown will lose van production, it will continue to produce the Chevrolet Cavalier and Pontiac Sunbird.

The Lordstown components and assembly complex employs 11,000.

INVENTORY

FROM PAGE 2

ported a slimmer 55-day supply.

In September, Mercedes-Benz and Audi reduced stocks and days-supply numbers, while Suzuki, Alfa Romeo and Merkur remained at more than 100 days.

Among the Big 3, only GM cut both inventory and days-supply numbers. It reduced its domestic and captive import stocks by 4.19 percent to 739,397, a 58-day supply. On Sept. 1, GM had a 66-day supply.

Ford deflated its domestic and captive car stocks by 2.71 percent to 444,600. But its days' supply increased to 64 days from 57.

Combined car stocks for Chrysler dropped to 233,473, equal to a 68-day supply. The total was 4.63 percent below last month's, which was a 67-day supply.

Honda built up its stock of unsold U.S.-built and imported cars by 17.17 percent. On Oct. 1, stocks totaled 58,305 cars and were equal to a 31-day supply, up from 21 days on Sept. 1.

Combined car car stocks for Toyota dropped 8.47 percent in September to 82,835. Toyota started October with a 37-day supply, up from last month's 28 days.

Nissan cut its inventory 1.10 percent to 141,497 on Oct 1.

In September, Mazda reduced its unsold car supply by 1.44 percent to 39,905 units equal to a 48-day supply. Mazda began September with a 48-day supply of cars.

IMPORT DAYS' SUPPLIES

	Oct. 1, 1989	Sept. 1, 1989	Oct. 1, 1988
Chevrolet	65	53	113
Chrysler Motors	73	167	125
Acura	39	36	36
Daihatsu	67	75	72
Honda	31	23	18
Isuzu	95	48	108
Lexus	16	—	—
Mazda	46	37	48
Mitsubishi	99	60	70
Nissan	77	79	73
Subaru	71	77	75
Suzuki	203	125	—
Toyota	37	29	16
JAPAN	55	51	50
Audi	70	110	142
BMW	80	67	61
Mercedes-Benz	37	44	34
Mercury	104	66	80
Porsche	91	80	82
VW	127	106	103
GERMANY	83	80	80
Alfa Romeo	140	135	147
Ford	84	113	111
Hyundai	49	36	59
Jaguar	35	29	32
Peugeot	90	91	80
Pontiac	43	68	88
Eagle/Chrysler	217	290	231
Saab	69	64	57
Sterling	70	69	60
Volvo	50	47	44
Yugo	108	134	127
Other Countries	60	58	76
Total Import Cars	59	55	59
Geo Tracker	148	211	—
Isuzu	95	90	96
Mazda	48	55	58
Mitsubishi	82	56	96
Nissan*	65	24	37
Range Rover	34	51	44
Suzuki	106	94	384
Toyota	48	30	20
Dodge	50	166	113
Total Imp. Trucks	66	42	55
Total Imp. Vehicles	60	52	58

*Includes domestic trucks

DOMESTIC DAYS' SUPPLIES

	Oct. 1, 1989	Sept. 1, 1989	Oct. 1, 1988
Talon	89	124	—
Premier	75	65	105
Total Eagle	79	73	105
Horizon	22	22	54
Laser	92	61	—
Sundance	38	35	67
Reliant	58	73	48
Acclaim	77	85	—
Caravelle	—	—	67
Gran Fury	—	—	34
Total Plymouth	52	47	55
LeBaron K	—	—	42
LeBaron J	102	117	62
LeBaron GTS	139	179	64
Fifth Avenue (rwd)	77	37	114
Fifth Avenue (fwd)	138	—	—
New Yorker C	73	69	63
New Yorker E	—	—	214
Total Chrysler	100	92	66
Omni	25	20	59
Shadow	37	30	75
Daytona	102	87	67
Aries	54	71	57
Lancer	146	152	107
Spirit	93	102	—
Diplomat	—	—	47
Dynasty	59	63	47
Dodge 600	—	—	94
Total Dodge	63	53	61
CHRYSLER MTRS.	67	58	63
Escort	61	61	60
Mustang	75	61	77
Tempo	82	68	55
Taurus	45	47	84
Thunderbird	76	63	71
Probe	100	74	37
Crown Victoria	52	35	65
Total Ford Div.	66	58	64
Lynx/Tracer	71	73	102
Topaz	69	68	57
Sable	59	48	78
Cougar	60	57	41
Grand Marquis	38	28	40
Total Mercury	57	50	61
Continental	62	65	40
Lincoln	49	43	49
Mark VII	57	64	90
Total Lincoln	53	50	52
Total L-M Division	56	50	58
FORD MOTOR CO.	63	55	62
Skyhawk	37	60	61
Somerset/Skylark	65	79	75
Century	50	74	53
Regal	71	87	83
LeSabre	39	37	65
Reatta	81	87	185
Electra	56	67	51
Riviera	45	54	73
Total Buick	52	60	66
Cimarron	—	—	64
Allante	75	84	92
Seville	66	84	71
DeVille	46	60	40
Brougham	55	91	42
Eldorado	49	64	68
Total Cadillac	48	65	47
Geo Prizm/Nova	125	137	78
Cavalier	51	59	69
Camaro	76	60	109
Celebrity	34	45	67
Corsica/Beretta	79	78	105
Lumina/Monte Carlo	81	84	70
Caprice	44	54	100
Corvette	46	47	102
Total Chevrolet	67	71	84
Firenza	—	—	71
Calais	60	69	87
Cutlass Ciera	19	58	39
Cutlass Supreme	84	102	70
Olds 88	44	40	75
Olds 98	55	52	49
Toronado	63	92	65
Total Oldsmobile	44	61	59
Fiero	—	—	56
Sunbird	58	54	42
Firebird	78	53	81
Grand Am	62	69	52
Pontiac 6000	67	71	68
Grand Prix	92	99	60
Bonneville H	58	75	74
Paris./Safari	27	50	76
Total Pontiac	68	71	60
GENERAL MTRS.	58	67	67
HONDA	32	20	15
MAZDA	63	58	42
MITSUBISHI	42	37	—
NISSAN	108	51	16
TOYOTA*	34	25	9
DOM. TOTAL	59	57	60
Subcompact	54	39	37
Compact	57	54	51
Intermediate	64	69	70
Standard	46	47	61
Specialty	54	55	88

*Estimate

INCENTIVE WATCH

	Customer Incentives						Dealer Incentives	
		Finance Rates (Pct.) — Months —						
	Rebates	24	36	48	60	Expiration Date	Type	Expiration Date
Chrysler Motors (1988-89 models)								
Chrysler	$500 - $1,000	6.9	7.9	9.9	9.9	None		
Dodge Cars	$500 - $1,000	6.9	7.9	9.9	9.9	None		
Dodge Trucks	$500 - $2,500	6.9	7.9	9.9	9.9	None		
Eagle	$750 - $1,200	6.9	7.9	9.9	9.9	None		
Jeep	$500 - $1,000	6.9	7.9	9.9	9.9	None		
Plymouth	$500 - $750	6.9	7.9	9.9	9.9	None		
Chrysler Motors (1990 models)								
Chrysler	**$500 - $1,000**	**6.9**	**7.9**	**9.9**	**9.9**	**None**		
Dodge Cars	**$300 - $1,000**	**6.9**	**7.9**	**9.9**	**9.9**	**None**		
Dodge Trucks	**$500 - $2,000**	**6.9**	**7.9**	**9.9**	**9.9**	**None**		
Eagle	**$700 - $1,000**	**6.9**	**7.9**	**9.9**	**9.9**	**None**		
Jeep	**$500 - $1,000**	**6.9**	**7.9**	**9.9**	**9.9**	**None**		
Plymouth	**$300 - $750**	**6.9**	**7.9**	**9.9**	**9.9**	**None**		
Ford Motor Co. (1989 models)								
Ford Cars	$500 - $1,000	6.9	8.9	9.9	10.9	None		
Festiva, Escort							$200 - $500, quota	Nov. 7
Taurus SHO							$1,000	
Ford Trucks*	$500 - $1,250	6.9	8.9	9.9	10.9	None		
Ranger, Bronco II							$250	Nov. 7
Lincoln	$1,000 - $1,500					None		
Mercury	$600 - $1,500	6.9	8.9	9.9	10.9	None		
Merkur	$3,000 - $4,000					None	$1,000	Nov. 7**
*Ford truck finance incentive applies only to Ranger and Bronco II						**No expiration date for Scorpio		
Ford Motor Co. (1990 models)								
Ford Cars	**$500 - $800**	**6.9**	**8.9**	**9.9**	**10.9**	**None**		
Festiva, Escort							**$200 - $500, quota**	**Nov. 7**
Tempo							**$250**	**Nov. 7**
Taurus SHO							**$1,000**	**Nov. 7**
Ranger, Bronco II	**$1,000 - $1,250**	**6.9**	**8.9**	**9.9**	**10.9**	**None**	**$200 - $500, quota**	**Nov. 7**
Mercury Topaz, Cougar, Sable	**$600**	**6.9**	**8.9**	**9.9**	**10.9**	**None**		
Continental							**$1,000**	**Nov. 7**
General Motors (1989 models)								
Buick								
Chevrolet Cars	$400 - $1,000	6.9	8.9	9.9	10.9	None		
Chevrolet Trucks	$500 - $1,250	6.9	8.9	9.9	10.9	None		
GMC	$500 - $1,250	6.9	8.9	9.9	10.9	None		
Oldsmobile	$200 - $2,500*	6.9	8.9	9.9	10.9	None		
Pontiac	$600 - $1,000	6.9	8.9	9.9	10.9	None		
*Based on option package selected								
General Motors (1990 models)								
Buick	**$200 - $1,000***	**6.9**	**8.9**	**9.9**	**10.9**	**None**	**$1,000 - $2,000 on Reatta, Riviera, Park Avenue Ultra**	**Nov. 30**
Chevrolet Cars	**$750 - $800 on Corsica, Lumina, Prizm****	**6.9**	**8.9**	**9.9**	**10.9**	**None**		
Chevrolet Trucks	**$1,000 - $1,250 on S-10 Pickup, Blazer**	**6.9**	**8.9**	**9.9**	**10.9**	**None**		
GMC	**$1,000 - $1,250 on S-15 Pickup, Blazer**	**6.9**	**8.9**	**9.9**	**10.9**	**None**		
Oldsmobile	**$200 - $1,000***	**6.9**	**8.9**	**9.9**	**10.9**	**None**		
Pontiac	**$600 - $1,000**	**6.9**	**8.9**	**9.9**	**10.9**	**None**		
***Based on option package selected.**	****$1,400 On Prizm for import owners.**							
Audi (1989 models)							$1,800 - $4,500, quota	Oct. 31
Hyundai (1988-89 models)								
California dealers							$400	Nov. 2
Other dealers							$300 - $1,000, quota	Nov. 2
Isuzu (1989 models)							$1,500, based on quota	Dec. 31
Mazda trucks (1989)	$750					Nov. 1		
Mitsubishi (1989-90)							$500 - $1,000	Oct. 31
Nissan								
Stanza (1989)	$1,500 - $2,000			7.9	9.9	Dec. 4		
Axxess, trucks							$200 to $2,000	Dec. 4
Peugeot							$1,000	Dec. 31
Sterling	$3,500 - $5,000					Nov. 30		
Subaru	$500 - $3,000*					Nov. 2	$500 - $3,000*	Nov. 2
*Rebates go to the customer in some regions and to the dealer in other regions								
Toyota Cressida							$1,500	Nov. 2
Corolla, Camry							$500	Nov. 2
Volkswagen	$500 - $3,000	2.9	6.9	7.9	9.9	Oct. 31		

Chrysler reshuffles spiffs on old models; adds '90s

By Arlena Sawyers
AUTOMOTIVE NEWS STAFF REPORTER

Chrysler Motors last week announced new incentives on 1990 cars and adjusted incentives on 1988 and 1989 models.

Chrysler also altered its special finance rates twice within a week, making the rates on its three-year and five-year finance program the lowest among domestic carmakers.

Meanwhile, General Motors added a rebate for import owners who buy 1990 Geo Prizms.

The 1988 and 1989 cars covered by Chrysler's new program and the amount of incentives are:

Dodge Aries, Plymouth Reliant, $750; Dodge Lancer, Chrysler LeBaron GTS, $1,000; Dodge Spirit, Plymouth Acclaim Highline, $500; Spirit ES, Spirit LE, Acclaim LE, Acclaim LX, $750; Dodge Shadow, Shadow ES, Plymouth Sundance, Sundance RS, $500; Dodge Omni, Plymouth Horizon without air conditioning, $500; Omni, Horizon with air conditioning, $750;

Also, Dodge Daytona, $500; Daytona ES, $750; Daytona ES Turbo, Shelby, $1,000; Chrysler LeBaron coupe Highline, $1,000; LeBaron coupe Premium, GT, GTC, $1,000; LeBaron convertible Highline, $750; LeBaron convertible Premium, GT, GTC, $750.

Also, Dodge Dynasty, $500; Chrysler New Yorker, $500; Chrysler New Yorker Landau, $500; New Yorker Landau with Mark Cross package, $1,000; Eagle Premier LX, $1,000; Premier ES, $1,200; Premier Limited, $2,000; Eagle Summit DL, Summit LX, $750; Summit DOHC, $1,000; and Eagle Medallion, $1,000.

Rebates covering Chrysler's 1990 cars are as follows: Spirit, Acclaim Highline, $500; Spirit ES, Spirit LE, Acclaim LE, Acclaim LX, $750; Shadow, Sundance, $300; Shadow ES, Sundance RS, $500; Omni, Horizon without air conditioning, $500; Omni, Horizon with air conditioning, $750; Dodge Daytona, $750; Daytona ES, $1,000; Dodge ES Turbo, Shelby, $1,000; Chrysler LeBaron coupe Highline, $750; LeBaron coupe Premium, GT, GTC, $1,000; LeBaron convertible Highline, $750; LeBaron convertible Premium, GT, GTC, $1,000; Dodge Dynasty, $500; New Yorker Landau with Mark Cross Edition package, $500; Chrysler New Yorker Fifth Avenue, $1,000; Fifth Avenue with luxury equipment or Mark Cross package, $1,000; Eagle Premier LX, $700; Premier ES, $700; and Premier Limited, $1,000.

On Oct. 7, Chrysler announced special finance rates through Chrysler Credit Corp. of 6.9 percent for one to 24 months; 8.9 percent for 25 to 36 months; 9.9 percent for 37 to 48 months; and 10.9 percent for 49 to 60 months. Three days later, it reduced its rates to 7.9 percent on 25- to 36-month contracts and to 9.9 percent on 49- to 60-month contracts. Chrysler's program runs indefinitely.

Chevrolet is offering import vehicle owners a $1,400 rebate toward the purchase or lease of a 1990 Geo Prizm. Domestic vehicle owners receive an $800 rebate.

GALE

FROM PAGE 4

"We're going to have to figure out manufacturing methods and processes that give us the flexibility to do things differently," Gale said.

Chrysler is using its Diamond-Star Motors plant in Normal, Ill., as a test bed to study manufacturing methods needed to make future versions of the sport coupe built there distinct from one another. The plant, a joint venture of Chrysler and Mitsubishi Motors, builds the Plymouth Laser, Eagle Talon and Mitsubishi Eclipse.

Simplifying the vehicle lineup with strong, trend-setting products is the key to cutting through market clutter and retaining loyal buyers, Gale said.

He also indicated that Chrysler is working on concept vehicles that will debut at 1990 auto shows.

The company is developing a futuristic vehicle — possibly minivan-based — that may use alternative energy sources. It is designed to combat air pollution.

Also under development is a post-LH car designed to balance the company's federal fuel economy ratings.

The concept vehicle is being developed in anticipation of an increase in the corporate average fuel economy standard to near or above 30 mpg. It would be positioned between small fuel-efficient vehicles and larger less-fuel-efficient cars in a zone described by Gale as "CAFE neutral."

Currently, Chrysler is accelerating development of a new PL small-car platform because of mounting government pressure for fuel-efficient fleets. For the 1990s, the company is also planning the larger LH sedans and a forthcoming LX luxury series to produce greater profit per vehicle.

Gale said company staffers put on "their propeller hats" and began looking far into the future to conceive a futuristic concept vehicle — possibly minivan-based — that is expected to debut at the North American International Auto Show in Detroit in January.

"One of the exercises we've done is to ask the guys in California to get all the Los Angeles and San Diego papers and all the material that is very current to see what is going on," Gale said. "Put them on the wall. Let's just stand back and look at the environmental concerns, the emissions problems, the smog, the congestion, the gridlock on the freeway. These things are incredibly frustrating to anybody who lives there."

Gales said Chrysler as a manufacturer must respond to the future of transportation rather than just develop replacement vehicles for existing market segments.

"How can we as a manufacturer respond to the future of transportation as opposed to just looking at replacement vehicles in segments we know today? How do we make that leap?" Gale said.

"I think we have to take a look at what is on the other side of the hill for us," Gale said. He said it is necessary to do something so different that a proposed vehicle — in large volume — might radically improve the environment.

The show vehicle to debut in Detroit will use combustible fuels, but Gale said the company is investigating alternatives.

Shutdowns keep output below par

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

U.S. production remained well below normal last week as high inventories closed three car plants and three truck plants.

Automakers scheduled assembly of 139,359 cars last week, 5.43 percent more than the previous week, but 11.00 percent below the year-ago week. The previous week's output was also affected by plant downtime. Normal weekly output is about 155,000 in mid-October.

Last week's estimated production was split as follows: General Motors, 43.72 percent; Ford Motor Co., 24.91 percent; Chrysler Motors, 13.81 percent; Honda of America Manufacturing, 4.97 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.22 percent; Toyota Motor Manufacturing U.S.A., 2.87 percent; New United Motor Manufacturing Inc., 2.66 percent; Diamond-Star Motors, 2.33 percent; and Nissan Motor Manufacturing, 1.51 percent.

Scheduled truck production last week was 63,506, down 0.99 percent from the prior week and down 20.95 percent from last year. The mid-October norm is about 80,000 weekly.

Ford said it will halt output at its Wayne, Mich., plant, which builds the Escort, on Nov. 22 to retool for an all-new Escort that is scheduled for spring introduction. The plant is slated to reopen Feb. 26; during its downtime, the Edison, N.J., plant will continue output of the 1990 Escort.

The Thunderbird-Cougar line at Ford's Lorain, Ohio, plant resumed production today after a two-week shutdown to balance inventory.

GM idled its Oklahoma City plant today for one week due to bloated inventories.

GM's Linden, N.J., car and Flint, Mich., truck plants remain idle until Oct. 23. Its Pontiac West truck plant in Pontiac, Mich., and its Wilmington, Del., car facility resumed operations today.

Chrysler's Warren, Mich., truck plant returned to work today after a two-week shutdown. GM's Bowling Green, Ky.; Fairfax, Kan.; and Detroit plants returned last week.

Holiday's effect mixed in Canada

Despite downtime for the Thanksgiving holiday last week, targeted Canadian auto production topped the prior and year-ago weeks.

Last week, automakers scheduled 18,244 cars, 10.30 percent more than the prior week, and 8.17 percent above the year-ago week.

The prior week's output was affected by downtime caused by slow sales and the year-ago week's build was cut by the holiday.

Truck output showed the effect of the short week. Last week's assembly was slated at 15,923, 13.59 percent below the previous week, and 9.61 percent below the year-ago week.

Chrysler Motors' Bramalea, Ontario, Jeep plant was expected to resume production today after downtime due to slow sales.

U.S. CAR

U.S. CAR	Week Ended Oct 14, 1989	Week Ended Oct 15, 1988	Week Ended Oct 7, 1989	Oct to Date	Jan 1 to Oct 14, 1989	Jan 1 to Oct 15, 1988
Horizon	1,000	1,543	1,091	2,091	24,997	64,409
Sundance	1,900	2,232	1,869	3,769	82,044	81,638
Reliant	0	2,217	0	0	0	71,093
Acclaim	2,600	0	2,685	5,285	99,844	0
Caravelle	0	0	0	0	0	9,265
Gran Fury	0	233	0	0	0	17,196
Total Plymouth	5,500	6,225	5,645	11,145	206,885	243,601
LeBaron K	0	0	0	0	0	7,912
LeBaron J	2,700	2,561	0	2,700	82,993	63,450
LeBaron GTS	0	250	0	0	2,946	7,502
N. Yorker C-Class	550	2,091	864	1,414	65,998	83,269
Fifth Avenue	800	969	1,681	2,481	18,483	25,064
Imperial	200	0	252	452	664	0
Total Chrysler	4,250	5,871	2,797	7,047	171,084	187,197
Omni	1,100	1,557	1,234	2,334	26,545	63,213
Daytona	1,800	1,757	0	1,800	65,029	61,035
Shadow	2,100	2,189	2,239	4,339	79,643	80,818
Aries	0	2,205	0	0	0	69,445
Dodge 600	0	0	0	0	0	8,549
Dynasty	1,800	2,774	2,044	3,844	103,901	84,721
Lancer	0	149	0	0	1,528	7,187
Spirit	2,700	0	2,875	5,575	87,280	0
Diplomat	0	344	0	0	0	15,712
Total Dodge	9,500	10,975	8,392	17,892	363,926	390,680
CHRYSLER MOTORS	19,250	23,071	16,834	36,084	741,895	821,478
Escort	9,775	9,680	9,438	19,213	271,996	319,931
Mustang	3,691	3,720	3,587	7,278	160,793	161,748
Tempo	3,198	3,773	3,061	6,259	118,422	146,598
Taurus	8,307	8,154	7,788	16,095	284,766	314,661
Thunderbird	0	333	0	0	115,889	91,259
Total Ford Div.	24,971	25,660	23,874	48,845	951,866	1,034,197
Topaz	1,202	1,518	1,339	2,541	55,266	56,172
Cougar	0	336	0	0	98,569	70,693
Sable	2,951	2,875	2,888	5,839	94,187	107,009
Total Mercury	4,153	4,729	4,227	8,380	248,022	233,874
Continental	1,681	1,506	1,455	3,136	50,761	39,872
Mark VII	554	751	478	1,032	16,410	21,026
Lincoln	3,358	2,258	2,899	6,257	96,609	99,892
Total Lincoln	5,593	4,515	4,832	10,425	163,780	160,790
Total L-M Division	9,746	9,244	9,059	18,805	411,802	394,664
FORD MOTOR CO.	34,717	34,904	32,933	67,650	1,363,668	1,428,861
Skyhawk	0	1,151	0	0	6,913	15,579
Skylark/Somerset	1,920	1,786	1,893	3,813	49,801	39,137
Century	2,673	4,448	2,718	5,391	104,548	103,540
Riviera	556	645	539	1,095	15,426	7,181
Electra	1,689	2,452	1,531	3,220	63,333	67,580
LeSabre (fwd)	3,894	2,896	3,260	7,154	121,345	107,414
LeSabre (rwd)	238	173	233	471	5,843	7,851
Reatta	211	236	202	413	4,803	7,782
Total Buick	11,181	13,787	10,376	21,557	372,012	356,064
Cimarron	0	0	0	0	0	3,693
Eldorado	621	777	739	1,360	23,384	27,967
Seville	407	580	519	926	17,145	17,913
Brougham (rwd)	1,500	1,051	1,620	3,120	43,908	27,258
Deville (fwd)	4,146	4,140	3,942	8,088	145,792	120,382
Allante	75	75	75	150	2,467	1,534
Total Cadillac	6,749	6,623	6,895	13,644	232,696	198,747
Cavalier	8,311	7,262	7,901	16,212	286,588	286,753
Camaro	1,995	2,783	2,103	4,098	81,471	74,880
Celebrity	0	3,831	0	0	70,720	145,185
Corsica/Beretta	0	9,596	4,346	4,346	298,206	339,563
Caprice	773	4,699	1,305	2,078	138,451	166,944
Corvette	560	562	0	560	19,896	17,932
Total Chevrolet	11,639	28,733	15,655	27,294	895,332	1,031,257
Calais	1,680	2,958	1,701	3,381	71,794	90,282
Firenza	0	0	0	0	0	5,230
Cutlass Ciera	1,608	1,229	1,609	3,217	69,691	23,078
Cutlass Supreme	3,988	3,633	4,029	8,017	87,531	112,362
Toronado	556	315	274	830	7,391	12,160
88 (fwd)	4,339	3,320	3,932	8,271	111,557	124,540
88 (rwd)	165	199	240	405	6,210	9,192
Olds 98	1,314	1,699	1,262	2,576	57,083	57,842
Total Oldsmobile	13,650	13,353	13,047	26,697	411,257	434,686
Sunbird	4,085	2,496	3,149	7,234	115,871	85,445
Grand Am	4,800	5,208	4,795	9,595	190,329	190,045
Firebird	1,258	1,618	1,232	2,490	45,643	50,710
Grand Prix	4,030	4,000	0	4,030	103,365	110,227
Pontiac 6000	1,505	3,380	1,458	2,963	65,530	71,517
Bonneville	2,038	2,966	2,176	4,214	75,312	93,546
Safari/Parisienne	0	97	0	0	2,691	6,331
Fiero	0	0	0	0	0	13,297
Total Pontiac	17,716	19,765	12,810	30,526	598,741	621,118
GENERAL MOTORS	60,935	82,261	58,783	119,718	2,510,038	2,641,872
DIAMOND-STAR	3,242	0	2,784	6,026	61,871	0
HONDA	6,930	7,118	6,122	13,052	291,946	292,555
Civic	3,630	2,815	3,506	7,136	107,079	85,517
Accord	3,300	4,303	2,616	5,916	184,867	207,038
MAZDA†	4,485	5,658	4,448	8,933	162,065	112,552
NISSAN	2,100	2,877	2,427	4,527	93,923	90,220
NUMMI	3,700	702	3,808	7,508	158,405	112,368
Corolla	1,500	702	1,579	3,079	64,060	43,079
Geo Prizm/Nova	2,200	0	2,229	4,429	94,345	69,289
TOYOTA	4,000	0	4,046	8,046	111,493	0
VOLKSWAGEN	0	0	0	0	0	35,997
Golf/GTI	0	0	0	0	0	30,444
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	139,359	156,591	132,185	271,544	5,495,304	5,535,903
Total Cars, Canada	18,244	16,866	16,541	34,785	758,830	838,959
U.S., Canada Cars	157,603	173,457	148,726	306,329	6,254,134	6,374,862
U.S., Canada Cars and Trucks	237,032	272,216	230,479	467,511	10,315,003	10,361,209

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe

CANADIAN CAR

CANADIAN CAR	Week Ended Oct 14, 1989	Week Ended Oct 15, 1988	Week Ended Oct 7, 1989	Oct to Date	Jan 1 to Oct 14, 1989	Jan 1 to Oct 15, 1988
Premier	0	1,049	1,033	1,033	28,282	47,391
CHRYSLER MOTORS	0	1,049	1,033	1,033	28,282	47,391
Tempo	2,688	2,544	0	2,688	102,772	137,792
Topaz	1,152	1,341	0	1,152	43,694	53,426
Crown Victoria	2,223	2,219	2,365	4,588	93,386	101,162
Grand Marquis	2,337	2,299	2,502	4,839	100,731	102,599
FORD MOTOR CO.	8,400	8,403	4,867	13,267	340,583	394,979
Celebrity	504	459	548	1,052	17,631	16,373
Cutlass Ciera	922	2,620	992	1,914	99,163	183,308
Lumina	5,036	0	5,388	10,424	126,643	0
Pontiac 6000	0	0	0	0	0	29,690
Regal	1,008	3,113	1,147	2,155	61,913	127,604
GENERAL MOTORS	7,470	6,192	8,075	15,545	305,350	356,975
HONDA	1,680	1,042	1,874	3,554	65,758	34,852
TOYOTA	550	0	512	1,062	12,523	0
VOLVO	144	180	180	324	6,334	4,762
Total Cars, Canada	18,244	16,866	16,541	34,785	758,830	838,959

U.S. TRUCK☆

U.S. TRUCK☆	Week Ended Oct 14, 1989	Week Ended Oct 15, 1988	Week Ended Oct 7, 1989	Oct to Date	Jan 1 to Oct 14, 1989	Jan 1 to Oct 15, 1988
Caravan	2,000	0	2,509	4,509	84,078	73,371
Dakota	0	2,386	0	0	74,226	85,246
Caravan C/V	50	0	112	162	5,407	10,162
Ram pickups	0	2,392	0	0	74,290	63,750
Total Dodge	2,050	4,778	2,621	4,671	238,001	232,529
Cherokee	4,000	3,897	3,987	7,987	174,648	145,037
Comanche	350	735	470	820	22,685	35,599
Grand Wagoneer	0	359	0	0	8,127	10,843
Wagoneer	150	210	157	307	6,449	8,795
Total Jeep	4,500	5,201	4,614	9,114	211,909	200,274
Voyager	1,900	0	2,437	4,337	78,565	68,411
Town & Country	50	0	38	88	2,949	0
Total C-P Div.	1,950	0	2,475	4,425	81,514	68,411
CHRYSLER MOTORS	8,500	9,979	9,710	18,210	531,424	497,668
Aerostar	4,100	4,888	4,028	8,128	178,168	164,961
Bronco	1,191	1,063	1,185	2,376	58,389	43,174
Bronco II	2,126	896	2,357	4,483	93,421	96,094
Econoline	4,188	5,598	4,210	8,398	177,732	190,230
Mediums/Heavies	1,284	1,167	0	1,284	47,331	52,376
Light trucks	11,059	11,329	9,471	20,530	416,295	390,233
Ranger	5,962	3,473	6,485	12,447	249,206	264,194
Total Ford Div.	29,910	28,414	27,736	57,646	1,218,542	1,201,262
FORD MOTOR CO.	29,910	28,414	27,736	57,646	1,218,542	1,201,262
Astro	2,928	3,504	2,992	5,920	130,046	139,997
Blazer	0	530	608	608	22,108	20,862
Mediums/Heavies	283	409	308	591	5,433	15,921
P-Model	789	965	0	789	24,445	32,910
Pickups	7,436	8,709	6,861	14,297	320,820	284,754
S-10	370	7,110	370	740	196,422	241,985
S-10 Blazer	0	3,551	0	0	142,853	133,103
Sportsvan/Van	1,850	1,888	1,944	3,794	77,133	76,095
Suburban	0	1,544	1,596	1,596	61,178	55,817
Total Chevrolet	13,656	28,210	14,679	28,335	980,438	1,001,444
Jimmy	0	177	92	92	6,721	6,054
Mediums/Heavies	497	556	456	953	9,603	29,384
P-Model	91	79	1	92	3,294	4,379
Pickups	2,164	2,819	2,767	4,931	98,173	87,150
S-15	0	1,173	0	0	48,568	55,076
S-15 Jimmy	0	911	0	0	40,937	37,532
Safari	832	936	779	1,611	34,938	35,847
Suburban	0	567	502	502	25,246	24,596
Vandura/Rally Vans	610	588	516	1,126	23,309	27,245
Total GMC	4,194	7,806	5,113	9,307	290,789	307,263
GENERAL MOTORS	17,850	36,016	19,792	37,642	1,271,227	1,308,707
NAVISTAR	1,456	1,810	1,490	2,946	64,167	68,628
NISSAN	2,340	1,363	1,960	4,300	95,548	73,600
AM GENERAL*	450	450	450	900	18,090	18,360
MISCELLANEOUS*	3,000	2,300	3,000	6,000	114,600	93,840
Total Trucks, U.S.	63,506	80,332	64,138	127,644	3,313,598	3,262,065

CANADIAN TRUCK

CANADIAN TRUCK	Week Ended Oct. 14, 1989	Week Ended Oct. 15, 1988	Week Ended Oct. 7, 1989	Oct. to Date	Jan. 1 to Oct. 14, 1989	Jan. 1 to Oct. 15, 1988
Caravan	2,740	2,933	2,828	5,568	114,693	110,613
Caravan C/V	110	198	84	194	8,551	9,895
Ram Wagon	400	727	516	916	20,760	20,546
Ram Van	1,480	2,172	1,904	3,384	57,176	55,206
Total Dodge	4,730	6,030	5,332	10,062	201,180	196,260
Voyager	2,270	2,699	2,323	4,593	99,115	100,010
Total Plymouth	2,270	2,699	2,323	4,593	99,115	100,010
Wrangler	0	1,035	0	0	62,273	39,778
Total Jeep	0	1,035	0	0	62,273	39,778
CHRYSLER MOTORS	7,000	9,764	7,655	14,655	362,568	336,048
FORD MTR. (lt. trks.)	2,888	2,878	3,011	5,899	123,655	127,441
Light trucks	2,949	2,704	3,714	6,663	127,006	121,234
Vans	1,124	1,185	1,435	2,559	46,704	46,431
Total Chevrolet	4,073	3,889	5,149	9,222	173,710	167,665
Light trucks	1,321	1,154	1,151	2,472	56,640	60,519
Vans	436	527	489	925	21,701	23,504
Total GMC	1,757	1,681	1,640	3,397	78,341	84,023
GENERAL MOTORS	5,830	5,570	6,789	12,619	252,051	251,688
NAVISTAR	205	215	160	365	8,997	9,105
Total Trks., Canada	15,923	18,427	17,615	33,538	747,271	724,282
U.S., Canada Trks.	79,429	98,759	81,753	161,182	4,060,869	3,986,347

☆—Includes window van production *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Tokyo show showcases Japan design

This week's Tokyo auto show will be the center of the automotive universe as Japanese designers seek to dispel the notion that they merely copy Western designs.

Visitors from North America and Europe will gather at the biennial show to view the Japanese concept cars and production models they will face in the marketplace in the coming years.

Among new production or near-production models are the mid-engined Toyota MR2, Mazda Cosmo coupe, Mitsubishi Diamante sedan, Mitsubishi HSX coupe, Toyota Previa minivan and Nissan NX.

Exclusive photographs of cars at the Tokyo show, Pages 42 and 43.

Toyota's redesigned two-passenger MR2, top, and the rotary-powered Mazda Cosmo go on sale in the United States early next year.

Ford kills Merkur, cancels '90 Scorpio

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. canceled its Merkur line last week, failing for the third time to sell a European car line in its Lincoln-Mercury showrooms. Ford announced it would eliminate Merkur's only remaining product, the German-built Scorpio.

Ross Roberts, vice president and general manager of Lincoln-Mercury Division, said falling sales did not justify the expenditure needed to bring Scorpio up to new passive restraint requirements.

"Given less than anticipated sales volumes and investment requirements to re-engineer the cars to meet federal standards, the decision was made to discontinue importation," said Roberts.

L-M dealers with a Merkur franchise are being encouraged to display Merkur dealer signs even though they will have no cars to sell. The signage program will be evaluated next year. L-M dealers who had franchises will continue to provide parts and service for Merkur vehicles and will honor the guaranteed resale program on the Scorpio.

If dealers want out, L-M will buy back any 1989 Scorpios a dealer does not want and will reimburse the dealer upon request for signage and parts at full cost.

The Merkur franchise was established in 1985 to appeal to a growing number of young, affluent luxury sporty car buyers who were shopping for cars in BMW, Audi, Saab and Volvo showrooms. The cars were sourced from Ford's European subsidiary, Ford of Europe, which had successfully sold the models in Western Europe.

But the product line failed to ignite sales interest.

Merkur was Ford's third attempt to bring Europe into L-M showrooms. Earlier, it offered Ford of Germany's sporty Capri coupe and the limited-edition Pantera sports car from Italy. They were short-lived.

Merkur died slowly. L-M in 1986 called back 50 of the original 700 Merkur dealerships. In 1987, the name Merkur was virtually eliminated from Scorpio and XR4Ti advertising to stress the products over the brand name. In 1988, Ford announced that it would commit no more television dollars to its XR4Ti model. Several months later it said it could not justify the investment to equip the car with required passive restraints and dropped it from the lineup.

L-M planned to introduce the 1990 Scorpio in January and executives talked freely about a Scorpio notchback arriving in the 1991 model year. The only public sign that the franchise was in trouble was an announcement in September that marketing dollars for Scorpio would be reduced and the number of Merkur dealers would be cut a second time.

Dealers and marketing experts point to a series of marketing oversights that led to Merkur's termination. Detractors say the cars were good products but were overpriced by $8,000 to $10,000.

"The Scorpio should have been a $15,000 car and it would have sold well," said David Byram, general manager of Elmhurst Lincoln-Mercury, Elmhurst, Ill.

Others say there was too much competition from other domestic

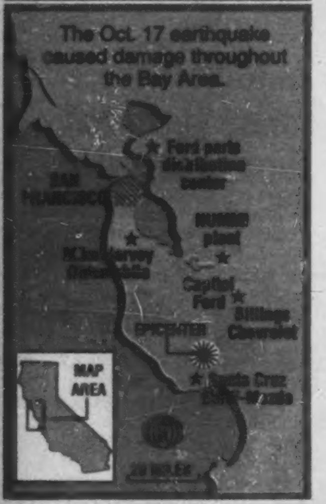
see SCORPIO, page 41

MERKUR UNIT SALES

	XR4Ti	Scorpio
1985	8,974	
1986	14,315	
1987	9,123	5,178
1988	5,745	9,516
1989*	3,754	2,713

*Through Oct. 10

Shockwaves



The Oct. 17 earthquake caused damage throughout the Bay Area.
Ford parts distribution center
SAN FRANCISCO
NUMMI plant
Capitol Ford
EPICENTER
MAP AREA
20 MILES

AUTOMOTIVE NEWS / CHRISTINE [illegible]

QUAKE: *Dealerships, NUMMI, Ford parts site damaged*

By Dutch Mandel and Timothy J. Dunne
AUTOMOTIVE NEWS STAFF

Last Tuesday's California earthquake brought havoc to the San Francisco Bay area, but the auto industry there fared reasonably well.

The quake was indiscriminant in its destruction, buckling and collapsing highways, bridges and buildings.

Feeling the temblor's effects were an auto manufacturing plant and high-tech Silicon Valley businesses, a Ford Motor Co. parts depot and countless auto dealerships and down Northern California's San Andreas Fault.

"I was on the third floor of this building, and I could hear glass breaking all around me," said Michael Damer, a spokesman for New United Motor Manufacturing Inc., the General Motors-Toyota joint venture in Fremont, Calif. "There was no panic when the earthquake was going on — there was just amazement from everyone."

Damer said that when the quake struck at 5:04 p.m., the second shift at NUMMI had been under way for 35 minutes. He said the facility was evacuated immediately, and operations ceased.

Damage included broken glass, water main and air compressor breakage and electricity loss. Damer said that of 10 people injured — with cuts and bruises, possible fractures and an asthma attack — three were released from the plant medical facility and seven were moved to a hospital.

see QUAKE, page 41

Review: 'Roger and Me' is funny, sad and often absurd

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DENVER — At nearly every public gathering lately, General Motors Chairman Roger B. Smith has had to defend himself, the corporation and the city of Flint, Mich., against their portrayals in the recently released film, *Roger and Me*.

The documentary by Flint native Michael Moore has taken the movie world by storm. The film chronicles the downward spiral of Moore's home town in the wake of GM plant closings that put more than 30,000 employees out of work, as well as Moore's efforts to track down Smith to convince him to visit Flint.

The film is funny — often absurd — and at the same time, sad.

The film is not yet available in commercial theaters, but movie houses hosting film festivals have packed in the audiences. At last week's Denver International Film Festival, all showings of *Roger and Me* sold out.

The film has won the prestigious Toronto Film Festival award and could be headed for an Oscar.

Movie critics have showered the picture with accolades. The New York Times called Moore a humorist in the tradition of Mark Twain.

Admitting he hadn't seen the film, Smith told reporters after the film won the Toronto award in September that from what he had read, the film does a great disservice to Flint and the thousands of workers there who contribute to the city and GM.

"It is unfortunate," he said, "that people who have pride in their community and the products they build are subjected to public embarrassment at a time when they are producing some of the finest products in America."

Other GM executives and members of the automaker's public relations staff also have spent much of their time standing up for Flint and GM since the film's release.

In an unusual move, GM recently

see FILM, page 41

AUTOMOTIVE NEWS/[illegible]

During a scene from *Roger and Me*, GM President Roger Smith announces the closing of 11 plants, eliminating 29,000 jobs.

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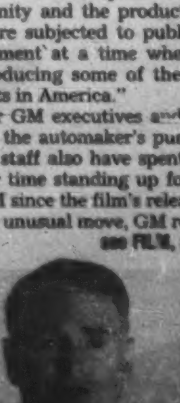

Ford keeps eye overseas:
Ford's talks with Saab-Scania are dead. But the automaker's No. 2 man, Harold Poling, says the company continues to look for joint-venture possibilities. Page 3

Poling says Jaguar won't end Ford hunt for partners

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — Ford Motor Co. will continue to explore possible joint ventures and projects with other overseas and domestic manufacturers — beyond current links with Mazda and Nissan and a pending relationship with Jaguar.

Ford Vice Chairman Harold Poling said Ford — which has increased its stake in Jaguar to more than 10 percent — is hoping to expand Jaguar's present car lineup with the assistance of Ford's engineering and manufacturing expertise and the benefits of Ford of Europe's "volume sourcing."

Ford, according to Poling, wants to help the British firm be a stronger competitor in Europe and the United States in the ultra luxury market.

But cross-breeding Ford and Jaguar product lines is unlikely.

Ford, Saab-Scania end talks

DETROIT — Ford Motor Co. and Saab-Scania have dissolved their talks about closer collaboration.

A brief joint statement Friday said, "These discussions did not lead to a conclusion acceptable to both sides and therefore have been discontinued."

They said they were unable to reach an agreement that could make long-term business sense for both parties.

The companies confirmed the discussions early in September but would not identify the nature of those talks.

The talks were part of a broadly based realignment in the European vehicle industry. Ford and General Motors are bidding for Jaguar, and Renault and Volvo are discussing areas of "mutual interest."

"I think we have a unique position with our luxury car products in the United States. I see this as different," said Poling when asked if Jaguar products could appear in Lincoln showrooms.

Ford would likely provide assistance where needed, not key components. "They have their own unique engines and to the extent they have powertrains planned that would satisfy the demand of the products they have planned," Poling said.

Poling said General Motors' bid for Jaguar didn't surprise Ford, because Jaguar had discussions — solicited and unsolicited — with nearly every major automaker.

AUTOMOTIVE NEWS/JOE WILSSENS

Ford's Harold Poling wasn't surprised by GM's bid for Jaguar.

Jaguar's purchase price, he said, must make it a "viable venture" for Ford. He added that Ford will not pay an unreasonable price.

"We would expect a relationship such that it would develop into a strong, healthy, vibrant competitor in the area of the market they (Jag-

see POLING, page 44

MG, Triumph may be part of Sterling's U.S. future

By Richard Feast
AUTOMOTIVE NEWS STAFF REPORTER

AUTOMOTIVE NEWS/JOE WILSSENS

Morris aims to turn Sterling around by 1992.

DETROIT — The prospect of an MG or Triumph returning to the United States has been dangled before beleaguered dealers by Sterling Motor Cars President Graham Morris.

Morris, listing the brand names still owned by the parent Rover Group, said, "We could bring back one of those badges, put it on a suitable vehicle and sell low volumes of 2,000-3,000."

While Morris would not identify the brand, the news represented a break with Rover policy of never discussing future products.

Sterling recently confirmed it will introduce a coupe derived from the sedan in the United States during the 1992 model year.

Sources also say the sedan replacement has been brought forward and that a convertible will follow the introduction of the coupe. Those cars are in addition to the niche model alluded to by Morris.

Rover is the name of the group that once successfully retailed MG, Triumph and Austin-Healey sports cars in the United States. The company, which presently sells MG versions of some of its sedans in Europe, also owns the Austin, Morris, Riley and Wolseley names.

The new products are part of a five-year plan to establish Sterling as a niche marketer in the United States.

Sterling directors discussed four strategies when they met three months ago: to pull out of the United States; to stick with incentives and remain as it is; to pursue a multimillion-dollar expansion plan; and — the course chosen — to go for what Morris called a "stabilizing strategy".

The plan calls for steadily reducing losses and a profit by 1992 for Sterling, Morris said.

One of the factors behind the decision to stay is the unification of European markets after 1992. Rover anticipates greatly increased competition in Europe and a pressure on margins as price equalization takes effect. The United Kingdom, where Rover sells most of its cars, has traditionally been a high-profit market.

"One of the main Rover Group objectives is an export-led expansion," said Morris. "We have to look elsewhere, and the United States is the obvious place."

One of Sterling's first steps is to ask dealers, "Have you got a future with Sterling?"

The question, in the form of a video dispatched to each of its 161 dealers, follows a quiet nine-month period during which Sterling has been getting its house in order.

"We want commitment," said Morris, who in January became the company's third president in as many years. "We're saying to them, 'Let's stay married, or let's get divorced.' "

Morris acknowledged past quality problems with Sterling, which went on sale in 1986. "We let the consumer down with some basic problems in 1987," he said.

But he said quality has improved dramatically. "The perception of quality lags behind reality, but we need a third-party endorsement."

Sterling expects results this week of a J.D. Power survey it commissioned on the subject. "Early reports are that we see a drastic improvement in every area," Morris said.

Big efforts are going into getting cars to market on time. The 1989s didn't go on sale until the spring of this year. The 1990s will not be on sale until November, but Morris promises 1991 cars will be ready for market next September.

Sterling has been steadily reducing stocks, which have been high almost from the introduction. It cleared unsold 1989s by providing free floorplanning to dealers. At present, there are no plans for incentives on 1990 models, Morris said.

He would not talk about sales projections, though he conceded there may be a further fall this model year. It would be on account of tougher market conditions, more competitors and the fact that Sterling is a year older.

Jaguar leader tells why Ford is unwelcome

By Daniel Ward
STAFF CORRESPONDENT

LONDON — As the rivalry between Ford and General Motors to be a successful suitor to Jaguar intensifies, Sir John Egan has spoken out about why Jaguar wants to rebuff Ford's "unwelcome" advances. Ford now owns 10.4 percent of the British firm.

The Jaguar chairman, speaking at the London Motorfair last week, said that in discussions with Jaguar, Ford has spent 90 percent of its time talking about eventual ownership of the luxury carmaker.

In contrast, GM has devoted 90 percent of its discussions over a nine-month period to establishing potential areas for partnerships and collaboration.

Egan

The quickening pace of tough emissions legislation in the United States is one of the major reasons the company's management concluded it needed a long-term partner.

"We have the technology to achieve these emissions standards, but we need a partner," Egan said.

Jaguar also realized that it must now have high-volume suppliers of "incidental parts" like wiring and switches.

GM is becoming a significant supplier to Jaguar. For more than a decade, Jaguar has used the GM400 automatic transmission for V-12 models.

GM's Delco operation will develop the engine management system for the revised V-12.

After Jaguar talked to "most of the carmakers in the world, GM emerged as the easiest to do business with as they were quite willing to help us," Egan said.

Ford would fund the expansion of Jaguar's model range with the addition of a car to compete with the BMW 5 series.

"We always wanted to expand our range, and it so happened that GM had an idea that was close to one we wanted to develop," Egan said.

Last week The Associated Press reported that Jaguar would build cars for GM.

Subaru-Isuzu expands ahead of schedule

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

LAFAYETTE, Ind. — Subaru and Isuzu will accelerate their U.S. production plans with a $90 million expansion of their Indiana plant, two years ahead of schedule.

Subaru-Isuzu Automotive officials said last week that by the third quarter of 1991, capacity at the $550 million plant will be boosted from its current 120,000 cars and trucks a year to about 170,000.

Tamon Yamamoto, Subaru-Isuzu president, said the plant will reach annual capacity of 240,000 vehicles by the fall of 1993.

That would be two years ahead of the schedule the parent companies originally planned but never announced, he said.

Subaru holds prices, Page 44

The early expansion reflects the company's optimism about U.S. sales prospects. Although Subaru's sales have declined this year, it is counting on increased demand for the Legacy, now being built by Subaru-Isuzu. Isuzu will rely on the expansion to help meet growing demand for sport-utilities.

Subaru-Isuzu began production in September. Fuji Heavy Industries (which owns Subaru) owns 51 percent of the venture; Isuzu Motors, the rest.

Half of the plant's output is Subaru Legacy sedans and wagons; the other half is Isuzu pickups. Next spring, Isuzu will also begin producing the Rodeo, a new sport-utility based on the Trooper.

Subaru has not specified what its next vehicle will be. But in an earlier interview, Yamamoto said the company was considering building its XT sports car at the Indiana plant.

The initial $90 million expansion, which is already under way, will boost production from 10,000 vehicles a month to 14,000 by mid-1991. That volume will also be divided evenly between the companies.

Akira Soejima, senior managing director of Fuji Heavy Industries, said Fuji is confident that, despite falling U.S. sales, expanded Subaru-Isuzu output in the United States is necessary. Subaru of America projects U.S. sales of 150,000 units for the 1989 calendar year, down from approximately 170,000 two years ago. Soejima said the company is currently selling 5,000 Japan-built Legacys a month in the United States and expects that number to increase.

The company dubbed its $90 million expansion an "accelerated Phase II" because it is a production stage that was not planned originally. Subaru-Isuzu had expected to go directly from 120,000 units in Phase I to 240,000 in Phase II.

James M. Woroniecki, Subaru-Isuzu vice president of human affairs and general resources, said the current expansion will include about $15 million in additional building construction and three additional stamping press lines.

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NADA's Tonkin may raise automakers' ire with new ad

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

HILTON HEAD, S.C. — Ron Tonkin has raised a slew of controversial issues about auto dealers and their relationships with automakers since his term as president of the National Automobile Dealers Association began last February.

And now, he plans to reiterate many of those issues in a print ad to appear soon in industry trade magazines.

Tonkin declined to discuss specifics of the ad, but apparently it also includes advice — called "thought-starters" — to dealers on how to confront automakers.

Tonkin has railed against manufacturers on issues like elimination of carryover allowances, fleet subsidies, changes in dealer advertising costs and layers of incentives to sell cars.

One NADA director characterized the ad as "a punch in the face" to manufacturers, saying he couldn't discuss it further for fear of losing the element of surprise.

Tonkin unveiled the plan last week at NADA's board of directors meeting here. At the time, he asked directors for a vow of secrecy on the ad's contents.

Although there were concerns about whether the ad could create liability questions for the association, an NADA spokesman said late last week it will go forward.

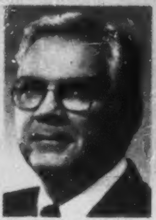
At last week's meeting, NADA directors also elected Ray Green, president of Ray Green Holding Co., based in Jacksonville, Ill., as the next president of the 20,000-member association.

Green, currently NADA first vice president, will assume office Feb. 13 at the association's 1990 convention in Las Vegas, Nev.

He has been active in a variety of NADA programs including industry relations, NADA building committee, Project 2000 and NADA/American International Automobile Dealers Association.

He is also chairman of the Toyota line group and serves on the Dealers Election Action Committee among others.

Green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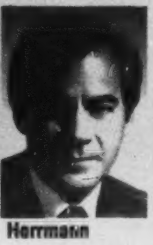

Herrmann

Adcox

Green has stated that he wants an increase in dealer contributions to the Dealers Election Action Committee so it can maintain and improve its political clout.

Frank Anderson, president of Sir Walter Chevrolet Co. in Raleigh, N.C., was elected first vice president. Anderson will almost certainly succeed Green as president in 1991.

Anderson is chairman of NADA's finance committee, serves on the building committee and is executive committee liaison to the policy and bylaws committee.

Mark S. Herrmann, president of Mark Buick Corp. in Yonkers, N.Y., was elected NADA secretary for 1990, and Herbert Adcox, president of Herb Adcox Chevrolet in Chattanooga, Tenn., was elected treasurer.

Elected for two-year terms as NADA regional vice presidents were Edward L. Scuncio, president of Scuncio Chevrolet in Greenville, R.I., Region I; and Richard E. Strauss, president-general manager of Dick Strauss Ford-Isuzu-Suzuki, in Richmond, Va., Region II.

Dealers elected to the finance committee are James K. Lust, president of Lust Chevrolet-Buick Co. in Aberdeen, S.D., for a three-year term; and S.J. Schumacher, owner-manager of Schumacher's Inc. in Linton, N.D., for a two-year term. Robert E. Moody, president of Moody's Inc. of River Falls, Wis., was re-elected a three-year term.

Elected to the board of directors of the National Automobile Dealers Association Retirement Trust for three-year terms were Jim Clark, president of Jim Clark Motors Inc. in Lawrence, Kan.; and Jimmy C. Payton, president of Payton-Wright Ford in Grapevine, Texas. Howard J. Christensen, president of Motor Inn. Co. of Albert Lea, Minn., was re-elected for a three-year term.

Bob Maquire, president of Bob Maquire Chevrolet in Bordenton, N.J., was elected to the board of directors of the National Automobile Dealers Associaiton Insurance Trust. Moody was re-elected to the board.

Makers slash 68,000 cars from 4th-quarter schedules

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

U.S. automakers have trimmed nearly 68,000 cars from their fourth-quarter production schedules.

The nine automakers now expect to assemble 1,656,046 units in the last three months of this year, 12.76 percent below 1988's total.

The updated fourth-quarter schedule indicates the lowest output for that period since 1982 when the recession slashed auto production to 1,308,774.

The Big 3 have scheduled 1,362,000 cars for assembly in the October-December period, 19.32 percent below last year's fourth-quarter output.

Transplants and joint-venture companies expect to produce 294,046 cars, 39.98 percent more than the 210,059 built in the final three months last year.

Ford Motor Co. was the only company to boost its schedule from its original forecast. Ford plans to assemble 400,000 cars, 6,000 more cars than it had initially slated, but still below last years output.

Ford's projected build is 10.55 percent below the 447,161 cars built in the period last year. Ford attributed this year's production dip to the Nov. 22-Feb. 26 shutdown of the Wayne, Mich., plant to retool for the new Escort.

General Motors cut 47,000 cars from its original fourth-quarter forecast. GM now plans to build 733,000 cars, 22.42 percent below its fourth-quarter build last year.

Chrysler Motors revised its schedule to 229,000 cars, 8,000 less than its original forecast and 22.67 percent below the year-ago total.

Diamond-Star Motors cut almost 15,000 cars out of its original schedule. The Chrysler-Mitsubishi joint venture now plans to produce 41,245 units. The company began reporting production figures last January.

Mazda Motor Manufacturing (U.S.A.) Corp. trimmed its schedule by 3,000 cars. Mazda now plans output of 52,000 units, 15.41 percent below the year-ago fourth quarter total.

Honda of America Manufacturing cut a mere 730 cars from its original schedule, bringing its new estimate to 84,455. That is 4.37 percent below 1988's fourth-quarter total.

Nissan Motor Manufacturing Co. U.S.A., New United Motor Manufacturing Inc., and Toyota Motor Manfacturing U.S.A. reported no changes in their fourth-quarter schedules.

Subaru-Isuzu Automotive in Lafayette, Ind., said last week that it was unable to supply a fourth-quarter auto production forecast.

FOURTH QUARTER AUTO PRODUCTION SCHEDULE, U.S.

	Projected 1989	Actual 1988	% change
GM	733,000	944,880	−22.42
Ford	400,000	447,161	−10.55
Chrysler	229,000	296,120	−22.67
Total Big 3...	1,362,000	1,688,161	−19.32
Diamond-Star	41,245	0	—
Honda ..	84,455	88,310	− 4.37
Mazda ..	52,000	61,473	−15.41
Nissan ...	26,046	25,510	+ 2.10
NUMMI .	43,300	16,239	—
Toyota ...	47,000	18,527	—
Total transplants/joint ventures	294,046	210,059	+39.98
Total	1,656,046	1,898,220	−12.76

Auto sales didn't tumble along with stock market

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Recent fluctuations in the stock market apparently have not yet caused a further sales downturn in the United States.

In a random Automotive News survey last week, dealers said sales were sluggish, but they could not attribute declines to stock market fluctuations since the Oct. 13 plunge of 190.58 points in the Dow Jones Industrial Average.

Several dealers said sales are down because customers are confused by the myriad of complex and diverse rebates on 1989 and 1990 models. A few said adverse weather reduced showroom traffic.

Conversely, some import dealers were surprised by an upturn in sales after the stock market upset.

After the Dow Jones average plunged 508 points on Oct. 19, 1987, dealers — particularly those in the Northeast and those selling upscale imports — reported an immediate, prolonged downturn due to consumer caution.

Dealers surveyed last week were monitoring inventories, and some said they have begun to cancel or freeze car orders. East Coast and Great Lakes dealers were most apprehensive about slower sales.

"Our traffic has been off the last few days. The buyer is totally confused. What we need now is something very simple and aggressive like 4.8 percent for 48 months," said Edward J. Butera, general manager of Warnock Chevrolet and Geo in Morristown, N.J.

"Used-car business has been good but new-car business has been horrible. We've canceled orders," said Steve Bird, sales manager of Courtesy Chevrolet-Oldsmobile in Shelby, Ohio. He said his stock is about 70 percent 1989 models.

Traffic has been down for Peter Griffin's Ford and Buick stores in Greenwich, Conn. But Griffin said he can't attribute it to stock market wariness. "The only traffic that has remained strong is Lexus," he said. "We're taking orders at list price. Buick has fallen off dramatically. Weatherwise, we've had rain for the last three days."

The stock market swings won't have the same impact as two years ago, according to Gregory Swartz, general manager of Randolph (Mass.) Chrysler-Plymouth. Sales were off last week, but he said it was more likely due to the vestiges of tropical storm Jerry.

A Boston luxury import car dealer said his grosses were way up last week and a lot of customers were paying cash for BMW and Mercedes-Benz models. He speculated that some might be taking equity loans. His dealership sold 10 cars the day the market dropped.

Sales have been sliding since early October for Sun Belt dealership Camelback BMW-Porsche in Phoenix, Ariz.

"Customers are more confused than cautious," said Camelback new-car manager Chuck D'Amato.

"I was concerned in the beginning," said Rene Areullo, new-car sales manager at Miami Lincoln-Mercury. "We had a decent Saturday and a slow Sunday (following the Friday Oct. 13 market plunge). Sales were nearly back to normal this week."

Stempel's view: 'minimal effect'

ST. LOUIS — General Motors President Robert Stempel told a group of engineers last week that the wild gyrations on Wall Street will have "minimal effect" on 1990 car and truck sales.

"The stock market gave us all a jolt in the closing hours of Friday afternoon (Oct. 13). But Monday's return to reasonable behavior indicates the basic business is sound," he told members of the North American Die Casting Association.

Basing his opinion on the University of Michigan consumer confidence survey, he said buying attitudes are still strong. "We are watching deliveries and stocks carefully," he said. "Car sales are still vulnerable. They've been strong for a long time — due in part to heavy incentives."

GMC ties ad series to success in survey

By Arlena Sawyers
AUTOMOTIVE NEWS STAFF REPORTER

PONTIAC, Mich. — GMC Truck Division hopes the one-two punch of J.D. Power and Associates and a new advertising campaign can do for compact trucks what it did for Buick LeSabre just three months ago.

GMC Truck is developing a new ad campaign touting its position as the No. 1 compact truck in Power's September New Car Sales Satisfaction Index.

"If I were a customer in the marketplace, I'd look at the SSI survey and think it was a good signal," said Sandra Dellinger, GMC Truck national advertising manager. "We are very excited. We will continue to express the quality in our products and our quality salespeople. We hope it will increase sales."

LeSabre's ranking as top domestic model in Power's June Initial Quality Survey helped Buick double last year's sales of LeSabre during the first 20 days of July.

The GMC campaign breaks in mid-November with a full-page ad in Automotive News congratulating GMC Truck dealers for earning top honors. Television ads — incorporating the Power Sales Satisfaction Index information — will begin shortly thereafter. Also, a billboard campaign is in the planning stages.

Dellinger said the ads will be "very direct, much like Mr. Iacocca's 'these are the facts' " messages in Chrysler ads.

To conduct the survey, Power polled owners three months after the purchase of their new vehicles about their sales experiences. Customers were asked, among other things, to evaluate salespersons on honesty, knowledge of model and features plus financing options.

This is the first year the survey included buyers of new compact trucks. There were 13 compact truck nameplates (counting Chevrolet and Geo as one) vying for top honors in one or more of the segments: pickup sport-utility and van.

GMC trucks included in the category are S-15 Jimmy, S-15 pickup and Safari compact vans. GMC sold 131,821 compact trucks from Oct. 1, 1988 through Sept. 30, 1989.

The second position was held by another GM product, Chevrolet/Geo, which scored 102 points in the survey. Ford claimed the third spot with 101 points, closely followed by Toyota which scored 100. The industry average is 82.2 points.

As a segment, compact pickups earned an overall Sales Satisfaction Index score of 100; compact vans scored, 36 and compact sport-utilities, 84.

OPINION

GM must improve its human relations when it shuts plants

General Motors will certainly close some assembly plants during the next few years. In plants across the continent, tens of thousands of employees know that GM can build far more cars than it can sell.

GM tries to be a humane corporate citizen when it closes a plant; while politicians campaign to require a few months' notice of impending plant closings, GM always gives far more notice than any politician ever talks about.

But the No. 1 automaker is going to have to do better if it hopes to achieve more productive relations with its workers, their communities and the North American population.

GM recently announced some plant shufflings. There was one winner, a plant in Flint, Mich., that will get van production that is currently done at Lordstown, Ohio, and Scarborough, Ontario. The people on the van line at Lordstown at least can start planning some changes.

But Scarborough employees and workers at two other plants are on the never-never-land list. They must wait to find out if GM will bless them with a new product.

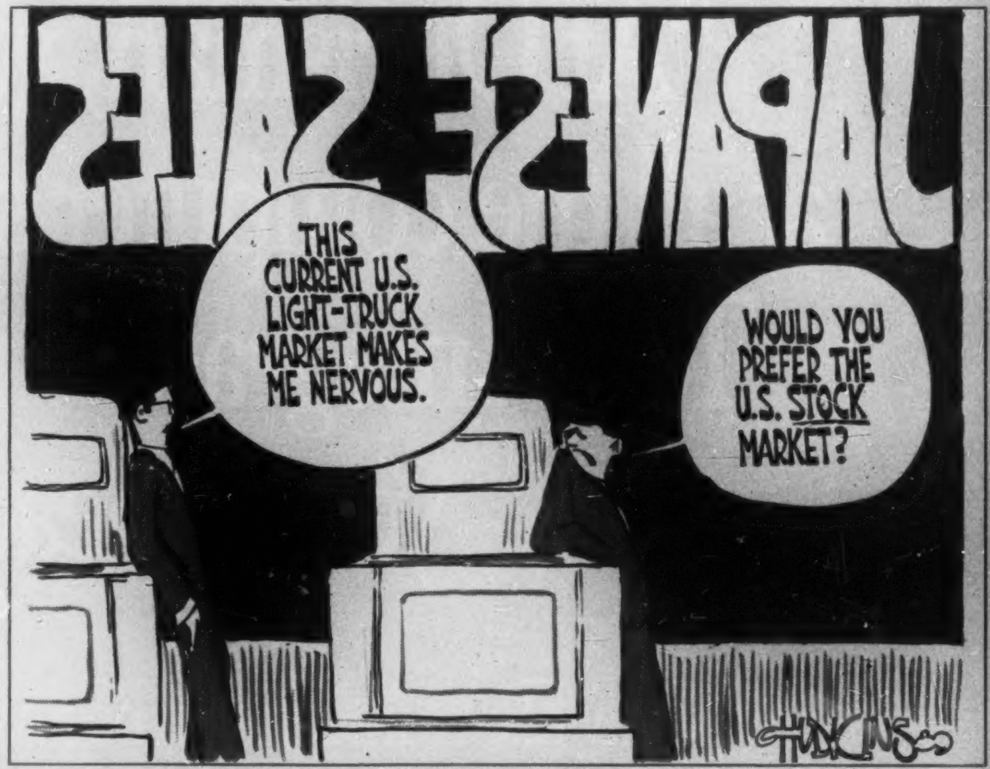
Look at the employees at the Van Nuys, Calif., plant, which builds the aging Camaro and Firebird models. Those workers were told that if those cars are replaced, the replacement will go to Quebec. Meanwhile, GM told the plant to continue looking at producing vehicles that might feasibly be produced for the West Coast market.

This comes from the company that couldn't make money on 40,000 Pontiac Fieros a year, and thus closed the plant whose workers did everything for the company but whistle the GM anthem while they worked. The Fiero workers — held up as the model of cooperative, productive American employees — didn't even qualify for the limbo that Van Nuys and Scarborough got.

After the announcement, the UAW is angry, the Canadian Auto Workers are angry, and workers at three plants have no particular reason to feel loyalty toward General Motors.

In a difficult market and with awesome responsibilities to people, GM has to do better. Its plan to achieve 100 percent utilization of capacity will inevitably mean closings and human misery.

But GM can shorten the time that plants are in limbo, while still giving plenty of time to prepare for a certain closing. And it can be honest with workers whose plants are on the hit list. Playing plants off against each other — and then making decisions that aren't really based on the cooperation of the workers — defeats an important piece of what GM is trying to achieve: better human relations.


JAPANESE SALES
THIS CURRENT U.S. LIGHT-TRUCK MARKET MAKES ME NERVOUS.
WOULD YOU PREFER THE U.S. STOCK MARKET?

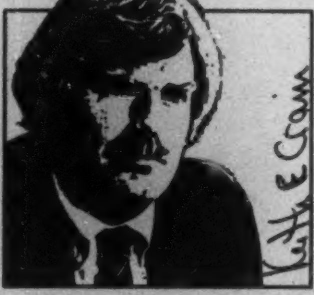
The fight for Jaguar is going to be bloody

The Ford Motor Co. executive promised his wife a Jaguar for Christmas. The General Motors executive promised his wife that she could have a Jaguar for her birthday. The automobile supplier promised himself a Jaguar any old time he could get away with it.

That is the real dynamic behind the attempted purchase of Jaguar plc by Ford or General Motors. Forget poor old Sir John Egan, the Jaguar chief executive. He doesn't count any more, and I'm not sure he knows it yet.

The British government's "golden share" will delay any takeover and will certainly influence the outcome for this well-regarded British marque.

But the real force, deep down inside, is that — customers aside, suppliers aside, even employees aside — every executive at Ford and GM wants to own Jaguar plc and maybe even drive a Jaguar. Throw away the keys to your Cadillac Fleetwood! Junk your brand-new Lincoln Town Car! Now, one of the two biggest companies in the automobile business is going to own a real jewel. Not something funny that nobody understands, like Ford's Aston Martin. Not a little engineering company that makes cars, like GM's Lotus.



This is big time, and the winner is going to be able to drive home with the prize.

No chance for second place. No ties. Winner take all.

If you're going to buy Hughes or some bank, then you analyze the finances and marketing, and you take your best shot. Those are simple business decisions: what is right financially for GM or Ford.

But when we think about Jaguar, we have passion and lust. Now we have something that every American schoolkid can get involved in with old Dad. They know what Jaguar is all about. They can almost smell that Connolly leather. They want to be the first on their block to have a really neat car — something special that will make the gasoline in their blood start to percolate.

In this battle of the titans, it is still anybody's guess as to who will win. In the next year and a half, Ford or GM is going to acquire what may become the plum of the 1990s.

Strange things happen when rational men become swayed by emotion. There are few things that will raise the blood pressure of an auto man like a Jaguar. Jaguar has that appeal.

It's strange: If Jaguar had figured out how to harness its own magic, then there wouldn't be a couple of suitors hanging around the front porch.

Automotive News

The weekly newspaper of the industry

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The Audit Bureau ABP

SEPTEMBER TRUCK SALES BY MANUFACTURER AND SEGMENT

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1989	TOTAL 1988
CHRYSLER-PLYMOUTH	MO	12,375						12,375	13,283
	YR	141,567						141,567	149,146
DODGE	MO	40,793						40,793	40,662
	YR	418,694						418,694	442,033
JEEP	MO	21,688						21,688	21,214
	YR	195,659						195,659	186,679
TOYOTA	MO	17,459						17,459	21,664
	YR	174,015						174,015	191,883
NISSAN	MO	7,795						7,795	16,908
	YR	119,404						119,404	131,756
MAZDA	MO	6,652						6,652	8,344
	YR	62,774						62,774	75,014
ISUZU	MO	8,649						8,649	8,718
	YR	72,918						72,918	65,169
MITSUBISHI	MO	2,693						2,693	3,323
	YR	29,962						29,962	33,466
SUZUKI	MO	2,368						2,368	761
	YR	19,787						19,787	50,517
RANGE ROVER	MO	414						414	329
	YR	3,562						3,562	2,527
FORD	MO	110,700	1,861		782	1,803	819	115,965	122,567
	YR	1,075,947	19,308		8,038	25,396	11,446	1,140,135	1,170,929
FREIGHTLINER	MO						1,932	1,932	2,188
	YR						18,532	18,532	17,166
CHEVROLET	MO	133,894		13	663	721		135,291	95,131
	YR	1,039,571		185	5,017	6,621		1,051,394	1,018,712
GMC	MO	35,885		444	483	1,078		37,890	27,161
	YR	279,060		3,350	4,316	9,718		296,444	295,650
KENWORTH	MO					21	1,510	1,531	1,874
	YR					301	13,650	13,951	12,578
MACK	MO				135	180	1,395	1,710	2,166
	YR				1,417	1,883	15,167	18,467	19,269
MERCEDES	MO				48	78		126	232
	YR				641	940		1,581	2,323
NAVISTAR	MO		1	14	1,040	2,684	2,485	6,224	6,939
	YR		107	109	9,271	24,244	26,339	60,070	63,391
PETERBILT	MO					26	1,403	1,429	1,782
	YR					396	12,389	12,785	11,966
VOLVO/GM HEAVY	MO					103	1,569	1,672	1,812
	YR					751	12,148	12,899	12,227
HINO	MO	38		55	50	91		234	215
	YR	198		373	407	745		1,723	1,547
NISSAN DIESEL	MO	65		80	66	48		259	184
	YR	422		579	300	479		1,780	1,556
ISUZU TRUCK	MO	329	67	38	23	41		498	612
	YR	3,980	475	171	576	506		5,717	4,965
MITSUBISHI FUSO	MO	101		46	32	39		218	378
	YR	1,203		489	256	460		2,408	2,150
SCANIA	MO						7	7	2
	YR						92	92	122
IVECO TRUCKS	MO	118	33	17	18			186	312
	YR	1,021	383	210	120			1,734	1,893
WESTERN STAR	MO						90	90	107
	YR						1,100	1,100	1,108
OTHER DOMESTICS	MO				32		43	75	96
	YR				136	116	616	[illegible]	677
GRAND TOTAL	MO	402,018	1,962	707	3,372	6,913	11,253	426,223	[illegible]
	YR	3,630,753	20,273	5,466	30,515	72,556	111,479	[illegible]	[illegible]
1988 YR to DATE		3,716,798	15,726	6,076	41,715	78,085	107,419		

NOTE: 1988 YTD includes 10 Subaru [illegible]; Class 1-3 sales data reported by individual manufacturers; Class 4-8 reported by Motor Vehicle Manufacturers Assoc.

Mitsubishi Fuso seeks 20 dealers; has 122

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

INKSTER, Mich. — Mitsubishi Fuso Truck of America signed its 122nd dealer here — a diesel repair shop that sells Marmons.

Jim Graham's Garage sold only a half dozen Marmons last year, according to Bill Witzke, shop manager. It is what its name suggests — a garage.

But Mitsubishi Fuso of Bridgeport, Conn., has had good results in signing inexperienced dealers.

The company's No. 1 dealer, Tri-County Truck & Equipment in Pompano Beach, Fla., never sold a new truck until it took on a Mitsubishi Fuso franchise a few years ago, according to Thomas E. Reimers, Mitsubishi Fuso Truck of America executive vice president and chief operating officer.

Reimers

Last year, the dealership retailed between 140 and 150 Fusos.

Reimers said repair shops typically have good reputations in their communities and can influence a customer to purchase one of their trucks when they take on a franchise.

It plans to sign about 20 more dealers by early next year to reach its goal.

Reimers added that it usually takes $22,000 to $26,000 to get a Mitsubishi Fuso franchise. About one-third of that is for parts; one-third is for special tools to work on the product; and the balance is for signs and merchandising materials.

Mitsubishi Fuso's sales, along with those of other cabover truck models, have been growing slowly. They account for less than 20 percent of Class 4-7 sales.

Reimers sees the cabover, or low-cab-forward, segment of the medium-duty market continuing to grow in 1990.

He believes the overall medium-duty market will be flat next year, producing about the same 170,000 sales projected for this year.

He expects some customers to be drawn into the market next year in order to avoid the cost of stiffer emissions requirements on 1991 medium- and heavy-duty diesel engine models.

Hino Diesel Trucks introduces remanufactured parts program

ORANGEBURG, N.Y. — Hino Diesel Trucks has entered the remanufactured parts business to support its line of medium-duty diesel trucks.

The program's purpose is to provide readily available, reasonably priced quality parts for Hino owners, according to F. Guy Bradford, Hino's assistant national parts manager.

To kick off the program, the company is offering starters and alternators for its full line of trucks.

They are remanufactured by Nippondenso of Japan, the firm that produces the original parts for the truck making company.

Bradford said Hino is using the Japanese supplier to ensure that its remanufactured parts meet original quality standards.

Hino has about 100 dealers nationwide. They are supplied through parts distribution centers in New York, Atlanta and Los Angeles.

Bradford said the centers provide a same-day fill rate of more than 97 percent on all orders.

He added that the remanufactured starters and alternators carry a Hino parts warranty honored by all the company's dealers.

More power and torque slated for Navistar 466 diesel engines

CHICAGO — Navistar International plans to increase the horsepower and torque of its 466 series diesel engines next year to satisfy requirements of key markets.

Along with new power ratings on the 466, all Navistar engines will be in compliance with 50-state emissions standards. Special California ratings will no longer be required.

Navistar plans to come out with a new top-end rating of 270 horsepower at 2,400 rpm and a peak torque of 740 pounds-feet at 1,600 rpm on its 466 series, beginning in March 1990.

Those engines are geared for vehicles that require high peak in mid-range models. They include municipal vehicles, dump trucks, utility vehicles, short haul/urban delivery and materials delivery and refuse vehicles, according to Chris Benner, Navistar's manager of medium-duty drivetrain planning.

In January, the DTA 466 will also offer an engine that develops 220 hp at 2,400 rpm with a higher 590 pounds-feet torque rating at 1,600 rpm.

At the same time, the DTA 466 will also offer a 245-hp rating at 2,400 rpm, with a higher 635 pounds-feet of torque at 1,600 rpm.

The DTA 360, also available in January, will offer a new 185-hp rating at 2,700 rpm and 435 hp at 1,700 rpm, as well as its previous 170 hp at 2,700 rpm and 400 pounds-feet of torque at 1,700 rpm.

The DTA 360 and Navistar's 7.3-liter are targeted toward more cost-sensitive markets such as municipalities and school bus fleets.

Their choice is determined by power requirements, the engine's rebuildability and sheer operating economics, according to John Toole, Navistar manager of product planning, engine and foundry division.

AROUND THE WORLD

Lotus Elan U.S.-bound at $33,000

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

The Lotus Elan made its debut Wednesday at the London Motorfair.

HETHEL, England — Lotus Cars has unveiled its new Elan sports car that is headed for the United States. The car is the successor to the British firm's 1960s' vintage two-seater of the same name.

The General Motors subsidiary presented the car at last week's Motorfair in London and will exhibit it at the Tokyo auto show, which opens Thursday.

The Elan will enter the U.S. market late next spring at a base price of $33,000, according to Ronald Foster, president of Lotus Cars U.S.A.

Lotus plans to allocate only 1,000 units to the United States out of a total production of 3,000.

Foster said restricting volume protects against currency fluctuations by reducing the manufacturer's dependence on the United States. Lotus' strategy also calls for 1,000 Elans for Europe and 1,000 for the Far East.

The front-wheel-drive Elan uses an Isuzu-based drivetrain. The body is unusual: a multi-piece bonded, riveted and bolted fiberglass-reinforced plastic and steel composite structure. The single-piece floorpan is made of reinforced fiberglass.

The 1.6-liter engine is offered in turbo or naturally aspirated form, though only the turbo will be sold in the United States. American cars will have air conditioning and power steering.

Elan development costs are part of a £36 million ($56 million U.S.) investment program at Hethel (Lotus' headquarters) that is split between car development and new production facilities.

Group Lotus Managing Director Michael Kimberley said 1,400-1,500 Elans will be produced next year and 3,000 in 1991.

The additional 3,000 cars will bring total Lotus output to 5,000 units annually, compared with 1,200 during the 1989 model year.

Production begins in November and cars are scheduled to reach dealerships in the United Kingdom in January. The convertible will be offered first, followed by a hardtop three months later.

The Elan went through three incarnations before the final design was completed in November 1986. The result is a short, uncluttered shape, with a wide stance, minimal front and rear overhang and sharply raked windshield. The drag coefficient is 0.34 with the top up, 0.38 with the top down.

Though some cues from the previous Elan are retained, chief designer Peter Stevens said an evolutionary design was sought.

The new Elan is 3½ inches longer and 12 inches wider than the old model, measuring 149.7 inches long and 68.3 inches wide, excluding mirrors. The 88.6-inch wheelbase is 5 inches longer. And at 2,249 pounds, the new Elan is 490 pounds heavier than the old Elan Sprint.

Stevens said the fwd, transverse-mounted-engine package allows new proportions.

"The mechanical layout gave us the cockpit space for increased footroom," said Kimberley.

But Roger Becker, Lotus' ride and handling chief, said the move to fwd was "dynamically led, to establish new standards," not dictated by packaging needs.

"We were looking for something completely different," he said. "We could have easily done a rear-wheel-drive car with good results, but we are a technology-led company, and a '90s Elan has to be something special."

He said the torque-steer problem associated with fwd is controlled with a new suspension system dubbed "interactive wishbone" on the patent application.

Instead of a conventional wishbone arrangement, each front suspension assembly is mounted on a separate aluminum raft. The system offers wheel fore-and-aft compliance without sacrificing steering precision, handling and traction.

The 137-mph turbocharged Elan SE is powered by a 1.6-liter, 16-valve four-cylinder "Isuzu-Lotus" engine mated to a five-speed Isuzu manual gearbox. The powerplant develops 165 horsepower, and Lotus reports a 0-60-mph time of 6.7 seconds.

The naturally aspirated Elan produces 130 hp, with a top speed of 122 mph and a 0-60-mph time of 7.6 seconds.

Kimberley insisted there was no pressure from GM to use the powertrain from GM-affiliate Isuzu. "We looked at every cotton-pickin' engine we could find," he said. "We chose an engine that was an idea on a drawing board at the time. That way we could be involved in the development rather than take something off the shelf."

European sales drop after two-year wait

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Evidence of a long-overdue downturn in the European new-car market is beginning to accumulate as the first monthly sales decline of the year occurred in September.

Sales fell 3 percent last month following a 3 percent rise in August, according to industry estimates compiled by Automotive News. Sales were virtually flat in two of the three prior months.

Industry experts have been predicting a slump for almost two years. Instead, new-car sales in Western Europe totaled nearly 13 million in 1988 and were 4.1 percent ahead of last year's record pace during the first three quarters of 1989.

"The market is tailing off, but it will still be an all-time record year," said John May, of Automotive Industry Data in Britain.

September new-car sales totaled 969,700. Nine-month volume was 10,432,700.

The West German and British markets — Europe's two largest — fell back in September, while sales in Italy and France topped the same month in 1988. Germany's monthly decline was traceable in part to a record September in 1988. Sales here last month also suffered from a shortage of catalytic-converter-equipped cars in dealerships due to vacation production shutdowns, industry analysts said.

"Germany will pick up again," said May. "It will do no worse in the fourth quarter than it did last year."

Three German firms heavily dependent on the domestic market — Volkswagen, BMW and Mercedes-Benz — declined by the biggest margins during the month. VW, which moved past Fiat Auto into first place in August, saw its lead shrink in September as Fiat outsold the West German group by about 7,100 units.

A Fiat spokesman, commenting on VW's first place in August, declared, "We are not giving up."

Indeed, some statistical sources say Fiat edged into the lead in September. Helped by an Italian market that rose more than 16 percent, Fiat Auto (including Alfa Romeo and Lancia) advanced 8.3 percent to 146,000 units in September. Through the first nine months, Fiat was up 3.7 percent to 1,519,900 in Europe, a 14.6 percent share of the market.

VW, which includes Audi and Seat brands, retailed 138,900 cars in September, down 13.3 percent from 1988. In Germany alone, where the market was off by just over 18 percent, VW declined 27 percent in September to 55,600 units. VW Group sales in all of Europe rose 5.5 percent to 1,544,700 for the first nine months of this year, a 14.8 percent share.

Peugeot S.A. was third in the European rankings with a 12.7 percent share for nine months on sales of 1,328,200, a volume gain of 5.2 percent. Ford was next with an 11.8 percent share on nine-month volume of 1,228,600, a 6.1 percent increase.

General Motors, this year's top gainer among Europe's six high-volume makers, was up 8.7 percent for 1989 on sales of 1,156,500 — an 11.1 percent slice of the market. Renault followed with a 10.1 percent share for 1989 on sales of 1,057,200, up 7.1 percent over its nine-month total in 1988.

Sales of Japanese cars dipped 11 percent to 114,200 units in September. After nine months, sales were 0.8 percent below last year's at 1,139,900.

West Germany, Europe's largest market, remained 0.2 percent ahead of last year with nine-month volume at 2,157,700.

Britain was 5.1 percent above 1988 for the nine months with 1,919,300 new-car sales.

Italy rose sharply in September, bringing nine-month volume to 1,794,900, 7.3 percent above 1988. French sales were up 7.4 percent through nine months at 1,678,400. Spanish sales after three quarters were 7.6 percent ahead of 1988 at 857,000 units.

NEW-CAR SALES BY COUNTRY IN EUROPE

Country	9 mos., 1989	Percent gain/loss
West Germany	2,157,700	+ 0.2
United Kingdom	1,919,300	+ 5.1
Italy	1,794,900	+ 7.3
France	1,678,400	+ 7.4
Spain	857,000	+ 7.6
Netherlands	415,100	+ 1.0
Belgium-Luxembourg	381,200	+ 1.5
Switzerland	267,000	+ 6.1
Sweden	223,500	−11.0
Austria	222,600	+ 9.8
Portugal	145,400	− 4.6
Finland	142,900	+ 3.4
Ireland	67,200	+25.4
Denmark	62,600	−14.4
Greece	57,400	+32.6
Norway	40,500	−25.9
Total	10,432,700	+ 4.1

EUROPEAN SALES

Manufacturer	9 Mos. 1989	1989 share*	9 mos. 1988	Volume Change '89 vs '88
VW-Audi-Seat	1,544,700	14.8	1,463,900	+ 5.5
Fiat Group**	1,519,900	14.6	1,465,700	+ 3.7
PSA***	1,328,200	12.7	1,262,700	+ 5.2
Ford	1,228,600	11.8	1,158,500	+ 6.1
General Motors****	1,156,500	11.1	1,063,800	+ 8.7
Renault	1,057,200	10.1	987,100	+ 7.1
Austin Rover	338,800	3.2	366,400	− 7.5
Mercedes-Benz	331,400	3.2	350,500	− 5.5
Nissan	317,500	3.0	303,900	+ 4.5
BMW	304,000	2.9	277,400	+ 9.6
Toyota	268,400	2.6	276,600	− 2.9
Volvo	205,900	2.0	204,700	+ 0.6
Mazda	174,400	1.7	196,500	−11.3
Mitsubishi	129,000	1.2	120,500	+ 7.0
Honda	108,400	1.0	112,400	− 3.6
Others	419,800	4.0	410,400	+ 2.3
Total	10,432,700	100.0	10,021,000	+ 4.1

*Doesn't add to 100 because of rounding
**Includes Alfa Romeo
***Peugeot, Citroen, Talbot
****Opel, Vauxhall, Isuzu, GM-U.S. Canada

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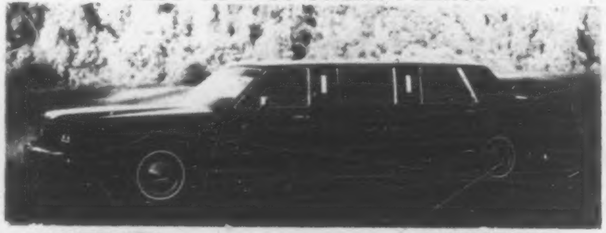

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Imports suffer in September; car sales decline 8%

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

September was a dreary month for most importers, with car sales off 8.1 percent from a year ago.

That brought import car sales for the first nine months of 1989 to 2.17 million units, down 6.7 percent from the first three quarters of 1988.

The only group doing well is the Japanese. Although September sales were down 4.5 percent and year-to-date sales were off 2.3 percent, that is a strong showing in view of the fact that six of the nine Japanese automakers are boosting U.S. production. Their declining import totals are being more than offset by gains from U.S.-built cars.

European cars were off 8.9 percent in September and 12.7 percent for the year.

September provided some solace to four European makes that had seen sales fall through the first eight months. Peugeot, Audi, Mercedes-Benz and Alfa Romeo posted sales gains ranging from 3 to 32.6 percent for the month.

The list of winners is rather short. Daihatsu, Nissan, Acura, Mitsubishi and Ford Festiva had sales gains for September and for the first three quarters. Volvo remains alone among Europeans in gaining ground for the year so far, despite a 7.2 percent decline in September.

Of those, September was kindest to Chevy, which gained 12.6 percent, and cruelest to Subaru, which was off 31.6 percent. But last month Subaru began producing its first cars in the United States, at a new plant in Lafayette, Ind.

Among importers with falling sales this year, Jaguar, Saab and Pontiac's Korean-built LeMans have suffered declines ranging from 6.9 to 12 percent.

Others have been hit much harder. Hyundai, Porsche, Sterling, Maserati, Merkur and Yugo all have posted nine-month loses ranging from Hyundai's 30.1 percent to Yugo's 68 percent.Merkur suffered an 80.8 percent drop in September, from 1,634 to 314 units.

Some companies don't fit into tightly drawn categories.

Honda and Toyota have posted import sales losses so far this year, but the figures don't reflect either the gains in U.S. production for their main brands or the shift in import allocations to their luxury brands, Acura and Lexus. In addition, last month's 23.7 percent drop for Honda can be attributed to a temporary shortage of Accords during a model changeover.

Mazda, which had a 1.9 percent decline for the first nine months of 1989, also is increasing U.S. production.

Chrysler imports were down 18.6 percent for nine months, but Chrysler is giving up some of its import allocation to Mitsubishi in exchange for increased production from the Chrysler-Mitsubishi joint-venture assembly plant in Normal, Ill.

Isuzu's 26.7 percent decline for mine months and 65.9 percent dropoff in September is misleading. Isuzu is replacing both its car models, but new cars haven't started arriving in showrooms. The company also is shifting emphasis gradually to trucks, which are not reflected in these figures.

SIZE CLASS SHARES Domestic and Import September 1989

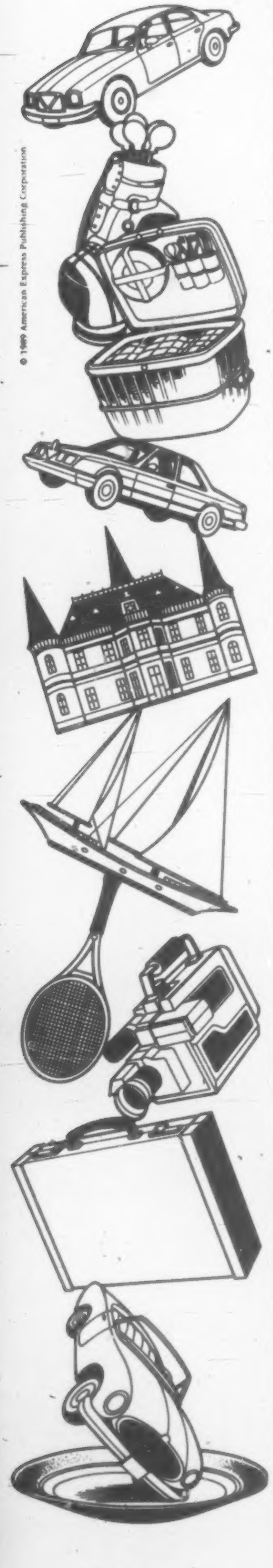
	Total Sales	Pct. of Total
SUBCOMPACT	205,842	24.56
COMPACT	198,808	23.72
INTERMEDIATE	292,035	34.84
STANDARD	119,292	14.23
SPECIALITY	22,250	2.65
TOTAL	838,227	100.00

IMPORT CAR SALES BY MODEL

	Sept. 1989	Sept. 1988	9 Mos., 1989	9 Mos., 1988
ACURA	12,011	13,417	110,707	98,232
Integra	5,298	6,047	61,037	45,803
Legend	6,713	7,370	49,670	52,429
ALFA ROMEO	305	230	2,493	3,663
Milano	142	120	951	1,831
Spider	163	110	1,542	1,832
AUDI	2,182	1,734	15,870	18,335
4000	4	26	95	546
5000	15	252	304	6,917
80	348	404	3,464	4,647
90	281	454	3,624	4,762
V8 Quattro	115	0	492	0
Coupe Quattro	68	0	212	0
100/200	1,136	436	6,140	1,087
100/200 Quattro	215	162	1,539	376
BMW	4,401	6,024	49,887	53,286
3-Series	2,094	2,706	24,648	27,706
5-Series	1,077	1,811	14,809	12,181
635 CSi	106	188	1,224	1,471
7-Series	1,059	1,077	7,829	9,803
M3	49	121	781	1,351
M5	9	57	255	325
M6	7	64	341	449
CHEVROLET/GEO	9,625	8,546	91,553	94,464
Spectrum	5,032	4,259	49,255	57,150
Metro	4,593	4,287	42,298	37,314
CHRYSLER MOTORS	8,874	10,500	81,244	99,852
Colt	5,295	6,289	45,208	64,113
Conquest	289	730	4,522	8,172
Medallion	85	1,233	3,736	11,160
Summit	1,832	702	16,016	1,275
Vista	1,127	1,546	10,423	15,132
TC	246	0	1,339	0
DAIHATSU	1,501	1,021	10,869	8,566
FORD Festiva	6,225	5,768	55,982	53,466
HONDA	16,843	22,079	185,427	187,921
Civic/CRX	5,996	6,574	47,764	79,760
Accord	8,065	10,117	100,733	71,025
Prelude	2,782	5,388	36,930	37,136
HYUNDAI	13,602	17,194	146,042	208,966
Excel	11,166	17,194	124,526	208,966
Sonata	2,436	0	21,516	0
ISUZU	845	2,478	14,563	19,860
I-Mark	671	1,885	10,266	13,398
Impulse	174	593	4,297	6,462
JAGUAR	1,482	1,832	13,882	14,913
XJ6	1,168	1,385	10,633	11,276
XJS	314	447	3,249	3,637
LEXUS	4,554	0	4,554	0
ES 250	1,115	0	1,115	0
LS 400	3,439	0	3,439	0
MASERATI	20	59	220	649
MAZDA	17,922	18,427	171,280	174,523
323	4,380	7,756	53,312	71,397
Protege	1,762	0	2,342	0
626	3,912	5,636	43,315	52,174
MX-6	20	618	2,139	7,514
Miata	2,635	0	13,525	0
929	1,361	2,407	15,437	20,624
RX-7	1,236	1,905	13,576	22,700
MPV	2,616	105	27,634	114
MERCEDES BENZ	6,886	6,160	56,330	63,905
190	1,366	1,323	10,907	13,829
260E	510	384	3,855	5,167
300	2,185	1,589	16,606	16,073
300 SE	559	426	5,071	3,318
300SDL Turbo	0	0	2	89
300SEL	283	180	2,987	4,007
420SEL	787	585	5,277	6,424
560SEL	459	422	3,711	4,014
560SL	521	926	6,180	8,997
560SEC	165	95	1,147	1,156
Tourist	51	230	587	831
MERKUR	314	1,634	6,320	11,772
XR4Ti	221	542	3,695	4,056
Scorpio	93	1,092	2,625	7,716
MITSUBISHI	7,007	6,687	58,311	55,273
Starion	24	357	637	2,642
Cordia	7	746	365	5,120
Tredia	0	11	12	466
Mirage	2,869	1,070	16,716	9,751
Galant	2,637	2,012	25,117	15,413
Precis	1,313	1,754	13,926	16,433
Van/Wagon	157	737	1,538	5,348
NISSAN	35,971	29,347	321,352	275,015
Sentra	11,014	13,059	97,255	109,428
Pulsar	1,264	3,120	20,285	38,331
Stanza	3,500	4,586	34,322	37,131
Axxess	865	0	6,123	0
Maxima	10,800	4,003	84,251	52,720
240SX/200SX	5,731	2,847	55,621	18,528
300ZX	2,425	1,564	20,601	16,040
Hawaii	372	168	2,894	2,837
PEUGEOT	520	505	4,762	5,094
PONTIAC LeMans	4,079	5,252	41,254	46,055
PORSCHE	656	1,071	7,333	12,461
924S	8	78	108	2,054
944	138	318	1,078	2,864
944S	58	52	351	372
944 Turbo	86	147	613	1,404
911 Coupe/Carrera 4	142	190	1,865	2,410
911 Turbo	59	70	974	845
911 Cabriolet/Speedster	106	130	1,724	1,455
928S	59	86	620	1,057
SAAB	2,627	2,983	26,270	29,859
900	549	590	5,301	5,147
900S	811	803	6,756	8,025
900 Turbo	711	726	6,999	7,254
9000S	182	312	2,157	2,703
9000 CD	170	0	2,438	0
9000 Turbo	183	513	2,378	6,039
Tourist	21	39	241	691
STERLING	418	910	4,544	7,492
SUBARU	10,064	14,710	111,175	116,420
Hatchback	110	349	2,369	4,342
3-Door	277	1,075	7,267	6,846
4-Door Sedan	707	3,316	26,737	23,942
Legacy	4,883	0	19,241	0
Loyale	1,141	0	8,678	0
XT/XT6	970	1,243	10,480	11,190
Station Wagon	309	6,652	19,545	49,841
Justy	1,667	2,075	16,858	20,259
SUZUKI	618	0	4,618	0
TOYOTA	39,893	46,282	376,538	447,828
Corolla	8,461	11,187	90,899	112,828
Tercel	8,654	8,485	73,903	70,803
Celica	4,465	5,387	42,401	50,938
Supra	658	1,256	12,201	15,082
Camry	8,446	16,157	103,495	157,110
Cressida	3,588	986	19,990	8,864
Land Cruiser	369	225	4,014	4,970
Van	330	268	3,556	4,126
4Runner SR 5	4,463	1,755	21,568	16,471
MR2	459	576	4,411	6,636
VOLKSWAGEN	10,025	12,703	104,657	112,000
Cabriolet	687	1,554	8,638	11,336
Corrado	410	0	510	0
Jetta	3,972	2,902	42,213	41,000
Golf/GTI	1,511	1,824	17,962	6,090
Vanagon	286	307	4,077	4,303
Quantum	26	328	908	2,408
Scirocco	9	504	854	2,927
Fox	3,124	5,284	29,495	43,936
VOLVO	8,038	8,664	80,807	76,679
240 Series	3,057	3,286	33,022	32,157
740 Series	3,809	2,853	36,300	32,469
760 Series	915	2,140	9,378	10,015
780	245	343	1,601	1,459
Tourist	12	42	506	579
YUGO	977	2,510	8,325	26,006
IMPORT TOTAL	228,465	248,727	2,167,169	2,322,555

Volkswagen-had reported sales of U.S.-built Golf and GTI models as imports after June 30, 1988.

Compiled by Karen [illegible]



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AUCTION DATES

Chrysler Motors

Oct. 24 — American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Florida Auto Auction of Orlando, Ocoee, Fla.; Portland Auto Auction, Portland, Ore.; Riverside Auto Auction, Riverside, Calif.; Greensboro Auto Auction, Greensboro, N.C.; and San Antonio Auto Auction, San Antonio, Texas

Oct. 25 — A.D.E. of Birmingham, Moody, Ala., and Butler Auto Auction, Gibsonia, Pa.

Oct. 26 — Northway Exchange, Clifton Park, N.Y.; Aptco Auto Auction, Taylor, Mich.; Indianapolis Auto Auction, Indianapolis; Omaha Auto Auction, Omaha, Neb.; Southwest Auto Auction, Chandler, Ariz.; and Ark-La-Tex Auto Auction, Shreveport, La.

Oct. 27 — Manheim Auto Auction, Manheim, Pa.

Oct. 31 — Clanton's Auto Auction, Darlington, S.C.; Southern Auto Auction, Warehouse Point, Conn.; Hatfield Auto Auction, Hatfield, Pa.; Nashville Auto Auction, Nashville, Tenn.; South Seattle Auto Auction, Kent, Wash.; Golden Gate Auto Auction, Fremont, Calif.; and Dallas Auto Auction, Grand Prairie, Texas.Nov. 1 — Columbus Fair Auto Auction, Obetz, Ohio; Denver Auto Auction, Aurora, Colo.; Minneapolis Auto Auction, Plymouth, Minn.

Nov. 2 — The Big Sky Auto Auction, Billings, Mont.; Fredericksburg Auto Auction, Fredericksburg, Va.; Metro Auto Aucton of Kansas City, Lee's Summit, Mo.; Salt Lake Auto Auction, Salt Lake City; Amarillo Auto Auction, Amarillo, Texas; and Southern States Vehicle Auction of Atlanta, Newman, Ga.

Nov. 3 — St. Louis Auto Auction, Bridgeton, Mo., and Tri-State Auto Auction, Cicero, N.Y.

Nov. 7 — American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Florida Auto Auction of Orlando, Ocoee, Fla.; Portland Auto Auction, Portland, Ore.; Riverside Auto Auction, Riverside, Calif.; Greensboro Auto Auction, Greensboro, N.C.; and San Antonio Auto Auction, San Antonio, Texas.Nov. 8 — A.D.E of Birmingham, Moody, Ala., and Butler Auto Auction, Gibsonia, Pa.

Nov. 9 — Northway Exchange, Clifton Park, N.Y.; Aptco Auto Auction, Taylor, Mich.; Indianapolis Auto Auction, Indianapolis; Omaha Auto Auction, Omaha, Neb.; Southwest Auto Auction, Chandler, Ariz.; and Ark-La-Tex Auto Auction, Shreveport, La.

Nov. 10 — Manheim Auto Auction, Manheim, Pa.

Nov. 14 — Clanton's Auto Auction, Darlington, S.C.; Southern Auto Auction, East Windsor, Conn.; Hatfield Auto Auction, Hatfield, Pa.; Nashville Auto Auction, Nashville, Tenn.; South Seattle Auto Auction, Kent, Wash.; Golden Gate Auto Auction, Fremont, Calif.; and Dallas Auto Auction, Grand Prairie, Texas.

Nov. 15 — Columbus Fair Auto Auction, Obetz, Ohio; Denver Auto Auction, Aurora, Colo.; and Minneapolis Auto Auction, Plymouth, Minn.

Nov. 16 — Fredericksburg Auto Auction, Fredericksburg, Va.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Salt Lake Auto Auction, Salt Lake City; Amarillo Auto Auction, Amarillo, Texas.

Nov. 17 — St. Louis Auto Auction, Bridgeton, Mo.; Tri-State Auto Auction, Cicero, N.Y.; West Palm Beach Auto Auction, West Palm Beach, Fla.; and Manheim Auto Auction, Manheim, Pa.

Ford Motor Co.

Oct. 24 — A.D.E. of Birmingham, Moody, Ala.; Ohio Auto Auction, Grove City, Ohio; Bay Cities Auto Auction, Hayward, Calif.; and South Seattle Auto Auction, Kent, Wash.

Oct. 25 — Albuquerque Auto Auction, Albuquerque, N.M.; Concord Auto Auction, Acton, Mass.; Aptco Auto Auction, Taylor, Mich.; Fort Worth Auto Auction; Fort Worth, Texas; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Greater Tampa Bay Auto Auction, Tampa, Fla.

Oct. 26 — Denver Auto Auction, Aurora, Colo.; Greensboro Auto Auction, Greensboro, N.C.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

General Motors

Oct. 24 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Dallas; Fresno Auto Dealers Auction, Fresno, Calif.

Oct. 25 — Atlanta Auto Auction, Red Oak, Ga.; Puget Auto Auction, Auburn, Wash.; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Southern California Auto Auction, Fontana, Calif.; Mississippi Auto Auction, Hattiesburg, Miss.; and Omaha Auto Auction, Omaha, Neb.

Oct. 26 — Arena Auto Auction, Chicago; Columbus Fair Auto Auction, Columbus, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; Utah Auto Auction, West Bountiful, Utah; and Mid Ark Auto Auction, N. Little Rock, Ark.

Oct. 31 — A.D.E. of Birmingham, Moody, Ala.; National Auto Dealers Exchange, Bordentown, N.J.

Toyota

Oct. 24 — South Seattle Auto Auction, Kent, Wash.

Oct. 26 — Dallas Auto Auction, Grand Prairie, Texas.

Model-year breakdown

Used car sales, auction averages

Year	1st half August	1st half September	1st half October
1989	$10,733	$10,724	$9,786
1988	7,626	7,490	7,143
1987	6,150	5,806	5,677
1986	5,246	5,010	4,879
1985	4,419	4,091	3,984
1984	3,486	3,145	3,025
1983	2,639	2,382	2,373
1982	2,001	1,397	1,836
Overall	$5,896	$5,553	$5,322

Source: NADA Official Used Car Guide

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Dealers Auto Auction of Oklahoma City, Box 75757, Oklahoma City, OK 73147. Sale every Thurs. 10 A.M. GMAC, Ford Motor Credit, Chrys. Credit weekly. 405-947-2886.

Portland Auto Auction. Fleet & lease accts. welcome, repos, etc. The West's best. Call: Rene', 503-286-3000. 3000 No. Hayden-Island, Portland, Oregon 97217.

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INCENTIVE WATCH

CUSTOMER INCENTIVES

	Rebates	Finance Rates (Pct.) — Months —				Expiration Date
		24	36	48	60	
Chrysler Motors (1988-89 models)						
Chrysler	$500-$1,000	6.9	7.9	9.9	9.9	None
Dodge cars	$500-$1,000	6.9	7.9	9.9	9.9	None
Dodge trucks	$500-$2,500	6.9	7.9	9.9	9.9	None
Eagle	$750-$1,200	6.9	7.9	9.9	9.9	None
Jeep	$500-$1,000	6.9	7.9	9.9	9.9	None
Plymouth	$500-$750	6.9	7.9	9.9	9.9	None
Chrysler Motors (1990 models)						
Chrysler	**$500-$1,000**	**6.9**	**7.9**	**9.9**	**9.9**	**None**
Dodge cars	**$300-$1,000**	**6.9**	**7.9**	**9.9**	**9.9**	**None**
Dodge trucks	**$500-$2,000**	**6.9**	**7.9**	**9.9**	**9.9**	**None**
Eagle	**$500-$1,000**	**6.9**	**7.9**	**9.9**	**9.9**	**None**
Jeep	**$500-$1,000**	**6.9**	**7.9**	**9.9**	**9.9**	**None**
Plymouth	**$300-$750**	**6.9**	**7.9**	**9.9**	**9.9**	**None**
Ford Motor Co. (1989 models)						
Ford cars	$500-$1,000	6.9	8.9	9.9	10.9	None
Ford trucks*	$500-$1,250	6.9	8.9	9.9	10.9	None
Lincoln	$500-$1,500					None
Mercury	$600-$1,500	6.9	8.9	9.9	10.9	None
Merkur	$3,000-$4,000					None
*-Ford truck finance incentive applies only to Ranger and Bronco II						
Ford Motor Co. (1990 models)						
Ford cars	**$500-$800**	**6.9**	**8.9**	**9.9**	**10.9**	**None**
Ranger, Bronco II	**$1,000-$1,250**	**6.9**	**8.9**	**9.9**	**10.9**	**None**
Mercury Topaz, Cougar, Sable	**$600**	**6.9**	**8.9**	**9.9**	**10.9**	**None**
General Motors (1989 models)						
Chevrolet cars	$400-$1,000	6.9	8.9	9.9	10.9	None
Chevrolet trucks	$500-$1,250	6.9	8.9	9.9	10.9	None
GMC	$500-$1,250	6.9	8.9	9.9	10.9	None
Oldsmobile	$200-$2,500*	6.9	8.9	9.9	10.9	None
Pontiac	$600-$1,000	6.9	8.9	9.9	10.9	None
*-Based on option package selected						
General Motors (1990 models)						
Buick	**$200-$1,000***	**6.9**	**8.9**	**9.9**	**10.9**	**None**
Chevrolet cars	**$750-$800 on Corsica, Beretta, Lumina, Prizm****	**6.9**	**8.9**	**9.9**	**10.9**	**None**
Chevrolet trucks	**$1,000-$1,250 on S-10 pickup, Blazer**	**6.9**	**8.9**	**9.9**	**10.9**	**None**
GMC	**$1,000-$1,250 on S-15 pickup, Blazer**	**6.9**	**8.9**	**9.9**	**10.9**	**None**
Oldsmobile	**$200-$1,000***	**6.9**	**8.9**	**9.9**	**10.9**	**None**
Pontiac	**$600-$1,000**	**6.9**	**8.9**	**9.9**	**10.9**	**None**
*-Based on option package selected **-$1,400 on Prizm for import owners						
Mazda trucks (1989 models)	$750					Nov. 1
Nissan						
Stanza (1989)	$1,500-$2,000			7.9	9.9	Dec. 4
Sterling (1989)	$3,500-$5,000					Nov. 2
Subaru (1989 models)	$500-$3,000*					Nov. 2
*-Rebates go to the customer in some regions and to the dealer in other regions.						
Volkswagen (1989 models)	$500-$3,000	2.9	6.9	7.9	9.9	Oct. 31

Subaru holds most car prices — for now

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

BLOOMINGTON, Ind. — Subaru of America will hold prices on many of its 1990 models this fall but expects to increase them after the first of the year.

The freeze, which applies to vehicles that were not upgraded for the new model year, is further evidence of the industry's caution as it starts the 1990 season. In recent weeks, several Japanese and European makers have held the line or cut prices on their 1990 models.

Subaru's entry-level, three-door Justy will be priced at $5,866, the same as the 1989 model. The company will also maintain prices on the Legacy models, which were introduced in April as 1990 models. Legacy prices begin at $12,499. The base sedan, priced at $11,299, has been dropped.

Two-wheel-drive versions of the XT sports car start at $13,071, also the same as last year.

While prices have been kept in check, "We anticipate there will be a price increase in the near future, after the first of the year," said Thomas R. Gibson, president and chief operating officer of Subaru of America.

Cars in the Loyale line — the new name for Subaru's previous generic sedans, wagons and coupes — are generally $400 to $800 higher than the models they replace, but the base sedan at $9,299 is $432 less than last year's closest equivalent, the DL sedan.

Prices on four-wheel-drive Justy and XT6 models also went up.

The price plan kicks off what is expected to be a flat sales year. Subaru is forecasting 1989 calendar year sales at 140,000 to 150,000 cars. Sales for 1990 will be "about the same as this year," Gibson said.

He said the company's expectations for 1990 are tied in part to a planned reduction in fleet sales. The company expects to sell 5,000 to 10,000 fleet cars in 1990, down from an estimated 30,000 this year.

"As we introduce our new Legacy, we don't want to put a huge number of cars through the fleet side and flood the resale market," Gibson said. "We believe that by reducing our fleet sales we can help our dealers' overall sales effort."

Gibson said the drop in fleet sales will offset sales gains made by new models, the compact Legacy and the subcompact Loyale. Legacy sales reached 5,200 in August but slipped to 4,883 in in September. The company said Legacy sales currently constitute half of its U.S. volume.

Gibson said the company has been surprised by a larger-than-expected demand for high-end Legacy LS sedans, which are positioned to compete against the Honda Accord and Toyota Camry. But he said Subaru is "scrambling" to get an adequate supply.

He also said the 1990 Loyale will not be available to U.S. dealers until November, when 1989 models are expected to be sold out.

POLING

FROM PAGE 3

uar) are in," said Poling.

Ford is also considering other joint ventures as it and other automakers look for overseas and domestic partners to share manufacturing and development costs.

Ford announced on Friday, Oct. 20, that it is no longer holding discussions with Swedish automaker Saab-Scania.

At the same time, Poling said Ford has no objection to the recent announcement that GM and Chrysler Corp. would form a powertrain joint venture.

Ford's relationship with Mazda and Nissan to develop vehicles in Europe and North America, and with Volkswagen in Brazil and Argentina are actions along the same lines, Poling said.

Ford could feasibly do another joint venture project with Nissan and/or Mazda, but Poling declined to be specific.

Ford is also looking at joint ventures with other manufacturers. Poling said Ford has been talking to representatives from the Soviet Union about the on-again/off-again joint venture in that country, but no decisions have been made.

Ford's own world car program — the Tempo/Topaz replacement codenamed the CDW27 — has recently had an extensive review by Poling, Ford Automotive Group President Philip Benton and Louis Ross, executive vice president international automotive operations.

Insiders report that the next Tempo/Topaz will be launched in the 1992 model year in the United States. Poling said he is pleased with the progress of the CDW27 and sees substantial benefits in such world programs.

Poling said that during the next five years, Ford will spend substantially more than the $19 billion it spent during the last five years on capital spending. A "substantial part" of that capital spending will be devoted to replacing all of Ford's current powertrains.

The increased spending for tools and facilities, plus the rising cost of retail incentives on its vehicles, are two of the biggest factors affecting Ford's earnings right now, said Poling.

He declined to predict whether Ford can top its record 1988 earnings of $5.3 billion.

Poling agreed that new products from GM divisions will make it more difficult for Ford to keep up its string of sales successes.

"We are not going to get the same improvement in share in the next eight years that we have in the last eight years," Poling said.

"If you just hold your own in this environment and continue to improve your quality and continue to improve your costs — you are going to have a very strong company."

Ford will likely end the 1989 calendar year with a 22.6 percent share of the U.S. car and truck market, but Poling would like to see more improvement. And the difficult sales environment will take victims as competition intensifies and overcapacity increases.

"I think the over-capacity situation is so serious that the number of companies you have competing in this market will not be able to exist for 10 years — if that long — in their present size and form," Poling said.

INCENTIVE WATCH

DEALER INCENTIVES

	Rebate	Expiration Date
Ford Motor Co. (1989 models)		
Festiva, Escort	$200-$500, quota	Nov. 7
Taurus SHO	$1,000	Nov. 7
Ranger, Bronco II	$250	Nov. 7
Merkur	$1,000	Nov. 7*
*No expiration date on Scorpio		
Ford Motor Co. (1990 models)		
Festiva, Escort	**$200-$500, quota**	**Nov. 7**
Tempo	**$250**	**Nov. 7**
Taurus SHO	**$1,000**	**Nov. 7**
Ranger, Bronco II	**$200-$500, quota**	**Nov. 7**
Continental	**$1,000**	**Nov. 7**
General Motors (1990 models)		
Buick	**$1,000-$2,000 on Reatta, Riviera, Park Avenue Ultra**	**Nov. 30**
Audi (1989 models)	$1,800-$4,500, quota	Oct. 31
Hyundai (1989-90 models)		
California dealers	**$400**	**Nov. 2**
Other dealers	**$300-$1,000, quota**	**Nov. 2**
Isuzu (1989 models)	$1,500, quota	Dec. 31
Mitsubishi (1989-90 models)	**$500-$1,000**	**Oct. 31**
Nissan (1989 models)		
Axxess, trucks	$200-$2,000	Dec. 4
Peugeot	**$1,000**	**Dec. 31**
Subaru (1989 models)	$500-$3,000*	Nov. 2
*-Rebates go to the customer in some regions and to the dealer in other regions.		
Toyota (1989 models)		
Cressida	**$1,500**	**Nov. 2**
Corolla, Camry	**$500**	**Nov. 2**

PRODUCTION

Car output 14,000 off weekly norm

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Domestic automakers fell almost 14,000 units short of normal mid-October output last week with a schedule of 141,778 cars.

Slow sales and bulging inventories continue, causing automakers to cut back their schedules. Last week's estimate was 0.24 percent below the prior week's production and 12.58 percent below the year-ago week's total.

Last week's estimated production was split as follows: General Motors, 43.59 percent; Ford Motor Co., 26.56 percent; Chrysler Motors, 14.04 percent; Honda of America Manufacturing, 5.01 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.15 percent; Toyota Motor Manufacturing U.S.A., 2.86 percent; Diamond-Star Motors, 2.04 percent; Nissan Motor Manufacturing Corp. U.S.A., 1.48 percent; and New United Motor Manufacturing Inc., 1.27 percent.

Truck output was targeted at 69,842 units last week, 9.34 percent more than the previous week's but 14.71 percent less than the year-ago week.

GM will shut its Fairfax, Kan., plant for two weeks beginning Oct. 30 and will close its Wilmington, Del., plant for two weeks on Nov. 6 because of high inventory.

The following GM plants resumed output today after being idle due to sluggish sales: Oklahoma City; Moraine, Ohio; Shreveport, La.; Flint, Mich.; and Pontiac West in Pontiac, Mich.

GM extended downtime at its Linden, N.J., plant until Oct. 30 because of high inventory. The facility had been scheduled to reopen today.

Ford's Kentucky Truck plant in Louisville is closed this week because of slow sales.

Chrysler shut its Toledo, Ohio, Jeep plant today for inventory adjustment. The plant is scheduled to reopen Oct. 30.

Mack Trucks said its plant in Macungie, Pa., will return to full production Oct. 30. The plant has been idle since Oct. 16 due to a work stoppage at a facility that supplies truck cabs to Mack.

16-month high for Canada cars

Canadian makers' scheduled output of 24,201 cars last week, the highest since the 24,730 cars built the week ended June 18, 1988.

Last week's estimated production was 38.92 percent above the previous holiday week and 10.11 percent above the year-ago week.

So far this year, 782,208 cars have been assembled, 9.08 percent below last year's total at this time.

Truck production was scheduled at 20,778 units last week, 31.81 percent above the prior week but 2.68 percent below the year-ago week.

Year-to-date, 767,889 trucks have been produced, 2.87 percent more than the year-ago total.

Chrysler Motors' Brampton, Ontario, plant remains idle due to high inventory of the Premier.

U.S. CAR	Week Ended Oct. 21, 1989	Week Ended Oct. 22, 1988	Week Ended Oct. 14, 1989	Oct. to Date	Jan. 1 to Oct. 21, 1989	Jan. 1 to Oct. 22, 1988
Horizon	1,000	1,574	1,124	[illegible]	26,121	65,952
Sundance	1,800	2,203	1,847	5,516	83,791	83,870
Reliant	0	2,246	0	0	0	73,310
Acclaim	2,600	175	2,863	8,148	102,707	175
Caravelle	0	0	0	0	0	9,265
Gran Fury	0	396	0	0	0	17,429
Total Plymouth	5,400	6,594	5,834	16,879	212,619	249,826
LeBaron K	0	0	0	0	0	7,912
LeBaron J	2,600	2,594	2,763	5,363	85,656	66,211
LeBaron GTS	0	221	0	0	2,946	7,752
N. Yorker C-Class	[illegible]	2,222	909	2,473	67,057	85,360
Fifth Avenue	[illegible]	960	1,235	3,916	19,918	26,033
Imperial	400	0	276	928	1,140	0
Total Chrysler	4,700	5,997	5,183	12,680	176,717	193,268
Omni	1,100	1,526	1,256	3,590	27,801	64,770
Daytona	1,600	1,728	1,847	3,447	66,676	[illegible]
Shadow	2,100	2,212	2,266	6,605	81,909	83,007
Aries	0	2,184	0	0	0	71,650
Dodge 600	0	0	0	0	0	8,549
Dynasty	2,400	2,678	2,400	6,844	106,901	87,595
Lancer	0	188	0	0	1,528	7,336
Spirit	2,600	65	2,697	8,172	89,877	65
Diplomat	0	187	0	0	0	16,056
Total Dodge	9,800	10,768	10,466	28,658	374,692	401,955
CHRYSLER MOTORS	19,900	23,359	21,483	58,217	764,028	845,049
Escort	9,775	11,127	9,718	28,931	281,714	331,170
Mustang	3,683	3,808	3,701	10,971	164,486	165,543
Tempo	3,311	4,137	3,085	9,457	121,620	150,710
Taurus	8,142	7,910	8,247	24,177	292,848	322,596
Thunderbird	2,137	694	0	2,137	118,026	91,972
Total Ford Div.	27,048	27,676	24,751	75,673	978,694	1,061,991
Topaz	1,089	1,411	1,185	3,613	56,338	57,570
Cougar	1,907	696	0	1,907	100,476	71,370
Sable	2,859	2,773	2,989	8,736	97,084	109,803
Total Mercury	5,855	4,880	4,174	14,256	253,898	238,743
Continental	1,431	1,530	1,651	4,537	52,162	41,430
Mark VII	470	768	543	1,491	16,869	21,809
Lincoln	2,852	2,293	3,300	9,051	99,403	102,291
Total Lincoln	4,753	4,591	5,494	15,079	168,434	165,530
Total L-M Division	10,608	9,471	9,668	29,335	422,332	404,273
FORD MOTOR CO.	37,656	37,147	34,419	105,008	1,401,026	1,466,264
Skyhawk	0	1,245	0	0	6,913	16,725
Skylark/Somerset	1,920	1,580	1,949	5,762	51,750	40,797
Century	0	4,939	2,720	5,438	104,595	109,181
Riviera	584	672	563	1,686	16,017	7,835
Electra	1,633	2,505	1,818	[illegible]	65,095	70,099
LeSabre (fwd)	3,281	2,954	3,890	10,431	124,622	110,310
LeSabre (rwd)	245	209	237	715	6,087	8,054
Reatta	203	252	211	616	5,006	8,022
Total Buick	7,866	14,356	11,388	29,630	380,085	371,023
Cimarron	0	0	0	0	0	3,693
Eldorado	653	771	736	2,128	24,152	28,743
Seville	427	582	568	1,514	17,733	18,487
Brougham (rwd)	1,708	914	1,571	4,899	45,687	28,225
Deville (fwd)	4,600	4,300	4,159	12,701	150,405	124,680
Allante	75	75	75	225	2,542	1,609
Total Cadillac	7,463	6,642	7,109	21,467	240,519	205,437
Cavalier	8,255	8,133	8,362	24,518	294,894	294,614
Camaro	1,983	2,575	1,926	6,012	83,385	77,208
Celebrity	0	4,123	0	0	70,720	148,657
Corsica/Beretta	4,290	10,212	0	8,636	302,496	349,045
Caprice	2,945	4,162	1,290	5,540	141,913	170,670
Corvette	460	550	560	1,020	20,356	18,469
Total Chevrolet	17,933	29,755	12,138	45,726	913,764	1,058,663
Calais	1,680	3,280	1,669	5,050	73,463	93,366
Firenza	0	0	0	0	0	5,230
Cutlass Ciera	0	1,518	1,615	3,224	69,698	24,533
Cutlass Supreme	4,030	3,627	4,014	12,073	91,587	115,975
Toronado	584	345	273	1,131	7,692	12,473
88 (fwd)	4,210	3,833	4,304	12,446	115,732	128,374
88 (rwd)	253	178	175	668	6,473	9,423
Olds 98	1,900	1,759	1,301	4,463	58,970	59,588
Total Oldsmobile	12,657	14,540	13,351	39,055	423,615	448,962
Sunbird	4,085	2,892	4,115	11,349	119,986	88,393
Grand Am	4,800	6,130	4,857	14,452	195,186	195,973
Firebird	1,273	1,517	1,276	3,781	46,934	52,423
Grand Prix	3,935	4,000	3,717	7,652	106,987	114,227
Pontiac 6000	0	3,113	1,452	2,910	65,477	74,584
Bonneville	1,796	3,507	1,944	5,916	77,014	97,051
Safari/Parisienne	0	105	0	0	2,691	6,438
Fiero	0	0	0	0	0	13,297
Total Pontiac	15,889	21,264	17,361	46,060	614,275	642,386
GENERAL MOTORS	61,808	86,557	61,347	181,938	2,572,258	2,726,471
DIAMOND-STAR	2,889	0	3,254	8,927	64,772	0
HONDA	7,110	7,069	7,033	20,265	299,159	300,013
Civic	3,330	2,403	3,594	10,430	110,373	88,346
Accord	3,780	4,666	3,439	9,835	188,786	211,667
MAZDA†	4,465	5,555	4,685	13,598	166,730	119,071
NISSAN	2,100	1,640	2,098	6,625	96,021	91,847
NUMMI	1,800	863	3,745	9,353	160,250	113,070
Corolla	800	863	1,673	4,052	65,033	43,781
Geo Prizm/Nova	1,000	0	2,072	5,301	95,217	69,289
TOYOTA	4,050	0	4,053	12,149	115,596	0
VOLKSWAGEN	0	0	0	0	0	35,997
Golf/GTI	0	0	0	0	0	30,444
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	141,778	162,190	142,117	416,080	5,639,840	5,697,782
Total Cars, Canada	24,201	21,978	17,421	58,163	782,208	860,348
U.S., Canada Cars	165,979	184,168	159,538	474,243	6,422,048	6,558,130
U.S., Canada Cars and Trucks	256,599	287,411	239,175	726,253	10,573,745	10,648,304

Monthly estimates may contain error of one or two units due to rounding.

†—Total includes the MX-6 and Ford Probe

CANADIAN CAR	Week Ended Oct. 21, 1989	Week Ended Oct. 22, 1988	Week Ended Oct. 14, 1989	Oct. to Date	Jan. 1 to Oct. 21, 1989	Jan. 1 to Oct. 22, 1988
Premier	0	1,312	0	1,033	28,282	48,695
CHRYSLER MOTORS	0	1,312	0	1,033	28,282	48,695
Tempo	3,360	3,415	2,532	5,892	105,976	141,017
Topaz	1,440	1,751	1,089	2,529	45,071	55,070
Crown Victoria	2,659	2,790	2,228	7,252	96,050	103,927
Grand Marquis	3,101	2,951	2,346	7,949	103,841	105,552
FORD MOTOR CO.	10,560	10,907	8,195	23,622	350,938	405,566
Celebrity	825	587	486	1,859	18,438	16,975
Cutlass Ciera	1,506	3,331	969	3,467	100,716	186,753
Lumina	6,570	0	5,110	17,068	133,287	0
Pontiac 6000	0	0	0	0	0	29,690
Regal	1,910	4,352	605	3,662	63,420	131,517
GENERAL MOTORS	10,811	8,270	7,170	26,056	315,861	364,935
HONDA	2,100	1,309	1,493	5,467	67,671	36,174
TOYOTA	550	0	419	1,481	12,942	0
VOLVO	180	180	144	504	6,514	4,978
Total Cars, Canada	24,201	21,978	17,421	58,163	782,208	860,348

U.S. TRUCK☆	Week Ended Oct. 21, 1989	Week Ended Oct. 22, 1988	Week Ended Oct. 14, 1989	Oct. to Date	Jan. 1 to Oct. 21, 1989	Jan. 1 to Oct. 22, 1988
Caravan	2,200	0	2,048	6,757	86,326	73,371
Dakota	900	2,444	0	900	75,126	87,632
Caravan C/V	100	0	77	289	5,534	10,162
Ram pickups	900	2,438	0	900	75,190	66,142
Total Dodge	4,100	4,882	2,125	8,846	242,176	237,307
Cherokee	4,000	4,567	4,187	12,174	178,835	149,634
Comanche	300	917	389	1,159	23,024	36,534
Grand Wagoneer	300	350	0	300	8,427	11,202
Wagoneer	150	208	204	511	6,653	8,905
Total Jeep	4,750	6,042	4,780	14,144	216,939	206,275
Voyager	2,100	0	1,957	6,494	80,722	68,411
Town & Country	50	0	25	113	2,974	0
Total C-P Div.	2,150	0	1,982	6,607	83,696	68,411
CHRYSLER MOTORS	11,000	10,924	8,887	29,597	542,811	508,447
Aerostar	4,100	5,613	4,031	12,159	182,199	170,582
Bronco	1,208	959	1,185	3,578	59,591	44,119
Bronco II	2,361	1,785	2,182	6,900	95,838	97,884
Econoline	4,204	5,607	4,194	12,608	181,942	195,824
Mediums/Heavies	1,269	1,258	1,281	2,550	48,597	53,535
Light trucks	11,135	8,789	11,057	31,663	427,428	399,020
Ranger	6,625	2,865	6,015	19,125	255,884	267,079
Total Ford Div.	30,902	26,876	29,945	88,583	1,249,479	1,228,043
FORD MOTOR CO.	30,902	26,876	29,945	88,583	1,249,479	1,228,043
Astro	2,928	4,085	2,915	8,835	132,961	144,073
Blazer	0	638	0	608	22,108	21,466
Mediums/Heavies	294	485	289	891	5,733	16,330
P-Model	789	969	758	1,547	25,203	33,874
Pickups	7,809	8,743	8,230	22,900	329,423	294,233
S-10	370	5,943	370	1,110	196,792	248,543
S-10 Blazer	1,549	4,248	0	1,549	144,402	136,684
Sportsvan/Van	1,787	2,200	1,694	5,425	78,764	78,334
Suburban	0	1,426	0	1,596	61,178	57,661
Total Chevrolet	15,526	28,737	14,256	44,461	996,564	1,031,198
Jimmy	0	197	0	92	6,721	6,287
Mediums/Heavies	506	623	465	1,427	10,077	29,939
P-Model	91	70	93	185	3,387	4,459
Pickups	2,271	2,720	1,426	6,464	99,706	90,249
S-15	0	1,575	0	0	48,568	56,178
S-15 Jimmy	851	1,324	0	851	41,788	38,473
Safari	832	1,085	851	2,462	[illegible]	36,921
Suburban	0	1,076	0	502	[illegible]	25,253
Vandura/Rally Vans	673	715	749	1,938	[illegible]	27,943
Total GMC	5,224	9,385	3,584	13,921	295,403	315,702
GENERAL MOTORS	20,750	38,122	17,840	58,382	1,291,967	1,346,900
NAVISTAR	1,400	1,848	1,456	4,346	65,567	70,438
NISSAN	2,340	1,372	2,296	6,596	97,844	74,963
AM GENERAL*	450	450	450	1,350	18,540	18,810
MISCELLANEOUS*	3,000	2,300	3,000	9,000	117,600	96,140
Total Trucks, U.S.	69,842	81,892	63,874	197,854	3,383,808	3,343,741

CANADIAN TRUCK	Week Ended Oct. 21, 1989	Week Ended Oct. 22, 1988	Week Ended Oct. 14, 1989	Oct. to Date	Jan. 1 to Oct. 21, 1989	Jan. 1 to Oct. 22, 1988
Caravan	3,288	3,064	2,804	8,920	118,045	114,057
Caravan C/V	132	205	87	303	8,660	10,126
Ram Wagon	500	764	414	1,430	21,274	21,200
Ram Van	1,850	2,121	1,482	5,236	59,028	57,721
Total Dodge	5,770	6,154	4,787	15,889	207,007	203,104
Voyager	2,724	2,891	2,282	7,329	101,851	103,189
Total Plymouth	2,724	2,891	2,282	7,329	101,851	103,189
Wrangler	1,240	1,260	0	1,240	63,513	41,073
Total Jeep	1,240	1,260	0	1,240	63,513	41,073
CHRYSLER MOTORS	9,734	10,305	7,069	24,458	372,371	347,366
FORD MTR (lt. trks.)	3,648	3,514	2,758	9,417	127,173	131,079
Light trucks	3,488	3,536	2,712	9,914	130,257	124,591
Vans	1,355	1,530	1,206	3,996	48,141	47,900
Total Chevrolet	4,843	5,066	3,918	13,910	178,398	172,491
Light trucks	1,758	1,577	1,608	4,517	58,685	61,980
Vans	595	615	252	1,336	22,112	24,137
Total GMC	2,353	2,192	1,860	5,853	80,797	86,117
GENERAL MOTORS	7,196	7,258	5,778	19,763	259,195	258,608
NAVISTAR	200	274	[illegible]	518	9,150	9,380
Total Trks., Canada	20,778	21,351	15,763	54,156	767,889	746,433
U.S., Canada Trks.	90,620	103,243	79,637	252,010	4,151,697	4,090,174

☆—Includes [illegible] van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Tough 15 months ahead

Recession is coming, Iacocca warns

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — Chrysler Corp. Chairman Lee Iacocca said the company anticipates at least one assembly plant closing, product delays and limited white-collar layoffs because the U.S. auto industry is heading for a "tough" 15 months.

In an interview, he also said that Chrysler will sell only profitable vehicle lines and will not buy market share because such a strategy is "uneconomic" and leads to a "profit-margin recession."

"We will accept profitable share," Iacocca said. "If all cars are not profitable, we are not going to just build them for the hell of it."

Chrysler already is battling to hold share. Its U.S. car and light-truck share fell from 14.3 percent in the 1988 model year to 13.7 percent in the 1989 model year.

Iacocca said Chrysler is studying the closing of at least one plant because of production overcapacity in the U.S. market. Chrysler in 1988 closed its Kenosha, Wis., assembly plant, idling 5,500 workers.

"I've been saying for five years — and I've got to be right one year — that the recession is coming," Iacocca said. "I think we are going to have a downer. If I had to pick a year, I'd pick 1990 as more than a transition year. It is going to be a difficult year."

Iacocca said that during a visit to Washington last week, he planned to lay out the difficulties facing the industry.

"They don't know that there is a war on," he said. "They don't have the foggiest idea. If I take all of the GM and Ford plant closings and all of ours for six months, I can show the masking and camouflaging through job banks and unemployment how difficult it is. Am I saying the worst is yet to come? I don't think we've bottomed out yet. That is what I am saying."

Iacocca did not specify when the anticipated wave of plant closings in the United States will strike Chrysler. The company is holding meetings to consider which plants might be vulnerable for closure and the timing of the closings, he said.

"We definitely will have to close more than we have closed to date — which is a 100-year-old plant called Kenosha," Iacocca said. "There is a plant or two that probably will be closed.

see IACOCCA, page 41

AUTOMOTIVE NEWS/JOE WILSSENS

Lee Iacocca said he considered buying Chrysler in a leveraged buyout. Details on Page 41.

Palmer group builds top dealer empire

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

The Arnold Palmer Automotive Group is expected to complete additional dealership acquisitions this week, making Palmer the largest dealer organization in the United States with annual revenue of $1.3 billion and 100,000 new-unit sales.

The Palmer organization already has dealerships in Pennsylvania, North Carolina and South Carolina.

James O'Neal Jr., group president and partner of longtime professional golfer Arnold Palmer, confirmed last week that the group has acquired Gowen Oldsmobile-Jeep-Eagle in Charlotte, N.C.

O'Neal also confirmed that Palmer's holding company, APAG Holdings, has agreed to acquire the Coggin O'Steen chain, with 10 dealerships in Florida and Kentucky, and has agreed to acquire Jordan Volkswagen-Daihatsu, also in Charlotte.

Arnold Palmer, left, and partner James O'Neal Jr.

O'Neal Friday declined to confirm or deny reports that APAG Holdings also will acquire the Don Massey group, with dealerships in Michigan and Colorado, and the Brown group with dealerships in Florida.

"We are involved in talks with other groups, and I really can't comment at this time," O'Neal said.

He confirmed that APAG Holdings is talking to several "Wall Street institutions" about private financing for the conglomerate. "We are not talking about public financing," O'Neal said.

PROFITS SKID

Big 3 U.S. auto operations in the red

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — The automotive industry has dodged and weaved speculation of an inevitable downturn for years, flaunting robust earnings at doomsayers every quarter.

But its fortunes may have taken a turn for the worse. Last week General Motors and Ford Motor Co. reported huge declines in third-quarter profits, largely due to losses on their U.S. car and truck operations.

And though Chrysler Corp. showed a hefty earnings increase over the third quarter of 1988, it had to sell nearly 44.5 percent of its stock in Mitsubishi Motors Corp. to do it.

Earnings from overseas operations and subsidiaries appeared to be the Big 3's salvation in the third quarter, while profits at home were ailing.

Ford Motor Co. lost $37 million in its U.S. automotive operations, down from a profit of $341 million last year. The last time Ford reported a loss at home was in the fourth quarter of 1982.

And Chrysler lost an estimated $54 million in its North American automotive operations.

see PROFITS, page 46

After 5 generations, family will drop its GM dealership

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

One of General Motors' oldest dealerships will be sold this week after five generations of family ownership. The family says it doesn't want to battle with the automaker any longer.

The sale of Carpenter Chevrolet of Durham, N.C. — a GM dealership since 1915 — to another North Carolina family will be finalized this week.

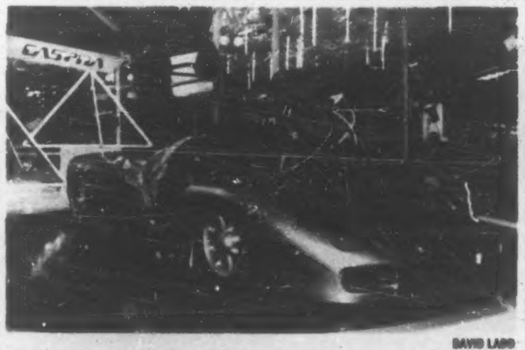
Marcus G. Carpenter Jr., president and fourth-generation owner, said he decided to sell after GM threatened to cancel his franchise under the automaker's controversial Dealer Improvement Program.

Carpenter said in May 1988, he received a letter from GM stating the franchise would be terminated if the dealership didn't sell 2,000 vehicles a year. It sells just over half that amount.

Carpenter said Chevrolet continually raised the dealership's sales target to an unrealistic level, not taking into consideration the strong recent competition in the area.

In the past two to three years, Carpenter said, strong dealers have purchased Chevrolet stores in the area, made multi-

see CARPENTER, page 46



DAVID LABB

Unveilings in Tokyo

Subaru's 12-cylinder Jiotto Caspita, scheduled for production in 1991, was among the high-tech, high-performance cars unveiled at the Tokyo auto show. See Page 42 for details.

Poling, Sarni to open 1990 World Congress

Ford Motor Co. Vice Chairman Harold Poling will deliver the keynote address at the 1990 Automotive News World Congress, which will be held Jan. 7-10 at the Westin Hotel in Detroit. PPG Industries Chairman Vincent Sarni also will address the Sunday night opening session.

see CONGRESS, page 46

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The Ford 4wd battle:
Chevrolet ads say the Ford Ranger 4x4 loses the pickup race to 4wd S-10s because Fords should back up briefly when switching back to two-wheel drive. Page 3.

Ford readies campaign to get Chevy to back down on pickup ads, above

Ford calls Chevy ads unfair and threatens to get even

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — Chevrolet is misrepresenting Ford trucks in a new round of television spots, according to Ford Division General Manager Thomas Wagner, and Ford is threatening to get even unless Chevrolet stops.

Wagner said Ford is preparing story boards for its version of a competitive campaign comparing its products to Chevrolet's. Ford, which has said that it would not get into a mud-slinging contest with Chevrolet on advertising, threatens to release the campaign if Chevrolet continues to misrepresent Ford products in the comparison ads.

Ford Motor Co. and General Motors lawyers have been meeting for a month because of two Chevrolet spots that compare the two divisions' trucks. In one spot, a four-wheel-drive Chevrolet S-10 pickup and a Ford Ranger 4x4 are compared on 4x4 conveniences. In the other, the all-wheel-drive Chevrolet Astro is compared to two-wheel-drive versions of the

see FORD, page 43

Electrically heated catalyst tested

Could do better job on HC and CO, EPA says; makers cautious

By Jack Keebler
AUTOMOTIVE NEWS STAFF REPORTER

Electrically heated catalysts that get hotter faster than standard catalysts could be the answer for stricter vehicle emissions standards, according to the EPA.

Tests at the EPA's emissions lab in Ann Arbor, Mich., indicate that an electrically heated catalyst could reduce hydrocarbon and carbon monoxide pollutants from gasoline-powered vehicles more than 50 percent better than current catalysts. And in methanol-powered cars, tests show the virtual elimination of formaldehyde pollutants.

But automakers and their catalyst suppliers are hesitant to call those unproven catalysts cure-alls for emissions requirements.

One industry source said the new catalysts could cost twice as much — or even the same — as current catalysts, depending on where emissions regulations go and how well the systems are optimized for specific model applications.

And although EPA tests indicated significant CO and HC cleanup, higher levels (still within current federal standards) of nitrogen oxide pollutants were measured.

Research efforts at the Big 3, Toyota and Nissan will focus on problems associated with the enormous power draw of a resistively heated catalyst, length of time for catalyst warmup, unit durability and cost.

Camet Co., a W.R. Grace & Co. affiliate based in Hiram, Ohio, has already submitted samples of its electrically heated catalyst to the EPA.

"We're playing ball with the EPA," said Richard Cornelison, Camet president. "And so far, it's worked out pretty well."

Cornelison said the device can reduce gasoline engine hydrocarbons as much as 50 percent when measured over the entire driving cycle of a gasoline engine, compared with existing 3-way catalyst systems.

Harendra S. Gandhi, manager of Ford Motor Co.'s chemical engineering department, said Ford had mixed test results.

"It's very early, and there are no clear-cut results," he said. "People know that their biggest advantage is during cold-start. But they must warm up. And then you have a diesel glow-plug waiting problem."

Chrysler Motors is also in the early stages of a research program on electrically heated catalyst technology.

"The first problem is they're going to be expensive," said Mike Brady, supervisor of catalyst development for Chrysler. "And the data that the EPA generates is from fresh catalysts. I worry about 50,000-mile durability."

General Motors' advanced engineering staff has been examining electrically heated catalyst technology since "late spring." Research technicians are testing three different units, according to David Singer, a master technician in advanced product engineering. GM's electrically heated catalyst efforts are focused on "energy requirements" and fuel efficiency.

"One of the things that could make this attractive would be some gains in packaging and durability," said Singer. "But the size of the catalyst will mostly depend on where emissions standards wind up."

Energy used to heat the catalyst would have to be replaced, said Singer, explaining the company's fuel-efficiency concern. Replacing the additional battery draw will mean driving the alternator, and thus the engine, harder.

Karl Hellman, chief of control technology and applications at the EPA's Ann Arbor emissions lab, said catalyst makers are walking a tightrope.

"On the one hand, they like us to conduct the tests on their units because we do real FTP (federal test procedure) emission tests on their concepts," Hellman said.

"Of course, there's a risk. If it stinks, we say so. And automakers don't like their suppliers stealing their thunder or suggesting possibly more expensive and complicated emissions controls to the EPA. There's a whole breaking ranks thing."

see CATALYSTS, page 43

Chicago suburb divided over truck ordinance

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Like police officers everywhere, those in tiny Flossmoor, Ill., warily patrol neighborhood streets at night protecting homeowners from evil denizens of the underworld.

But in this Chicago suburb, they also protect the 8,200 citizens from a different kind of scofflaw — the pickup truck owner.

For more than two decades, the community has had an ordinance essentially banning ownership of pickup trucks in the village.

Until May of this year, residents owning a pickup truck had to park it outside the village limits at night, or face parking tickets and fines from local police.

Then Jim Minx, a state law enforcement officer, moved into town bringing his 1984 black Mazda pickup truck with him. He was ticketed several times for parking it in his driveway overnight.

"Village officials told me I couldn't park my pickup truck anywhere in town," he said.

"I couldn't park it in my driveway or even my garage. They said it would ruin the aesthetic beauty of Flossmoor."

He complained at village board meetings and even organized a citizens' group to protest the ordinance. It divided the sleepy village of Flossmoor at board meetings and in the local press where residents on both sides waged fierce letter-writing campaigns.

Finally, trustees amended the ordinance in May. Now pickup truck owners can hide their vehicles in the garage overnight without being ticketed.

But that isn't enough for Minx, who says some truck owners do not have garages and still face $10 parking fines handed out by police.

He is suing the village in U.S. District court in Chicago to have the whole ordinance overturned as unconstitutional.

"Village officials say pickup trucks denote blue-collar citizens," he says. "Pickup trucks have come a long way from just being used in the trades."

On the other side of the controversy stands Richard Rosenthal, a Flossmoor resident since 1957 and a commercial real estate agent. He staunchly defends the ordinance.

Rosenthal concedes pickup trucks have a different image today than 20 years ago.

But he said when the ordinance was adopted, the community felt the use and appearance of pickup

see CRIME, page 43

STAN MISKIEWICZ

Refusing to part with his pickup, Jim Minx is left to count tickets.

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Mitsubishi shifts sales emphasis to higher volume

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

CYPRESS, Calif. — Mitsubishi Motor Sales of America's focus on core products in 1990 advertising is part of a long-range marketing strategy aimed at higher volume models by 1992.

Mitsubishi's spate of introductions will continue with four all-new models and a high-performance variant of the Galant in the next 24 months.

But while two cars will be repositioned in their segments, Mitsubishi will not expand into additional segments and "may begin to trim its garden," said Richard Recchia, executive vice president of general operations.

Mitsubishi is shifting its product strategy away from niches to higher volume, mainstream vehicles as the company increases dependence on U.S. production. The move is similar to changes Toyota and Nissan executives revealed earlier this fall.

Replacement models start arriving next fall with emphasis on performance, Recchia said.

Starion will be replaced by the 1991 3000 GT next fall, a $25,000-$31,000 range sports-touring car with all-wheel drive, four-wheel steering and four-wheel independent suspension in a 2 + 2 layout.

A prototype of the car, known as HSX, was at the Tokyo auto show last week.

The car will be powered by a twin-turbo, 24-valve 3-liter V-6 producing about 300 horsepower. Bigger and wider than the aging Starion, the 3000 GT is a touring car with a ride tuned for comfort, Recchia said.

A high-performance VR-4 Galant variant "with an engine we've never sold before" also is coming. The engine is believed to be a V-6 that will later show up in the 1992 Sigma.

The next-generation Sigma will arrive in the spring of 1991 as a 1992 model. It will represent a significant move upscale into a range Recchia described as "Toyota Cressida to the lower end of Lexus" in size and price. It will be much more oriented to U.S. market requirements than the current model.

It will debut with a V-6 producing about 160 to 170 hp in the base model and 200 hp or more in top trim. Recchia called rumors that it eventually would get Mitsubishi's first V-8 engine "good speculation." He added, "it all depends on how well it sells."

Also scheduled for the spring of 1991 is a tall wagon to replace the van. It will be front-drive and based on a passenger-car platform. It will be similar to, but larger than, Nissan's Axxess.

The new-generation four-door Montero sport-utility will debut in the fall of 1991. A two-door version is unlikely unless there is a change in U.S. import taxes, which subject two-door sport-utilities to a 25 percent duty.

Mitsubishi advertising this fall has evolutionary changes, but retains the "Mitsubishi. Suddenly the obviously choice" theme.

National advertising funds are increased "in line with (Mitsubishi's) sales goals of 200,000 vehicles in 1990," Recchia said. He expects 1990 calendar year car and truck sales to total 180,000, compared with 113,791 in 1988.

Recchia is hoping for a 1992 volume of 300,000 vehicles, with 500 to 600 dealers in operation. By year's end, Mitsubishi expects to have added more than 100 dealers, bringing the total count to 400.

If national advertising is proportional to projected volume, the 1990 budget would near $100 million. Only eight automakers — four Japanese — passed the $100 million level in 1988.

National and local advertising will tout core vehicles — Mirage, Eclipse, Galant, pickups and the Montero. Sigma, Starion, van and the Korean-built Precis will get very little advertising support in 1990.

Ford revamps Asia-Pacific unit with Booker as chief

By Timothy J. Dunne
SPECIAL CORRESPONDENT

Booker

Citing enormous growth potential for the auto industry in the Far East, Ford Motor Co. last week announced that it has established an organization to coordinate its activities in Asia and will place an officer in Japan for the first time.

The new organization, known as Ford Asia-Pacific for now, will begin operations Nov. 1. It will coordinate the Northern Pacific business development group based in Dearborn, Mich., and the Asia-Pacific organization based in Melbourne, Australia. Ford Asia-Pacific will coordinate operations of Ford subsidiaries in Japan, Australia, Taiwan and New Zealand.

Ford Chairman Donald E. Petersen made the announcement during a news conference in Tokyo. He cited anticipated growth in the region as the reason for the restructuring.

"Sixty percent of the automotive growth during the next 20 years is expected to be in markets where Ford has little or no manufacturing presence today. These markets include many nations in Asia," Petersen said.

W. Wayne Booker will head the Tokyo-based Ford Asia-Pacific operations. He has been elected a vice president of the company. Booker succeeds Mervyn H. Manning, president of the former Melbourne-based Ford Asia-Pacific organization, who will stay on to assist Booker in setting up the new organization.

Booker has been executive director of Ford's Latin American automotive operations since 1988.

Booker's responsibilities include coordinating the activities of Ford subsidiaries in Australia, New Zealand and Taiwan as well as Northern Pacific business development, which is responsible for Ford's relationships with Mazda in Japan and Kia in South Korea and other business activities in the Far East.

Ford exports the Ford Taurus and Probe and Lincoln Continental to Japan.

In calendar 1988, Ford shipped 7,460 North American-built vehicles to Japan, including 6,500 Probes and 33 trucks, a Ford spokesman said.

Ford was the leading exporter of North American-built vehicles to Japan last year, he said.

In 1987, Ford sent 1,106 cars to Japan.

Ford owns 25 percent of Mazda Motor Corp. in Japan. Mazda Motor Manufacturing (U.S.A.) Corp. builds the Ford Probe at its Flat Rock, Mich., plant.

The 1991 Ford Escort and Mercury Tracer will be built on the Mazda 323 platform.

DOMESTIC SALES

CARS	Oct. 11-20, 1989	Oct. 11-20, 1988
Eagle	1,058	1,564
Chrysler	4,550	6,122
Dodge	10,350	13,208
Plymouth	6,378	8,375
Chrysler Motors	22,336	29,269
Ford	32,965	41,102
Mercury	9,433	12,524
Lincoln	4,597	5,987
Ford Motor	46,995	59,613
Buick	11,092	15,450
Cadillac	6,284	8,845
Chevrolet	27,474	30,482
Oldsmobile	10,286	19,100
Pontiac	14,844	19,209
General Motors	69,980	93,086
Honda	8,355	9,729
Mazda	608	913
Mitsubishi	1,297	—
Nissan	3,036	2,040
Toyota	6,256	1,546
U.S. Car Total	**158,863**	**196,196**
TRUCKS		
Chrysler	92	0
Dodge	12,918	14,097
Jeep	5,963	8,121
Plymouth	3,952	5,577
Chrysler Motors	22,925	27,795
Ford Motor Co.	31,143	41,097
Chevrolet	29,491	41,059
GMC	8,075	10,075
General Motors	37,566	51,134
Nissan	2,615	2,442
U.S. Truck Total	**94,249**	**122,468**
U.S. Car-Truck Total	**253,112**	**318,664**

Sales plunge 20%; cars, trucks slide

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Sales of U.S.-built cars and light trucks dropped 20.57 percent in mid-October because of payback from incentive-driven sales in August and September.

Two transplants were the only makers to report increases. Nissan scored gains in car and truck sales due to incentives and fleet deliveries; Toyota sold four times as many cars as in the year-ago period — before its Kentucky plant opened..

Market wariness hurt Oct. 11-20 car sales, according to an Illinois Buick dealer. A Florida light-truck sales manager said customers are waiting for more impressive incentives.

In mid-October, 253,112 domestic cars and light trucks were sold, down 20.57 percent from last year. Both periods had nine selling days.

General Motors' combined car and light-truck sales plummeted 28.90 percent. Ford Motor Co. sold 22.41 percent fewer vehicles than last year, and Chrysler Motors' domestic-vehicle deliveries fell 20.68 percent.

Following an early October downturn, the eight U.S. carmakers reported mid-month sales of 158,863 units, a 19.03 percent decline from last year.

Mazda sold 33.41 percent fewer MX-6s in mid-October and Honda's U.S.-built car sales dropped 14.12 percent below last year's total.

Each of the Big 3 sold fewer cars in the Oct. 11-20 span.

GM was down 24.82 percent with all five divisions reporting losses.

Ford delivered 21.17 percent fewer cars than in 1988, and Chrysler sold 23.69 percent fewer.

Nissan was the only light-truck maker to report an increase; sales rose 7.08 percent.

Chrysler's light-truck sales fell 17.52 percent. Ford's were off 24.22 percent, and GM reported a 26.53 percent decline from a year ago.

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UNITED STATES

Merkur death marks another failure for Big 3 captive imports

It has become one of the great fallacies: "I'm from Detroit and I can sell your cars in America."

Ford Motor Co.'s decision to stop importing and selling Scorpios was tough, but it was steeped in reality. It was obvious to everyone that the time had come to pull the plug on the Merkur franchise.

Ford's failure to properly market Merkurs — even with a separate franchise — was just the latest example of the inability of the Big 3 to successfully sell captive imports in their dealerships.

Recent automotive history — dating from the 1950s — is cluttered with failed captive import efforts. At Ford, the body count includes the English Ford Anglia, Pantera from Italy, Toyo Kogyo-built Courier from Japan, Fiesta from Spain, Taunus and Capri — plus Scorpio and XR4Ti — from Germany.

Ford is by no means alone. The General Motors list of defunct captive import ventures includes Vauxhall from England, Isuzu-built LUV from Japan, Opels from Germany and Japan.

The Chrysler fatality list includes Chrysler Simca from France, Sunbeam Imp and Sunbeam Tiger from Rootes Motors in England and Crickets from Britain.

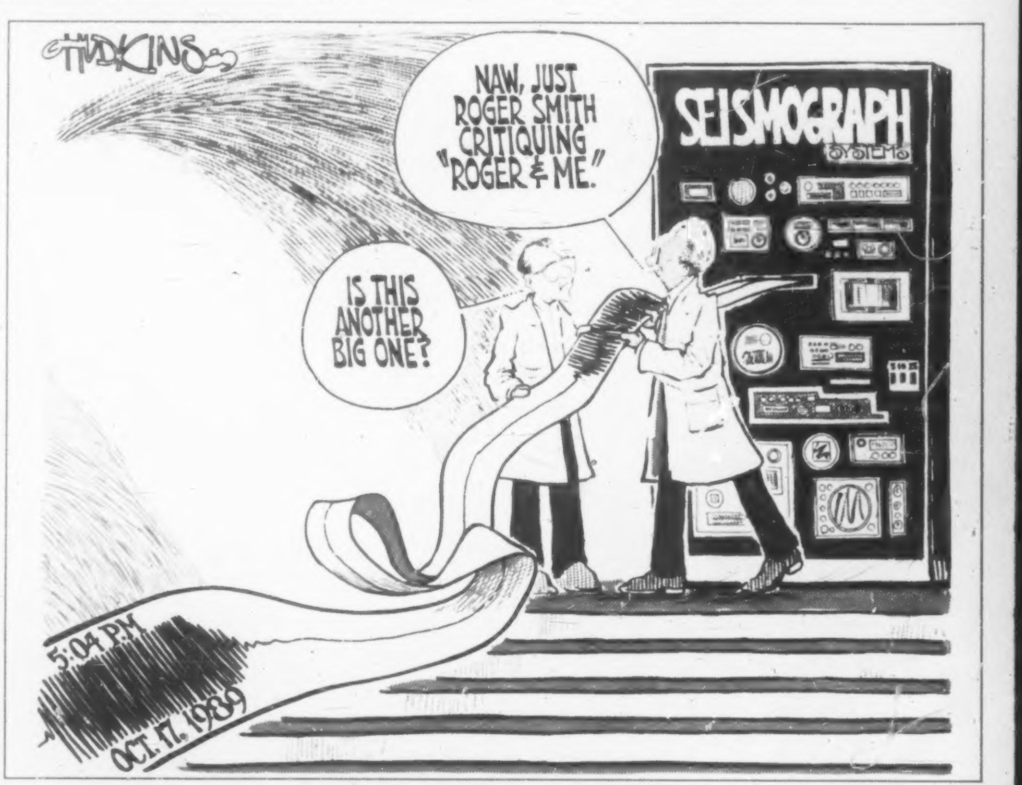
Currently, Ford sells the Ford Festiva from Korea and Mercury Tracer from Mexico, while GM sells Pontiac LeMans from Korea and Geo from Japan, and Chrysler sells Plymouth and Dodge Colts from Japan plus Chrysler's TC by Maserati from Italy. Chrysler is also scheduled to get a Hyundai soon.

Chrysler's Mitsubishi-built Colts seem to be the most established of the remaining captives. LeMans, Festiva and Tracer are less than overwhelming successes, and Chevrolet has yet to convey exactly what a Geo is — short of implied claims that it is a latter day Honda or Toyota.

It is true that every captive import sale in a Big 3 showroom means revenue for the dealer and the factory. But it certainly is not clear that captive import sales represent incremental business; some captive import sales undoubtedly are conquests, but many seem to simply transfer sales from domestic models to captive models on the same showroom floor.

After the Merkur debacle, it should be painfully clear that a Big 3 showroom is not the ideal place to sell an import, because import buyers don't shop there.

Perhaps after three decades of repeated failures, the Big 3 should reassess the situation.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NAW, JUST ROGER SMITH CRITIQUING "ROGER & ME."
IS THIS ANOTHER BIG ONE?
SEISMOGRAPH SYSTEMS
5:04 P.M.
OCT. 17, 1989

Tokyo: an interesting place for a show

Just about everyone who is involved with building, designing or selling automobiles — in fact, just about everyone who has anything to do with cars — should show up sooner or later at the Tokyo Motor Show.

To understand Japanese cars and the Japanese, we should see Japan and the show every now and again and see how the system and the culture really work. Putting it simply, it is mind-boggling.

People who have a frame of reference for motor shows around the world realize just how awesome the Tokyo Motor Show is. The Japanese producers display more show cars, concept cars and new products than can be believed.

If you have any doubt about the resolve of the Japanese to be not just a player but the biggest player in the automobile business, then a week in Japan during the auto show will relieve you of that doubt. They are good, and they continue to get better.

A few years ago, I said that the competition with the Japanese auto companies is like the Indianapolis 500. All the Japanese are bunched together on the back straight, and the rest of the world is bunched together on the front straight. The Japanese are going like crazy trying to catch up with the rest of the world — they don't realize that they are a half lap ahead.

Keith E Crain

The race is considerably closer today than it was a few years ago. But anyone who believes that the Japanese are slowing down so the rest of the world can catch up is sadly mistaken. They continue to innovate, and their execution of new products is nearly perfect. They continue to rewrite the rules on management style. And the product development time continues to shrink.

And yet with all the strengths the Japanese enjoy, there is a growing discontent with their own lifestyle. A week in Tokyo gives the visitor some small concept of the challenges that lie ahead.

The cost of living in Japan is still one of the highest in the world. As the executive moves up the ladder, it grows increasingly difficult to enjoy that increased income. The cost of living hits the visitor right away: The cab from the airport sets you back about $150.

I have a friend who went down to have breakfast in one of the downtown hotels. When he saw how much breakfast was going to cost, he decided to buy a watch instead.

But save your money and plan to come to the Tokyo show one of these days. You may or may not like what you see, but you will be a lot wiser for being there.

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The Audit Bureau ABP

Auto trade deficit up as exports plunge 42%

WASHINGTON — The U.S. trade deficit for cars and light trucks increased 12.5 percent in July due to a 42.4 percent drop in the value of exports. The value of imports increased 4.2 percent for the month.

The latest figures from the U.S. Commerce Department show the automotive trade deficit in July was $3.57 billion, compared with $3.18 billion in July 1988.

The annualized U.S. automotive trade deficit grew 4.8 percent in July to $45.54 billion. The deficit for the 12 months ended July 1988 was $43.44 billion.

The number of cars imported during July declined 2.1 percent from a year ago, falling to 298,396 units with an estimated value of $3.28 billion. Imports of light trucks increased 15 percent for the month to 66,972 units with an estimated value of $614.6 million.

The number of cars exported during July fell 61.3 percent from a year ago to 17,587 units with an estimated value of $230.8 million. Exports of light trucks dropped 24.3 percent to 7,294 units with an estimated value of $92.95 million.

July's big drop in the value of U.S. exports was reflected in a 66.7 percent decline in the value of car exports to Canada for the month, a 25.2 percent drop in the value of car shipments to Japan and a 14.5 percent drop in the value of car exports to countries labeled "others" by the Commerce Department.

The value of light-truck exports to countries identified as "others" fell 65 percent. The value of light-truck shipments to Canada increased 10.7 percent for the month.

In the 12 months covered in the report, U.S. exports fell 15.2 percent, from an annualized total of 903,352 units as of July 1988 to 766,219 in July 1989.

Imports of cars and light trucks also declined on an annualized basis, but from a much higher base. The number of vehicles imported for the year ended July 1988 was 5.31 million. That number fell to 5.2 million for the year ended July 1989.

Imports of Japanese cars were down 1.6 percent in July, while imports of Japanese light trucks almost doubled, to 37,861.

Imports of cars from Canada were up 8.0 percent, while Canada's truck shipments fell 26.4 percent.

West German car imports dipped 14.1 percent in July, to 15,597 units.

The number of cars shipped from South Korea fell 47.4 percent in July, to 13,640.

Swedish car imports increased 0.4 percent to 9,821 in July. Swedish imports were up 3.4 percent on an annualized basis.

Mexico boosted car shipments to 18,795 during July. Mexico shipped 12.2 percent more cars to the United States in the year ended July 1989 than it did the previous year.

Yugoslavia sent two cars to the United States in July.

Car shipments from the United Kingdom were down 28.8 percent from July a year ago.

Italy has been shipping significantly more cars to the United States. In June, 921 cars were imported, compared with 199 a year ago. In July, 1,006 vehicles were shipped to the United States, compared with 414 in July last year. Italian car imports grew 8.8 percent on an annualized basis.

France shipped 68 cars to this country in July, compared with 2,029 a year ago. French imports were down 34.5 percent on an annualized basis.

Brazilian car shipments were down 4.8 percent to 4,976 units in July, and were down 34.2 percent on a 12-month basis.

Countries classed as "others" sent 2,529 cars to the United States in July, up from 2,338 a year earlier. On an annualized basis, those shipments increased 27.2 percent.

U.S. AUTOMOTIVE TRADE BY QUANTITY

Passenger cars

Country	Trade	July 1988	July 1989	Aug. 1987-July 1988	Aug. 1988-July 1989
Japan	Export	1,558	787	11,317	21,511
	Import	169,714	166,916	2,215,831	2,153,084
Canada	Export	32,931	7,926	591,542	437,534
	Import	58,937	63,630	1,094,652	1,140,034
West Germany	Import	18,147	15,597	283,695	251,224
South Korea	Import	25,949	13,640	427,933	387,309
Sweden	Import	9,783	9,821	109,221	112,958
Mexico	Import	10,141	18,795	145,103	162,856
Yugoslavia	Import	1	2	41,575	6,862
United Kingdom	Import	1,990	1,416	40,054	28,790
Italy	Import	414	1,006	7,133	7,760
France	Import	2,029	68	15,578	10,199
Brazil	Import	5,226	4,976	69,870	45,960
Others	Export	10,952	8,874	107,095	144,026
	Import	2,388	2,529	19,225	24,463
Car total	Export	45,441	17,587	709,954	603,071
	Import	304,719	298,396	4,469,870	4,331,499
TRADE BALANCE		(259,278)	(280,809)	(3,759,916)	(3,728,428)

Light trucks (up to 10,000 lbs. GVW)

Country	Trade	July 1988	July 1989	Aug. 1987-July 1988	Aug. 1988-July 1989
Canada	Export	7,001	6,427	167,399	140,442
	Import	38,880	28,621	253,868	386,647
Japan	Import	19,340	37,861	583,725	481,765
Mexico	Import	3	415	1,160	423
Others	Export	2,635	867	26,000	22,707
	Import	2	75	1,725	1,596
Truck total	Export	9,637	7,294	193,398	163,148
	Import	58,225	66,972	840,478	870,431
Trade balance		(48,588)	(59,678)	(647,080)	(707,283)
Car and truck total	Export	55,078	24,881	903,352	766,219
	Import	362,944	365,368	5,310,348	5,201,930
TRADE BALANCE		(307,866)	(340,487)	(4,405,996)	(4,435,711)

Compiled by Automotive News from official statistics of the U.S. Commerce Department, as reported by the U.S. International Trade Commission. Because of rounding, figures may not add to the totals shown.

U.S. AUTOMOTIVE TRADE BY VALUE

(x $1,000)

Passenger cars

Country	Trade	July 1988	July 1989	Aug. 1987-July 1988	Aug. 1988-July 1989
Japan	Export	$ 16,928	$ 12,666	$ 146,549	$ 292,012
	Import	1,618,138	1,642,808	20,204,554	20,608,045
Canada	Export	301,090	100,171	6,092,479	4,901,130
	Import	670,142	682,370	12,184,178	12,769,594
West Germany	Import	446,692	405,042	7,083,424	5,828,455
South Korea	Import	138,950	88,671	2,270,217	2,229,915
Sweden	Import	151,604	155,233	1,673,219	1,810,095
Mexico	Import	86,219	155,264	1,248,224	1,411,292
Yugoslavia	Import	7	10	109,219	17,903
United Kingdom	Import	58,154	51,343	1,077,055	941,951
Italy	Import	10,166	30,664	166,013	217,388
France	Import	21,193	797	167,080	117,438
Brazil	Import	30,931	30,518	380,363	275,255
Others	Export	137,956	117,979	1,392,188	1,844,446
	Import	35,293	39,312	304,124	380,107
Car total	Export	455,974	230,816	7,631,215	7,037,588
	Import	3,267,488	3,282,032	46,867,680	46,606,440
Trade balance		(2,811,514)	(3,051,216)	(39,236,465)	(39,568,852)

Light trucks (up to 10,000 lbs. GVW)

Country	Trade	July 1988	July 1989	Aug. 1987-July 1988	Aug. 1988-July 1989
Canada	Export	$ 73,802	$ 81,686	$ 1,680,770	$ 1,547,980
	Import	229,410	388,187	2,773,186	4,677,248
Japan	Import	228,884	217,120	3,285,881	3,034,703
Mexico	Import	1,457	4,809	14,815	10,766
Others	Export	32,299	11,292	328,364	277,091
	Import	11,935	4,453	143,578	72,188
Truck total	Export	106,101	92,948	2,009,314	1,825,061
	Import	471,685	614,569	6,217,459	7,794,907
Trade balance		(365,584)	(521,621)	(4,208,145)	(5,969,856)
Car and truck total	Export	562,075	323,764	9,640,529	8,862,639
	Import	3,739,173	3,896,601	53,085,139	54,401,347
VEHICLE TRADE BALANCE		(3,177,098)	(3,572,837)	(43,444,610)	(45,538,708)
TOTAL U.S. Merchandise trade (customs value)	Export	26,612,900	30,736,800	295,247,600	360,766,200
	Import	36,573,500	38,318,900	427,453,200	482,086,200
TRADE BALANCE		(8,460,600)	(7,581,300)	(132,205,600)	(111,319,000)

Canada's automotive trade edge over U.S. moves up in first half

OTTAWA — Canada's automotive trade surplus with the United States rose to $2.8 billion ($2.4 billion U.S.) during the first six months of 1989, a $1.4 billion ($1.2 billion U.S.) increase over the same period last year.

Statistics Canada reported exports of cars, trucks, parts and other motor vehicles to the United States were up only 1 percent, to $19.4 billion ($16.6 billion U.S.) between January and June, but imports dropped 7 percent, to $16.5 billion ($14.1 billion U.S.).

Exports of cars from Canada to the United States dropped to $8.2 billion ($7 billion U.S.) this year, but truck exports rose to $4.1 billion ($3.5 billion U.S.). Parts exports went up to $6.7 billion ($5.73 billion U.S.).

The United States was the source of 65 percent of all cars imported by Canada, while Japan contributed 27.7 percent and West Germany 1.7 percent.

Adding in its business with other countries, Canada's balance of automotive trade dropped to a surplus of $1.5 billion ($1.28 billion U.S.), down from $2.7 billion ($2.31 billion U.S.) in the first half of 1988.

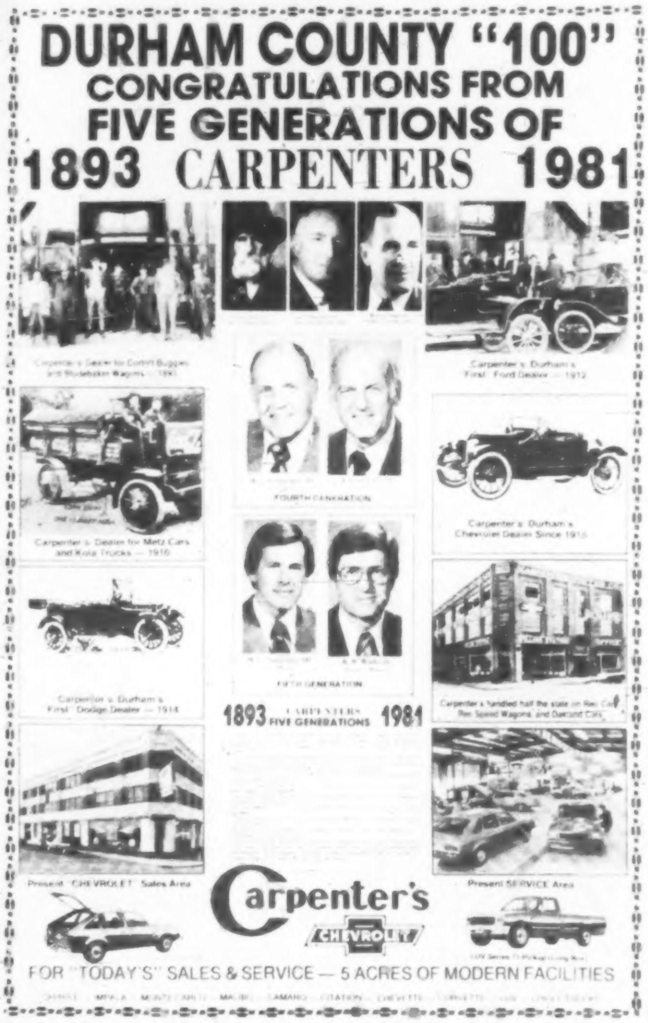
Hughes buys electro-optics unit

LOS ANGELES — Hughes Aircraft and Perkin-Elmer Corp. have signed an agreement whereby Hughes will purchase Perkin-Elmer's electro-optics technology division.

Hughes, a subsidiary of General Motors, designs and produces electro-optical sensors, laser systems and associated data processing systems used by the military. The electro-optics technology division is a provider of electro-optical systems used in science and the military.

The division built the optical telescope assembly and fine guidance system for NASA's Hubble Space Telescope, scheduled for launch aboard the space shuttle in 1990.

Terms of the agreement were not disclosed.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Carpenter ad from 1981 when it marked its 88th year in North Carolina

CARPENTER

FROM PAGE 1

million-dollar investments in the operations — located as close as five miles — and stolen sales from Carpenter Chevrolet.

Chevrolet refused to comment on Carpenter Chevrolet because of its policy not to discuss specific dealerships. The division said only that the market has become very competitive, and some dealers have to decide if they want to stick with the business or move on.

Carpenter, who will retire when the dealership is sold, said he consulted with an attorney and with National Automobile Dealers Association representatives well versed in GM's Dealer Improvement Program. He concluded it wasn't worth the battle because GM could automatically cancel the franchise next year anyway.

GM's franchise agreement with its nearly 10,000 dealers expires next fall. GM can opt not to renew a dealer's franchise at that time.

"We felt there was nothing we could do about it — nothing but sell," said Carpenter. "We decided to sell it while we could still get something out of the business."

GM reactivated the Dealer Improvement Program in 1988 after a steady drop in sales and market share. GM has said only its lowest performing dealers were put into it.

Nevertheless, many dealers have argued the same points with GM that Carpenter did.

They say GM's formula for determining how many vehicles a dealer must sell is baffling and not always fair. It fails, they say, to reflect changing local conditions.

As NADA's GM line group chairman, Dick Smith of Royal Oldsmobile in Charleston, W.Va., had been an outspoken critic of the Dealer Improvement Program. But he said the pressure he and other dealers put on GM to better implement the program has paid off. He said he hears fewer complaints about it now than a year ago.

"The way they implemented it early on is what I was opposed to," he said. "It looked like a hammer."

At a recent meeting of top representatives of dealer groups, participants agreed that GM now seems to be helping dealers correct their problems rather than threatening them with the loss of their franchise, he said.

Smith said a weeding out of the GM dealer ranks is inevitable. And, when the GM franchise agreement expires a year from now, GM likely won't renew some franchises, and some dealers may opt not to renew.

"GM had nearly 10,000 dealers when they sold 50 percent of the market," he said. "And they still have 10,000 now that they are selling 35 percent."

Meanwhile, Martin L. "Sonny" Hancock Jr. will take over Carpenter Chevrolet, a downtown Durham, N.C., fixture since it opened. His son, Martin L. Hancock III, will be general manager. The dealership will be named Sonny Hancock Chevrolet of Durham.

In 1893, brothers J.E Carpenter and J.W. Carpenter with their father, Duane Carpenter, formed a partnership to deal in a variety of businesses, including wagons and buggies. In 1910, they began selling cars and trucks. The family became the first Ford and Dodge dealers in Durham, adding the Chevrolet franchise in 1915. Throughout the years, the family sold Reo, Pullman, Oakland, Oldsmobile, Liberty and Elgin vehicles.

The fifth generation Carpenter, M.G. Carpenter III, said he will move on to other business ventures after the sale of the dealership.

PROFITS

FROM PAGE 1

Excluding the one-time, after-tax gain of $309 million on the sale of 75 million shares of Mitsubishi stock, Chrysler had $22 million in net earnings; its Chrysler Financial Corp. subsidiary earned $76 million for the quarter.

"We had a moderate loss on car and truck operations in the third quarter," conceded Robert S. Miller Jr., Chrysler Corp. executive vice president and chief financial officer.

He said the loss was the first since Chrysler's turnaround, following its brush with bankruptcy earlier in the decade.

Analysts speculate that GM lost $300 million in its North American automotive operations. The automaker is mum on the subject.

"For the first nine months of the year, GM is definitely in the black," said a spokesman.

The decline in third-quarter earnings apparently was kindled by the high cost of incentives.

Miller said Chrysler's average $1,000-per-vehicle cost for retail and fleet incentives was double the cost of incentives for the third quarter of 1988.

Ford pegged its average per-vehicle incentive cost at $800 for the quarter, adding that reduced production also was a factor in its earnings dip.

GM denied that its average per-vehicle cost for incentives hovers around $1,500, a figure suggested by competitors. "That's way out of line," said a GM spokesman. He declined to be more specific.

The auto industry's fourth quarter may turn out to be just as lackluster. Although better than the third quarter, it will be worse than a year ago, say analysts.

"It's clear the economy is slowing down and competition is intensifying," said David McCammon, vice president finance and treasurer of Ford Motor Co.

Chrysler is even more uncertain about the future. "We don't know where it is going because we are scheduling on a week-by-week basis," Miller said. "We have to play it very short term."

Ford earned $477 million in the third quarter, down 44 percent from last year's record $856 million.

Worldwide sales and revenues were $20.2 billion, down $139 million from third quarter 1988.

Ford's worldwide automotive operations earned $287 million in the third quarter, down $377 million from last year, on sales of $17 billion. Outside the United States, automotive profits were $324 million, up $1 million from a year ago.

The company's U.S. automotive profits for the first nine months of the year were $1.2 billion, down 36 percent from 1988.

Ford's third-quarter earnings form its financial services group were $190 million, down from $193 million for the 1988 period.

Chrysler had third-quarter earnings of $331 million, compared with $113 million last year. Worldwide sales and revenues totaled $7.88 billion each year.

Chrysler Financial Corp. reported third quarter earnings of $76 million, up 29 percent from $59 million in 1988.

GM reported a 40 percent decline in profits to $517 million in the third quarter on sales and revenues of $28.8 billion, compared to $859 million on sales and revenues of $28.2 billion last year.

General Motors Acceptance Corp. had profits of $234.5 million, down 3 percent from $241.9 million for the 1988 quarter.

Electronic Data Systems, GM's Dallas-based computer and communications subsidiary, had net profits of $110.9 million in the third quarter, up 16 percent from $95.9 million a year ago.

Sales climbed to $1.37 billion for the third quarter from $1.22 billion for the third quarter in 1988.

GM Hughes Electronics Corp. earned $148 million on revenues of $2.6 billion during the third quarter of 1989, down 18 percent from $180 million on revenues of $2.6 billion last year.

Automotive News Staff Reporter Mary Connelly contributed to this report.

BIG 3 RESULTS

(in millions)

	3rd Quarter			
	1989		1988	
	Sales	Net income	Sales	Net income
Chrysler	6,937	331	7,064	113
Ford	20,242	477	20,381	856
General Motors	28,793	517	28,221	859
TOTAL	55,972	1,325	55,666	1,828
	9 months			
	1989		1988	
	Sales	Net income	Sales	Net income
Chrysler	25,031	1,023	23,378	617
Ford	72,001	3,521	68,534	4,142
General Motors	95,568	3,524	91,211	3,458
TOTAL	192,600	8,068	183,123	8,217

AUCTION

FROM PAGE 2

and employee lease-vehicle volume, said Wayne Snyder, used-vehicle sales and marketing manager.

Toyota's goal is to triple its daily rental fleet sales from 20,000 to 60,000 vehicles in 1990 by using buybacks, Miller said.

Toyota hopes to avoid dealer protests about "subsidized prices" for daily rental fleets by channeling the buybacks to its own dealers, giving them a source of late-model used Toyotas.

Volkswagen, the only European importer involved in buybacks, expects to increase its involvement next year.

"It's a little difficult to forecast volume because we don't have as much control over production as domestics," said Edward A. Ray, remarketing manager for Volkswagen Credit. He said VW daily rental fleet sales increased to 5,500 in 1988 from 2,500 in 1987.

Wholesale used-car auctions have achieved double-digit percentage growth, fueled by manufacturers selling off buybacks and employee lease vehicles and by banks and other lenders selling returning leased vehicles.

National Auto Auction Association members sold six million vehicles for more than $25 billion last year, said Larry Brasher, outgoing president of the association and owner of Brasher Sacramento (Calif.) Auto Auction.

That volume will grow 7-12 percent in 1990, he forecast.

Auction chains are dominated by three companies that own 18 to 24 auctions apiece — General Electric Capital Auto Auctions, Manheim Auctions and Anglo American Auto Auctions. They are starting to compete more directly against independents instead of among themselves.

GE Capital intends to take the initiative among chains in launching a series of new financial products aimed at new-car dealers, said Liese Spiegelberg, vice president of sales and marketing.

GE Capital is testing a floor-planning program for new-car dealers at several auctions. The program is offered through Commercial Automotive Financing, a GE subsidiary.

Plus 10, a GE line of credit that allows dealers up to 10 days to pay for auction purchases, is being expanded for smaller customers.

Auction Plus, a new program that helps small fleet operators place used cars at advantageous auctions, started this month.

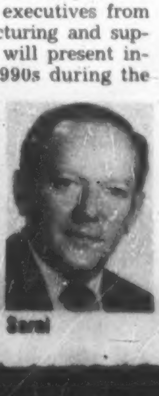
National Auto Auction Association officers for 1989-90 are Omar Landis, president; Tony Wolfe, president-elect; Larry Hedrick, vice president; Ray Clanton Jr., secretary-treasurer; and Brasher, chairman of the board.

CONGRESS

FROM PAGE 1

The 14th Automotive News World Congress will be held in conjunction with the North American International Auto Show and is expected to attract automotive leaders from around the world. Internationally acclaimed automotive experts and executives from both the manufacturing and supplier community will present insights into the 1990s during the four-day event.

Poling



Sarni

Poling has been one of the chief architects of Ford's turnaround in the 1980s. He became executive vice president of Ford's North American automotive operations in 1980 after serving as president and then chairman of Ford of Europe in the late 1970s. He was Ford Motor president and chief operating officer from 1985 to 1987. As vice chairman, Poling oversees all of Ford's main business groups — automotive, financial services and diversified products.

Sarni was elected chairman of PPG Industries in November 1984. He was vice chairman of the Pittsburgh-based company from January to November of that year.

He joined the company in 1968 as vice president of marketing in the former industrial chemical department.

PRODUCTION

BEST AVAILABLE COPY

Car output climbs 2% o 146,971

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

U.S. automakers scheduled production of 146,971 cars last week, 2.42 percent above the prior week but 9.46 percent below the year-ago week.

So far this year, 5,788,528 cars have been assembled, 1.21 percent below last year's total at this point.

Last week's estimated production was split as follows: General Motors, 44.71 percent; Ford Motor Co., 26.82 percent; Chrysler Motors, 11.19 percent; Honda of America Manufacturing, 5.08 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.05 percent; Toyota Motor Manufacturing U.S.A., 2.76 percent; New United Motor Manufacturing Inc., 2.59 percent; Diamond-Star Motors, 2.37 percent; and Nissan Motor Manufacturing Corp. U.S.A., 1.43 percent.

Targeted truck assembly last week totaled 72,360, up 1.84 percent from the previous week but down 19.01 percent from the year-ago week.

Last week, Chrysler idled its St. Louis (No. 1) plant for one month due to lagging sales.

The St. Louis facility builds the Chrysler LeBaron J and Dodge Daytona models and is scheduled to reopen Nov. 20.

Chrysler's Toledo, Ohio, Jeep plant is slated to reopen today, but the Grand Wagoneer line is not scheduled to resume output until Nov. 6.

The plant was closed due to high inventory.

GM's Arlington, Texas, plant is down this week because of high inventory. It will reopen Nov. 6.

GM idled its Detroit truck plant last week because of slow sales. The plant is expected to resume operations Nov. 6.

GM's Linden, N.J., and Fairfax, Kan., plants resumed output today. Slow sales forced the company to idle the facilities. The Wilmington, Del., plant remains closed until Nov. 6.

Ford's Kentucky truck plant in Louisville was expected to reopen today. The plant was down because of bulging inventories.

Canadian cars show strength

While U.S. automakers trailed last year's output, Canadian automakers planned to crank out the highest weekly production since mid-1988.

Targeted car output last week was 26,306, the highest for any week since the 27,192 units built the week ended June 11, 1988.

Truck production was scheduled at 20,998 units, 1.87 percent above the prior week but 2.20 percent below the year-ago week.

Year-to-date, 788,722 trucks have been assembled, 2.73 percent more than last year's production at this point.

Chrysler Motors' Bramalea, Ontario, plant resumed output of the Premier last week. The plant was closed for two weeks due to slow sales.

U.S. CAR	Week Ended Oct. 28, 1989	Week Ended Oct. 29, 1988	Week Ended Oct. 21, 1989	Oct to Date	Jan. 1 to Oct. 28, 1989	Jan. 1 to Oct. 29, 1988
Horizon	1,100	1,524	1,116	4,431	27,337	67,526
Sundance	1,900	2,210	1,926	7,542	85,817	86,073
Reliant	0	2,345	0	0	0	75,156
Acclaim	2,600	307	2,965	11,113	105,672	375
Caravelle	0	0	0	0	0	9,265
Gran Fury	0	244	0	0	0	17,825
Total Plymouth	5,600	6,630	6,007	23,086	218,826	256,220
LeBaron K	0	0	0	0	0	7,912
LeBaron J	0	2,634	2,723	5,486	85,779	68,405
LeBaron GTS	0	111	0	0	2,946	7,923
N. Yorker C-Class	850	2,450	861	3,484	68,068	87,882
Fifth Avenue	1,000	958	869	4,785	20,787	26,993
Imperial	500	0	295	1,323	1,535	0
Total Chrysler	2,350	6,153	4,748	15,078	179,115	199,115
Omni	1,200	1,560	1,258	4,948	29,159	66,296
Daytona	0	1,756	1,849	3,696	66,925	64,720
Shadow	2,100	2,145	2,204	8,809	84,113	85,219
Aries	0	2,355	0	0	0	73,534
Dodge 600	0	0	0	0	0	8,549
Dynasty	2,400	2,955	2,837	9,681	109,738	90,573
Lancer	0	297	0	0	1,528	7,524
Spirit	2,800	160	2,595	10,967	92,672	165
Diplomat	0	340	0	0	0	16,143
Total Dodge	8,500	11,588	10,743	38,101	384,135	412,723
CHRYSLER MOTORS	16,450	24,371	21,498	76,265	782,076	868,058
Escort	9,959	9,530	9,250	38,365	291,148	340,702
Mustang	3,727	3,810	3,695	14,710	168,225	168,860
Tempo	3,181	3,869	3,307	12,634	124,797	154,622
Taurus	8,061	7,727	8,103	32,199	300,870	330,336
Thunderbird	2,416	1,051	1,983	4,399	120,288	93,172
Total Ford Div.	27,344	25,987	26,338	102,307	1,005,328	1,087,692
Topaz	1,219	1,681	1,093	4,836	57,561	59,222
Cougar	2,368	1,024	1,766	4,134	102,703	72,562
Sable	2,821	2,728	2,903	11,601	99,949	112,489
Total Mercury	6,408	5,433	5,762	20,571	260,213	244,273
Continental	1,703	1,540	1,412	6,221	53,846	43,003
Mark VII	551	769	465	2,037	17,415	22,592
Lincoln Town Car	3,411	2,312	2,816	12,426	102,778	104,636
Total Lincoln	5,665	4,621	4,693	20,684	174,039	170,231
Total L-M Division	12,073	10,054	10,455	41,255	434,252	414,504
FORD MOTOR CO.	39,417	36,041	36,793	143,562	1,439,580	1,502,196
Skyhawk	0	4,490	0	0	6,913	17,970
Skylark/Somerset	1,920	1,543	1,925	7,687	53,675	42,383
Century	2,390	4,779	0	7,828	106,985	114,092
Riviera	584	639	555	2,241	16,572	8,539
Electra	1,633	2,771	1,640	6,622	66,735	73,114
LeSabre (fwd)	3,705	2,925	3,296	14,151	128,342	113,264
LeSabre (rwd)	218	204	218	906	6,278	8,258
Reatta	199	230	207	819	5,209	8,278
Total Buick	10,649	17,581	7,841	40,254	390,709	385,901
Cimarron	0	0	0	0	0	3,693
Eldorado	653	769	684	2,812	24,836	29,550
Seville	427	577	605	2,119	18,338	19,097
Brougham (rwd)	1,630	923	1,633	6,454	47,242	29,049
Deville (fwd)	3,726	4,460	4,598	16,425	154,129	129,140
Allante	75	75	75	300	2,617	1,684
Total Cadillac	6,511	6,804	7,595	28,110	247,162	212,213
Cavalier	7,850	5,134	8,219	32,332	302,708	302,752
Camaro	1,960	2,667	1,963	7,952	85,325	80,038
Celebrity	0	4,036	0	0	70,720	153,398
Corsica/Beretta	4,640	10,512	4,622	13,608	307,468	360,819
Caprice	3,115	4,164	2,820	8,530	144,903	174,872
Corvette	575	540	540	1,675	21,011	19,044
Total Chevrolet	18,140	27,053	18,164	64,097	932,135	1,090,923
Calais	1,680	3,176	1,692	6,742	75,155	96,640
Firenza	0	0	0	0	0	5,230
Cutlass Ciera	1,910	1,533	0	5,134	71,608	26,126
Cutlass Supreme	4,048	3,607	3,894	15,985	95,499	119,495
Toronado	584	320	270	1,401	7,962	12,834
88 (fwd)	3,617	3,384	4,207	16,060	119,346	131,834
88 (rwd)	185	174	259	859	6,664	9,571
Olds 98	1,539	1,926	1,898	6,000	60,507	61,703
Total Oldsmobile	13,563	14,120	12,220	52,181	436,741	463,433
Sunbird	3,418	2,787	3,970	14,652	123,289	91,288
Grand Am	4,800	5,998	4,800	19,252	199,986	202,103
Firebird	1,290	1,507	1,239	5,037	48,190	52,720
Grand Prix	4,078	4,000	4,000	11,795	111,130	118,227
Pontiac 6000	1,485	2,278	0	4,395	66,962	76,797
Bonneville	1,796	2,983	1,792	7,708	78,806	100,019
Safari/Parisienne	0	107	0	0	2,691	6,548
Fiero	0	0	0	0	0	13,297
Total Pontiac	16,867	19,660	15,801	62,839	631,054	651,999
GENERAL MOTORS	65,730	85,218	61,621	247,481	2,637,801	2,814,469
DIAMOND-STAR	3,484	0	2,703	12,225	68,070	0
HONDA	7,460	7,925	7,087	27,702	306,596	306,997
Civic	3,214	2,617	3,400	13,714	113,657	90,689
Accord	4,246	5,308	3,687	13,988	192,939	216,308
MAZDA†	4,480	5,429	4,451	18,064	171,196	123,765
NISSAN	2,100	2,012	2,101	8,726	98,122	93,919
NUMMI	3,800	1,327	3,220	14,573	165,470	114,183
Corolla	1,700	1,327	1,420	6,372	67,353	43,613
Geo Prizm/Nova	2,100	0	1,800	8,201	98,117	70,567
TOYOTA	4,050	0	4,021	16,170	119,617	0
VOLKSWAGEN	0	0	0	0	0	0
Golf/GTI	0	0	0	0	0	0
Jetta	0	0	0	0	0	0
Total Cars, U.S.	146,971	162,323	143,495	564,768	5,788,528	5,859,584
Total Cars, Canada	26,306	22,463	23,436	2,563	807,749	882,726
U.S., Canada Cars	173,277	184,786	166,931	567,331	6,596,277	6,742,310
U.S., Canada Cars and Trucks	266,635	295,596	258,594	567,331	10,842,375	10,941,981

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the [illegible] and Ford Probe

CANADIAN CAR	Week Ended Oct. 28, 1989	Week Ended Oct. 29, 1988	Week Ended Oct. 21, 1989	Oct. to Date	Jan. 1 to Oct. 28, 1989	Jan. 1 to Oct. 29, 1988
Premier	1,530	1,342	0	2,563	29,812	50,007
CHRYSLER MOTORS	1,530	1,342	0	2,563	29,812	50,007
Tempo	3,360	3,651	3,273	9,165	109,249	144,432
Topaz	1,440	1,645	1,415	3,944	46,486	56,821
Crown Victoria	2,659	2,758	2,332	9,584	98,382	106,717
Grand Marquis	3,101	2,904	2,743	10,692	106,584	108,503
FORD MOTOR CO.	10,560	10,958	9,763	33,385	360,701	416,473
Celebrity	968	601	841	2,843	19,422	17,562
Cutlass Ciera	1,778	3,546	1,505	5,244	102,493	190,084
Lumina	6,730	0	6,953	24,181	140,400	0
Pontiac 6000	0	0	0	0	0	29,690
Regal	1,910	4,325	1,681	5,343	65,101	136,269
GENERAL MOTORS	11,386	8,472	10,980	37,611	327,416	373,605
HONDA	2,100	1,511	1,950	7,417	69,621	37,483
TOYOTA	550	0	563	2,044	13,505	0
VOLVO	180	180	180	684	6,694	5,158
Total Cars, Canada	26,306	22,463	23,436	83,704	807,749	882,726

U.S. TRUCK☆	Week Ended Oct. 28, 1989	Week Ended Oct. 29, 1988	Week Ended Oct. 21, 1989	Oct to Date	Jan. 1 to Oct. 28, 1989	Jan. 1 to Oct. 29, 1988
Caravan	2,400	2,375	2,526	9,483	89,052	75,671
Dakota	1,900	2,423	1,370	3,270	77,496	90,076
Caravan C/V	50	257	128	367	5,612	10,312
Ram pickups	1,600	2,422	1,125	2,725	77,015	68,580
Total Dodge	5,950	7,477	5,149	15,845	249,175	244,639
Cherokee	0	4,596	4,256	12,430	179,091	154,201
Comanche	0	854	363	1,222	23,087	37,451
Grand Wagoneer	0	350	325	325	8,452	11,552
Wagoneer	0	232	171	532	6,674	9,113
Total Jeep	0	6,032	5,115	14,509	217,304	212,317
Voyager	2,300	2,133	2,418	9,112	83,340	70,511
Town & Country	25	0	40	128	2,989	0
Total C-P Div.	2,325	2,133	2,458	9,240	86,329	70,511
CHRYSLER MOTORS	8,275	15,642	12,722	39,594	552,808	523,921
Aerostar	4,239	3,475	4,020	16,318	186,358	174,110
Bronco	901	1,430	1,194	4,465	60,478	45,161
Bronco II	2,417	2,477	2,405	9,361	98,299	100,361
Econoline	3,098	5,600	4,210	15,712	185,046	201,413
Mediums/Heavies	0	1,310	1,233	2,514	48,561	54,799
Light trucks	10,548	10,895	11,053	42,129	437,894	409,567
Ranger	4,343	4,629	6,466	23,309	260,068	271,682
Total Ford Div.	25,546	29,816	30,581	113,808	1,274,704	1,257,093
FORD MOTOR CO.	25,546	29,816	30,581	113,808	1,274,704	1,257,093
Astro	2,928	3,486	3,007	11,842	135,968	147,593
Blazer	407	529	0	1,015	22,515	22,014
Mediums/Heavies	191	354	300	1,088	5,930	16,815
P-Model	0	970	782	1,540	25,196	34,843
Pickups	7,887	9,319	7,933	30,911	337,434	302,638
S-10	4,403	6,618	370	5,513	201,195	254,913
S-10 Blazer	3,405	4,170	1,223	4,628	147,481	141,288
Sportsvan/Van	1,787	2,135	1,883	7,308	80,647	80,534
Suburban	968	1,535	0	2,564	62,146	58,833
Total Chevrolet	21,976	29,116	15,498	66,409	1,018,512	1,059,471
Jimmy	296	158	0	388	7,017	6,452
Mediums/Heavies	369	608	520	1,810	10,460	30,563
P-Model	0	67	105	199	3,401	4,529
Pickups	2,353	2,700	2,090	8,636	101,878	92,682
S-15	1,984	1,586	0	1,984	50,552	57,857
S-15 Jimmy	1,371	1,057	823	2,194	43,131	39,880
Safari	832	1,010	819	3,281	36,608	37,861
Suburban	1,137	512	0	1,639	26,383	26,217
Vandura/Rally Vans	673	783	594	2,532	24,715	28,658
Total GMC	9,015	8,481	4,951	22,663	304,145	324,699
GENERAL MOTORS	30,991	37,597	20,449	89,072	1,322,657	1,384,170
NAVISTAR	1,490	1,772	1,504	5,940	67,161	72,196
NISSAN	2,608	1,762	2,344	9,208	100,456	76,807
AM GENERAL*	450	450	450	1,800	18,990	19,260
MISCELLANEOUS*	3.000	2,300	3,000	12,000	120,600	98,440
Total Trucks, U.S.	72,360	89,339	71,050	271,422	3,457,376	3,431,887

CANADIAN TRUCK	Week Ended Oct. 28, 1989	Week Ended Oct. 29, 1988	Week Ended Oct. 21, 1989	Oct. to Date	Jan. 1 to Oct. 28, 1989	Jan. 1 to Oct. 29, 1988
Caravan	3,288	3,170	3,208	12,128	121,253	117,115
Caravan C/V	132	165	101	404	8,761	10,337
Ram Wagon	500	747	515	1,945	21,789	21,970
Ram Van	1,850	2,171	1,875	7,111	60,903	59,836
Total Dodge	5,770	6,253	5,699	21,588	212,706	209,258
Voyager	2,724	2,906	2,736	10,065	104,587	106,080
Total Plymouth	2,724	2,906	2,736	10,065	104,587	106,080
Wrangler	1,460	1,307	1,240	2,700	64,973	42,333
Total Jeep	1,460	1,307	1,240	2,700	64,973	42,333
CHRYSLER MOTORS	9,954	10,466	9,675	34,353	382,266	357,671
FORD MTR. (lt. trks.)	3,648	3,442	3,500	12,917	130,673	134,593
Light trucks	3,488	3,388	3,680	13,594	133,937	128,127
Vans	1,355	1,403	1,167	5,163	49,308	49,431
Total Chevrolet	4,843	4,791	4,847	18,757	183,245	177,558
Light trucks	1,758	1,860	1,652	6,169	60,337	63,557
Vans	595	640	738	2,074	22,850	24,751
Total GMC	2,353	2,500	2,390	8,243	83,187	88,308
GENERAL MOTORS	7,196	7,291	7,237	27,000	266,432	265,866
NAVISTAR	200	272	201	719	9,351	9,864
Total Trks., Canada	20,998	21,471	20,613	74,989	788,722	767,784
U.S., Canada Trks.	93,358	110,810	91,663	346,411	4,246,098	4,199,671

☆—Includes window van production *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, [illegible], Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.